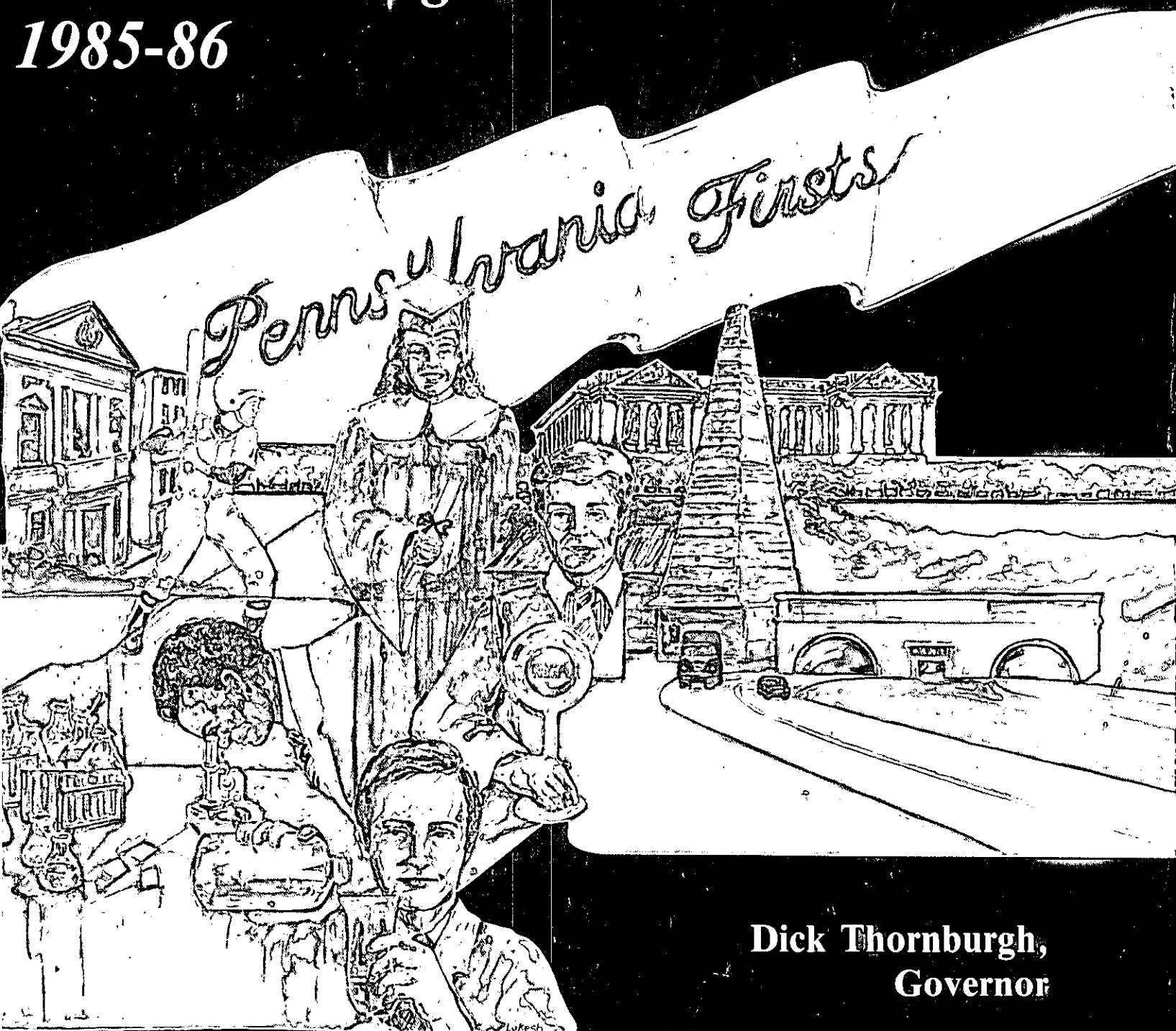


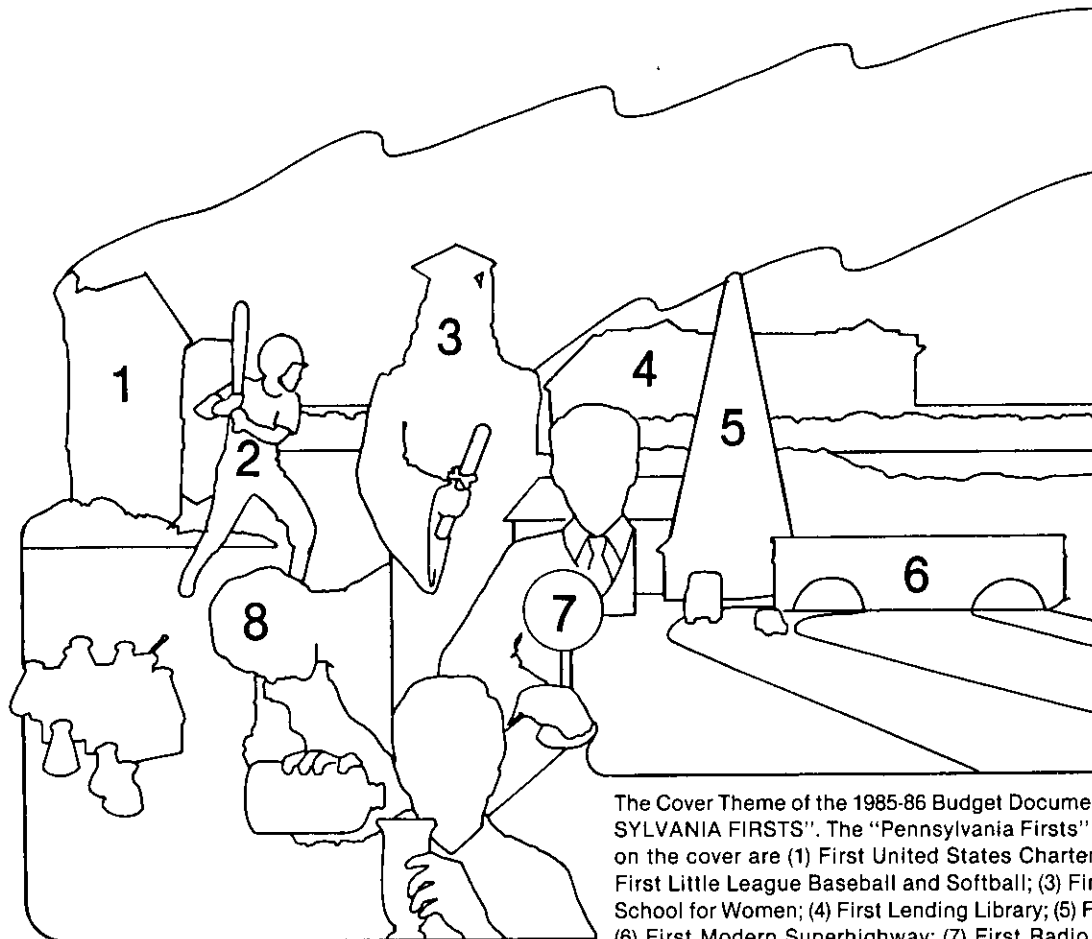
Governor's Executive Budget 1985-86



**Dick Thornburgh,
Governor**

COMMONWEALTH OF PENNSYLVANIA

Office of the Budget
Bureau of Legislative
and Regulatory Analysis



The Cover Theme of the 1985-86 Budget Document is "PENNSYLVANIA FIRSTS". The "Pennsylvania Firsts" represented on the cover are (1) First United States Chartered Bank; (2) First Little League Baseball and Softball; (3) First Graduate School for Women; (4) First Lending Library; (5) First Oil Well; (6) First Modern Superhighway; (7) First Radio Station and (8) First Medical College. These "Pennsylvania Firsts" are shown and described on the section dividers of the Budget Document.

FOREWORD

The Commonwealth's Budget is presented in two volumes; Volume I is a summary volume while Volume II contains the budgetary detail both by department-appropriation and by program-subcategory.

The budget of each department or agency is presented in Volume II first on a departmental basis, and then immediately following on a program-subcategory basis. Program-subcategory materials, comments and measures are given by individual department rather than by Commonwealth Program and thus do not cross departmental lines. However, there is a summary presentation by Commonwealth Program which does cross departmental lines in this summary volume.

The budget is based upon eight broad Commonwealth Programs. Each Commonwealth Program is defined in terms of broadly stated goals of State Government. The Commonwealth Program, Direction and Supportive Services, is used to classify supporting and administrative functions which affect the overall operations of the Commonwealth. The remaining Commonwealth Programs are substantive in nature and deal with the following areas:

- Protection of Persons and Property
- Health-Physical and Mental Well-Being
- Intellectual Development and Education
- Social Development
- Economic Development and Income Maintenance
- Transportation and Communication
- Recreation and Cultural Enrichment

Each Commonwealth program is subdivided into program categories which define program areas that are more specific in nature, and program categories are defined by goals. Program categories are broken down into subcategories, at which point the departmental program presentation evolves.

The resources available to the Commonwealth in the coming fiscal period are allocated on the basis of the program subcategories. Recommendations for major program changes in 1985-86 are identified as Program Revisions which provide detailed justification.

Beyond 1985-86, the projections of financial data, as well as impacts, show the future implications of the 1985-86 recommendations and policies.

Consequently, the five year plan is a base line which represents the future program effort and financial resources needed to sustain the 1985-86 level of commitment.

Significant features which should be kept in mind when reviewing this budget include:

- A number of charts and graphs have been added to enhance the budget presentation
- Several agencies previously shown in the budget within an executive department presentation are now presented separately. Existing subcategories which present the programs of these agencies have also been moved to the new separate presentations. These agencies are:

- Pennsylvania Higher Education Assistance Agency (Department of Education)
- Pennsylvania Public Television Network (Department of Education)
- Pennsylvania Housing Finance Agency (Department of Community Affairs)
- Board of Probation and Parole (Department of Corrections)

- There have also been some modifications, additions and deletions to various departmental subcategory presentations. The most significant of these are:
 - Creation of a Municipal Employee Retirement subcategory (Auditor General).
 - Creation of a Housing Assistance subcategory (Pennsylvania Housing Finance Agency).
 - Creation of a Financial Assistance to Institutions subcategory (Pennsylvania Higher Education Assistance Agency).
- The amounts shown as “Federal Funds” include appropriations to date as well as anticipated adjustments because of increases or decreases in the amount of funds to be received. Because of the manner in which Federal funds are appropriated, they are deposited as General Fund revenues rather than augmentations. They are not, however, included in the revenue sections of the budget, but continue to be shown with the State funds which they supplement.
- Federal Block Grants are summarized in a special presentation in this volume and the details are included in individual agency and program presentations in Volume II.
- Productivity Improvement Initiatives are summarized in a special presentation in this volume and the details included in individual agency and program presentations in Volume II.
- In several cases the budget proposes departmental reorganizations or the restructuring of appropriations within departments. For ease of comparison, all columns in the budget presentation are shown consistent with the recommendation in the budget year. This means, however, that the amounts shown in the actual and available columns will not be consistent with those shown in accounting reports and appropriations acts. When this occurs, explanations have been included in the budget.
- The program measures underwent significant updating in 1984-85 for the first time in several years in order to make them less technical, more easily understood and more consistent with current programs and objectives. In a few instances measures have been identified for which data will be developed in the future. These measures are shown with N.A. for not available rather than data.
- An appendix is included in Volume I showing descriptions and financial statements for all of the active special funds of the Commonwealth not otherwise reflected in the budget.

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Commonwealth of Pennsylvania



Governor's Office

HARRISBURG

February 5, 1985

To the Members of the General Assembly
and all Pennsylvanians:

I am pleased to present my 1985-86 budget, the seventh since I took office. The budgets I have offered during this period have carefully balanced the important needs of our citizens against our collective ability to pay. The 1985-86 budget continues this policy.

As we emerge from a time of economic recession, we can be secure in the knowledge that our cost-cutting and tight management practices not only have enabled us to withstand a period of restricted finances, but, in fact, to begin the new year with a significant surplus.

Clearly Pennsylvania is benefiting from the national economic recovery now under way, but we must take advantage of the opportunity such a recovery offers and redouble our own efforts to strengthen the Commonwealth's economy and realize long-term improvement. I have, therefore, fashioned a budget which expands our state-of-the-art programs for economic development, education and job training, and which targets special aid to those citizens most in need of our assistance.

In the interest of public thrift and continued economic expansion, I recommend that we follow up last year's tax cuts with further reductions this year. Specifically, I propose that we reduce the personal income tax rate from 2.35 to 2.2 percent effective July 1, 1985, and that we permit expired 1982 corporate net operating losses to be used to obtain tax credits based on new investments in Pennsylvania, a move anticipated to be of prime benefit to our steel industry.

I am also calling for the creation of a tax stabilization reserve which will eventually provide for a fiscal cushion during unanticipated intervals of economic downturn which may occur in the future. I propose an initial payment of \$25 million to begin this reserve. The reserve would be used only with the consent of the General Assembly and only to avoid tax increases or service cuts in economic hard times when revenues are depressed and social needs are the greatest.

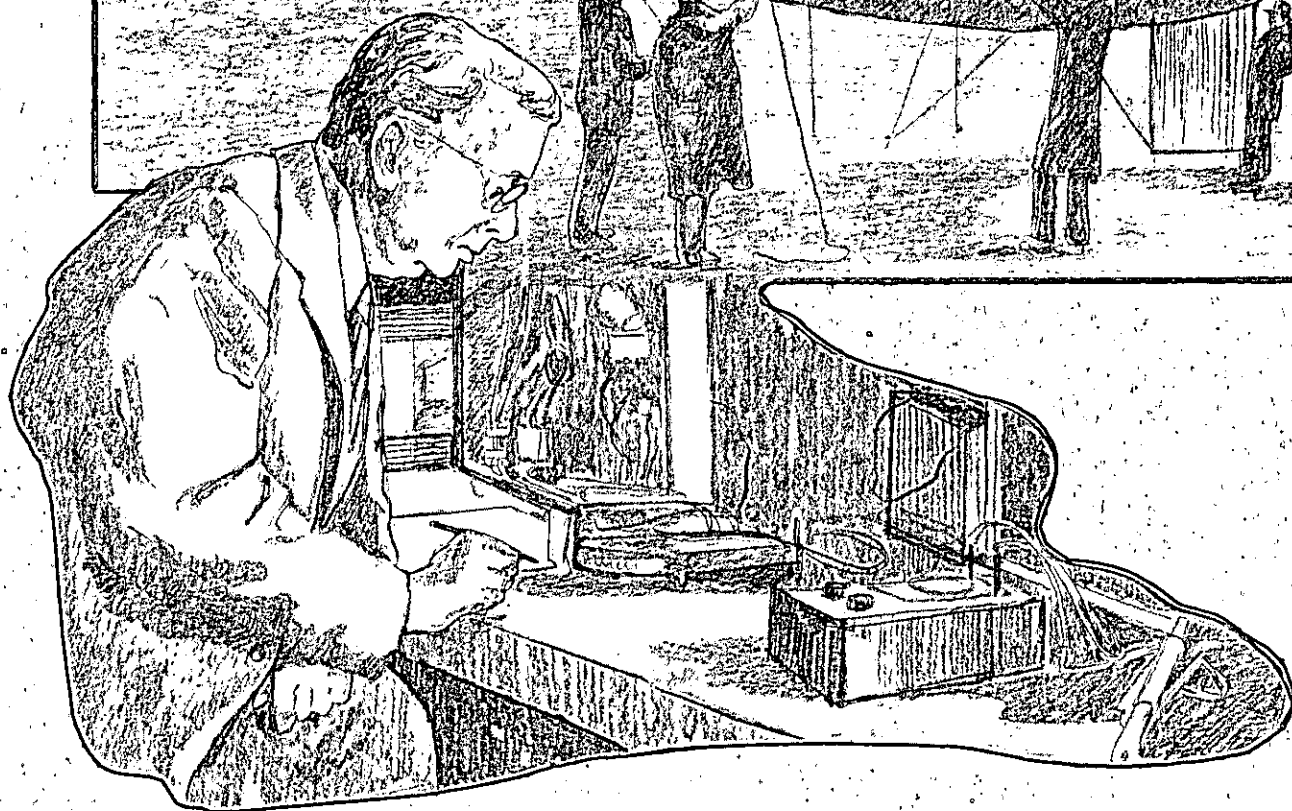
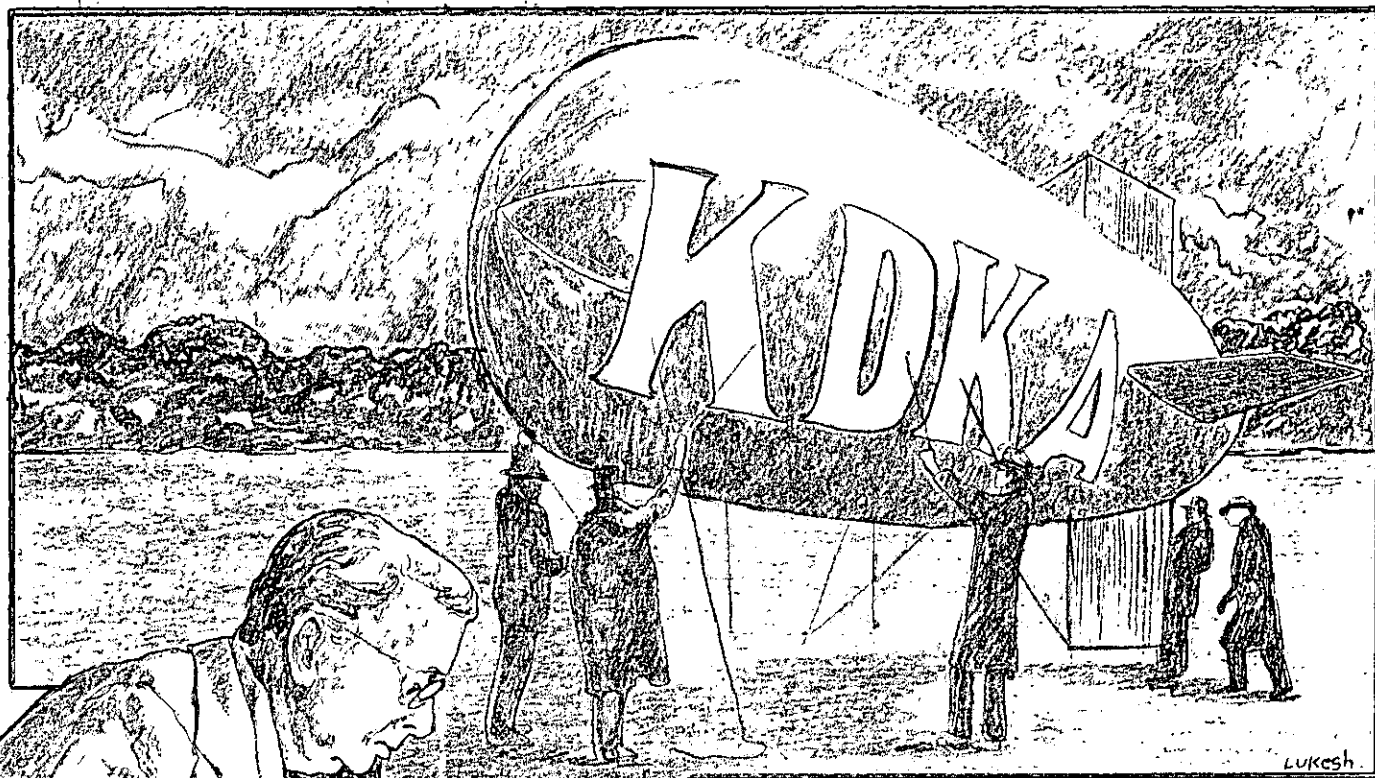
The total Commonwealth budget of \$16.3 billion for the 1985-86 fiscal year is comprised of \$9 billion in the General Fund, \$1.4 billion in the Motor License Fund, \$2.2 billion in fees and other special fund revenues, and \$3.7 billion in federal funds. Spending from the General Fund represents only a 4.9 percent increase over the previous year. Thus, for the seventh year in a row, proposed state spending will be below the anticipated rate of inflation.

I believe this budget is a fair and responsible document which responds to the needs of all our citizens as we continue to meet the challenge of an economy in transition.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Dick Thornburgh".

Dick Thornburgh
Governor



Statements

FIRST RADIO STATION

KDKA, Pittsburgh became the world's first radio station to broadcast commercially on November 2, 1920, when it carried the Harding-Cox Presidential election.

In more recent years Pennsylvania established an early leadership in the noncommercial public broadcasting area. In April 1954, when WQED, Pittsburgh, went on the air it was the first public television station in Pennsylvania and the first community owned station in the country. This station continues to produce considerable noncommercial programming for national consumption.

GENERAL FUND

Five Year Financial Statement

The projections beyond the 1985-86 fiscal year show future implications of the present budgetary policies and recommendations only. Revenue estimates are based upon currently scheduled rates and reflect the proposed reduction in the corporate net income tax rate.

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ -234,658	\$ 76,414	\$ 200,585	\$ 8,946	.....	.....	.....
Revenues	8,371,473	8,740,070	9,143,370	9,721,437	\$10,303,471	\$10,929,663	\$11,592,364
Adjustments ^a	-69,279	-48,869	-84,279	-61,612	-44,633	-2,309	16,543
Proposed Tax Reduction	-186,000	-187,800	-201,543	-216,587	-231,798
Tax Stabilization Reserve	-25,000	-50,000	-100,000	-125,000	-150,000
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Funds Available	\$ 8,067,536	\$ 8,767,615	\$ 9,048,676	\$ 9,430,971	\$ 9,957,295	\$10,585,767	\$11,277,109
Expenditures	-7,991,122	-8,567,030	-9,039,730	-9,429,996	-9,894,788	-10,435,140	-11,045,062
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Ending Balance	<u>\$ 76,414</u>	<u>\$ 200,585</u>	<u>\$ 8,946</u>	<u>\$ 975</u>	<u>\$ 62,507</u>	<u>\$ 150,627</u>	<u>\$ 182,047</u>

^aIncludes net revenue accruals, refunds, lapses.

FIVE YEAR FINANCIAL STATEMENTS

Motor License Fund^a

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ -33,002	\$ 44,185	\$ 69,306	\$ 9,498	\$ 18,787	\$ 11,293	\$ 7,974
Receipts	1,306,353	1,327,000	1,317,700	1,352,300	1,325,100	1,323,100	1,324,800
Funds Available	<u>\$1,273,351</u>	<u>\$1,371,185</u>	<u>\$1,387,006</u>	<u>\$1,361,798</u>	<u>\$1,343,887</u>	<u>\$1,334,393</u>	<u>\$1,332,774</u>
Less Expenditures	-1,229,166	-1,301,879	-1,377,508	-1,343,011	-1,332,594	-1,326,419	-1,331,659
Ending Balance	<u>\$ 44,185</u>	<u>\$ 69,306</u>	<u>\$ 9,498</u>	<u>\$ 18,787</u>	<u>\$ 11,293</u>	<u>\$ 7,974</u>	<u>\$ 1,115</u>

Banking Department Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 2,513	\$ 2,981	\$ 2,641	\$ 2,517	\$ 2,251	\$ 1,848	\$ 1,326
Receipts	7,179	7,047	7,236	7,382	7,542	7,726	7,887
Funds Available	<u>\$ 9,692</u>	<u>\$ 10,028</u>	<u>\$ 9,877</u>	<u>\$ 9,899</u>	<u>\$ 9,793</u>	<u>\$ 9,574</u>	<u>\$ 9,213</u>
Less Expenditures	-6,711	-7,387	-7,360	-7,648	-7,945	-8,248	-8,567
Ending Balance	<u>\$ 2,981</u>	<u>\$ 2,641</u>	<u>\$ 2,517</u>	<u>\$ 2,251</u>	<u>\$ 1,848</u>	<u>\$ 1,326</u>	<u>\$ 646</u>

Boating Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 4,781	\$ 4,575	\$ 3,901	\$ 3,135	\$ 2,330	\$ 1,517	\$ 742
Receipts	3,801	3,774	3,809	3,847	3,889	3,932	3,971
Funds Available	<u>\$ 8,582</u>	<u>\$ 8,349</u>	<u>\$ 7,710</u>	<u>\$ 6,982</u>	<u>\$ 6,219</u>	<u>\$ 5,449</u>	<u>\$ 4,713</u>
Less Expenditures	-4,007	-4,448	-4,575	-4,652	-4,702	-4,707	-4,713
Ending Balance	<u>\$ 4,575</u>	<u>\$ 3,901</u>	<u>\$ 3,135</u>	<u>\$ 2,330</u>	<u>\$ 1,517</u>	<u>\$ 742</u>	<u>.....</u>

^aExcludes restricted revenue.

**FIVE YEAR FINANCIAL STATEMENTS
(Continued)**

Fair Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1988-90
Beginning Balance	\$ 50	\$ -1	\$ 37	\$ 63	\$ 89	\$ 115	\$ 141
Receipts	2,299	2,542	2,537	2,537	2,537	2,537	2,537
Funds Available	<u>\$ 2,349</u>	<u>\$ 2,541</u>	<u>\$ 2,574</u>	<u>\$ 2,600</u>	<u>\$ 2,626</u>	<u>\$ 2,652</u>	<u>\$ 2,678</u>
Less Expenditures	-2,350	-2,504	-2,511	-2,511	-2,511	-2,511	-2,511
Ending Balance	<u><u>\$ -1</u></u>	<u><u>\$ 37</u></u>	<u><u>\$ 63</u></u>	<u><u>\$ 89</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 141</u></u>	<u><u>\$ 167</u></u>

Farm Products Show Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 448	\$ 563	\$ 420	\$ 208	.....	.....	.....
Receipts	2,590	2,592	2,590	2,622	\$ 2,654	\$ 2,687	\$ 2,720
Funds Available	<u>\$ 3,038</u>	<u>\$ 3,155</u>	<u>\$ 3,010</u>	<u>\$ 2,830</u>	<u>\$ 2,654</u>	<u>\$ 2,687</u>	<u>\$ 2,720</u>
Less Expenditures	-2,475	-2,735	-2,802	-2,830	-2,654	-2,687	-2,720
Ending Balance	<u><u>\$ 563</u></u>	<u><u>\$ 420</u></u>	<u><u>\$ 208</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>

Fish Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 8,790	\$ 9,104	\$ 9,427	\$ 8,804	\$ 7,797	\$ 6,301	\$ 4,351
Receipts	20,279	21,795	21,790	23,256	23,492	23,745	23,766
Funds Available	<u>\$ 29,069</u>	<u>\$ 30,899</u>	<u>\$ 31,217</u>	<u>\$ 32,060</u>	<u>\$ 31,289</u>	<u>\$ 30,046</u>	<u>\$ 28,117</u>
Less Expenditures	-19,965	-21,472	-22,413	-24,263	-24,988	-25,695	-26,431
Ending Balance	<u><u>\$ 9,104</u></u>	<u><u>\$ 9,427</u></u>	<u><u>\$ 8,804</u></u>	<u><u>\$ 7,797</u></u>	<u><u>\$ 6,301</u></u>	<u><u>\$ 4,351</u></u>	<u><u>\$ 1,686</u></u>

FIVE YEAR FINANCIAL STATEMENTS

Game Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 18,728	\$ 14,921	\$ 11,493	\$ 5,465	.....	.....	.....
Receipts	33,905	36,867	27,027	26,283	\$ 25,272	\$ 25,004	\$ 24,529
Funds Available	<u>\$ 52,633</u>	<u>\$ 51,788</u>	<u>\$ 38,520</u>	<u>\$ 31,748</u>	<u>\$ 25,272</u>	<u>\$ 25,004</u>	<u>\$ 24,529</u>
Less Expenditures	-37,712	-40,295	-33,055	-31,748	-25,272	-25,004	-24,529
Ending Balance	<u><u>\$ 14,921</u></u>	<u><u>\$ 11,493</u></u>	<u><u>\$ 5,465</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>

Lottery Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 214,607	\$ 266,937	\$ 223,811	\$ 203,310	\$ 158,870	\$ 119,421	\$ 84,599
Add: Reserve From Previous Year	73,137	100,352	108,344	111,081	113,435	115,897	118,684
Receipts	795,452	826,037	844,820	864,960	885,840	908,553	932,568
Funds Available	<u>\$1,083,196</u>	<u>\$1,193,326</u>	<u>\$1,176,975</u>	<u>\$1,179,351</u>	<u>\$1,158,145</u>	<u>\$1,143,871</u>	<u>\$1,135,851</u>
Less Expenditures	-715,907	-861,171	-862,584	-907,046	-922,827	-940,588	-958,553
Less Reserve for Current Years	-100,352	-108,344	-111,081	-113,435	-115,897	-118,684	-121,690
Ending Balance	<u><u>\$ 266,937</u></u>	<u><u>\$ 223,811</u></u>	<u><u>\$ 203,310</u></u>	<u><u>\$ 158,870</u></u>	<u><u>\$ 119,421</u></u>	<u><u>\$ 84,599</u></u>	<u><u>\$ 55,608</u></u>

Milk Marketing Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 326	\$ 261	\$ 139	.....	.....	.....	.....
Receipts	1,631	1,642	1,638	\$ 1,639	\$ 1,640	\$ 1,641	\$ 1,642
Funds Available	<u>\$ 1,957</u>	<u>\$ 1,903</u>	<u>\$ 1,777</u>	<u>\$ 1,639</u>	<u>\$ 1,640</u>	<u>\$ 1,641</u>	<u>\$ 1,642</u>
Less Expenditures	-1,696	-1,764	-1,777	-1,639	-1,640	-1,641	-1,642
Ending Balance	<u><u>\$ 261</u></u>	<u><u>\$ 139</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>

**FIVE YEAR FINANCIAL STATEMENTS
(Continued)**

Racing Fund^a

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 10,698	\$ 9,782	\$ 8,288	\$ 8,527	\$ 5,767	\$ 5,498	\$ 5,219
Receipts	18,735	14,689	15,067	12,565	12,565	12,565	12,565
Funds Available	<u>\$ 29,433</u>	<u>\$ 24,471</u>	<u>\$ 23,355</u>	<u>\$ 21,092</u>	<u>\$ 18,332</u>	<u>\$ 18,063</u>	<u>\$ 17,784</u>
Less Expenditures	-19,651	-16,183	-14,828	-15,325	-12,834	-12,844	-12,855
Ending Balance	<u>\$ 9,782</u>	<u>\$ 8,288</u>	<u>\$ 8,527</u>	<u>\$ 5,767</u>	<u>\$ 5,498</u>	<u>\$ 5,219</u>	<u>\$ 4,929</u>

Revenue Sharing Trust Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Beginning Balance	\$ 2,584	\$ 452	\$ 264	. . . .	. . . .	. . . .	. . . .
Receipts	368	180	120	. . . .	. . . .	. . . .	. . . .
Funds Available	<u>\$ 2,952</u>	<u>\$ 632</u>	<u>\$ 384</u>	. . . .	. . . .	. . . .	. . . .
Less Expenditures	-2,500	-368	-384	. . . .	. . . .	. . . .	. . . .
Ending Balance	<u>\$ 452</u>	<u>\$ 264</u>	. . . .	. . . .	. . . .	. . . .	. . . .

^aAll figures represent the merging of the Harness Racing Fund and the Horse Racing Fund as stipulated by Act 93 of 1983.

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Governor's Office							
General Fund	\$ 2,987	\$ 3,299	\$ 3,512	\$ 3,548	\$ 3,690	\$ 3,838	\$ 3,992
Executive Offices							
General Fund	\$ 44,450	\$ 50,552	\$ 55,257	\$ 56,916	\$ 58,750	\$ 60,661	\$ 62,649
Motor License Fund	3,426	3,563	3,692	3,840	3,994	4,154	4,320
TOTAL	\$ 47,876	\$ 54,115	\$ 58,949	\$ 60,756	\$ 62,744	\$ 64,815	\$ 66,969
Lieutenant Governor's Office							
General Fund	\$ 594	\$ 661	\$ 684	\$ 711	\$ 739	\$ 769	\$ 800
Attorney General							
General Fund	\$ 20,630	\$ 22,514	\$ 24,639	\$ 25,620	\$ 26,639	\$ 27,701	\$ 28,802
Auditor General							
General Fund	\$ 23,035	\$ 24,601	\$ 25,546	\$ 26,567	\$ 27,630	\$ 63,734	\$ 64,883
Treasury							
General Fund	\$ 288,792	\$ 328,596	\$ 373,277	\$ 423,001	\$ 470,392	\$ 496,146	\$ 528,090
Motor License Fund	173,060	174,540	174,569	177,216	178,359	175,322	175,347
Banking Department Fund	5	5	5	5	5	5	5
Boating Fund	5	5	5	5	5	5	5
Fair Fund	5	5	10	10	10	10	10
Farm Products Show Fund	5	5	5	5	5	5	5
Fish Fund	5	5	5	5	5	5	5
Game Fund	6	6	6	6	6	6	6
Lottery Fund	8	8	20	20	20	20	20
Milk Marketing Fund	5	10	10	10	10	10	10
Racing Fund	10	10	10	10	10	10	10
TOTAL	\$ 461,906	\$ 503,195	\$ 547,922	\$ 600,293	\$ 648,827	\$ 671,544	\$ 703,513
Aging							
General Fund	\$ 1,462						
Lottery Fund	129,840	\$ 194,765	\$ 180,089	\$ 189,596	\$ 196,050	\$ 202,978	\$ 210,551
TOTAL	\$ 131,302	\$ 194,765	\$ 180,089	\$ 189,596	\$ 196,050	\$ 202,978	\$ 210,551
Agriculture							
General Fund	\$ 28,589	\$ 30,305	\$ 22,596	\$ 23,185	\$ 23,918	\$ 24,780	\$ 25,556
Fair Fund	1,645	1	1	1	1	1	1
Farm Products Show Fund	1,470	1,730	1,797	1,825	1,649	1,682	1,715
Racing Fund	19,495	15,960	14,673	15,167	12,673	12,680	12,688
TOTAL	\$ 51,199	\$ 47,996	\$ 39,067	\$ 40,178	\$ 38,241	\$ 39,143	\$ 39,960
Banking							
Banking Department Fund	\$ 6,401	\$ 7,090	\$ 7,064	\$ 7,347	\$ 7,641	\$ 7,947	\$ 8,265
Civil Service Commission							
General Fund	\$ 1	\$ 1	\$ 360	\$ 1	\$ 1	\$ 1	\$ 1
Commerce							
General Fund	\$ 49,552	\$ 79,115	\$ 87,368	\$ 75,629	\$ 73,899	\$ 74,182	\$ 73,475
Community Affairs							
General Fund	\$ 26,034	\$ 22,871	\$ 25,722	\$ 26,028	\$ 26,345	\$ 26,677	\$ 27,020

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

(continued)

	(Dollar Amounts in Thousands)						
	1982-83 Actual	1983-84 Available	1984-85 Budget	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated
Corrections							
General Fund	\$ 140,335	\$ 161,247	\$ 185,801	\$ 200,665	\$ 224,819	\$ 240,557	\$ 257,396
Crime Commission							
General Fund	\$ 2,093	\$ 2,170	\$ 2,293	\$ 2,385	\$ 2,480	\$ 2,579	\$ 2,682
Education							
General Fund	\$3,701,057	\$4,035,626	\$4,268,451	\$4,447,480	\$4,686,914	\$4,972,211	\$5,341,040
Motor License Fund	2,518	2,605	2,552	2,552	2,503	2,502	2,503
Revenue Sharing Trust Fund	2,500	.....	.....	.....	.....	.....	.....
TOTAL	<u>\$3,706,075</u>	<u>\$4,038,231</u>	<u>\$4,271,003</u>	<u>\$4,450,032</u>	<u>\$4,689,417</u>	<u>\$4,974,713</u>	<u>\$5,343,543</u>
Emergency Management							
General Fund	\$ 2,659	\$ 4,953	\$ 2,553	\$ 2,655	\$ 2,761	\$ 2,871	\$ 2,986
Environmental Resources							
General Fund	\$ 122,663	\$ 135,773	\$ 148,690	\$ 154,320	\$ 159,884	\$ 159,442	\$ 164,198
Fish Commission							
General Fund	\$ 4	\$ 4	\$ 155	\$ 155	\$ 5	\$ 5	\$ 5
Boating Fund	3,614	4,036	4,265	4,349	4,399	4,404	4,410
Fish Fund	14,591	15,908	16,406	17,055	17,730	18,432	19,162
TOTAL	<u>\$ 18,209</u>	<u>\$ 19,948</u>	<u>\$ 20,826</u>	<u>\$ 21,559</u>	<u>\$ 22,134</u>	<u>\$ 22,841</u>	<u>\$ 23,577</u>
Game Commission							
Game Fund	\$ 32,009	\$ 35,749	\$ 29,328	\$ 27,896	\$ 21,420	\$ 20,952	\$ 20,388
General Services							
General Fund	\$ 105,579	\$ 111,180	\$ 115,319	\$ 119,437	\$ 120,299	\$ 118,809	\$ 117,989
Motor License Fund	13,170	21,210	21,171	26,171	21,171	23,171	25,171
Boating Fund	2	2	2	2	2	2	2
Banking Department Fund	305	292	291	296	299	296	297
Fish Fund	62	63	63	63	63	63	63
Lottery Fund	587	413	198	202	205	202	203
Revenue Sharing Trust Fund .....	.....	368	384	.....	.....	.....	.....
TOTAL	<u>\$ 119,705</u>	<u>\$ 133,528</u>	<u>\$ 137,428</u>	<u>\$ 146,171</u>	<u>\$ 142,039</u>	<u>\$ 142,543</u>	<u>\$ 143,725</u>
Health							
General Fund	\$ 114,178	\$ 122,605	\$ 129,801	\$ 133,685	\$ 137,699	\$ 141,848	\$ 146,140
Higher Education Assistance Agency							
General Fund	\$ 98,533	\$ 110,387	\$ 127,342	\$ 134,053	\$ 147,683	\$ 157,498	\$ 167,944
Historical and Museum Commission							
General Fund	\$ 10,375	\$ 11,427	\$ 12,719	\$ 13,119	\$ 13,536	\$ 13,969	\$ 13,920
Housing Finance Agency							
General Fund	\$ 5,000	\$ 25,750	\$ 25,850	\$ 25,955	\$ 1,257	\$ 902	.....
Insurance							
General Fund	\$ 7,067	\$ 7,268	\$ 7,598	\$ 7,902	\$ 8,218	\$ 8,547	\$ 8,889
Labor and Industry							
General Fund	\$ 52,135	\$ 62,224	\$ 45,112	\$ 45,367	\$ 45,665	\$ 46,003	\$ 46,433
Military Affairs							
General Fund	\$ 22,261	\$ 23,788	\$ 25,188	\$ 26,153	\$ 27,157	\$ 28,453	\$ 29,541

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

(continued)

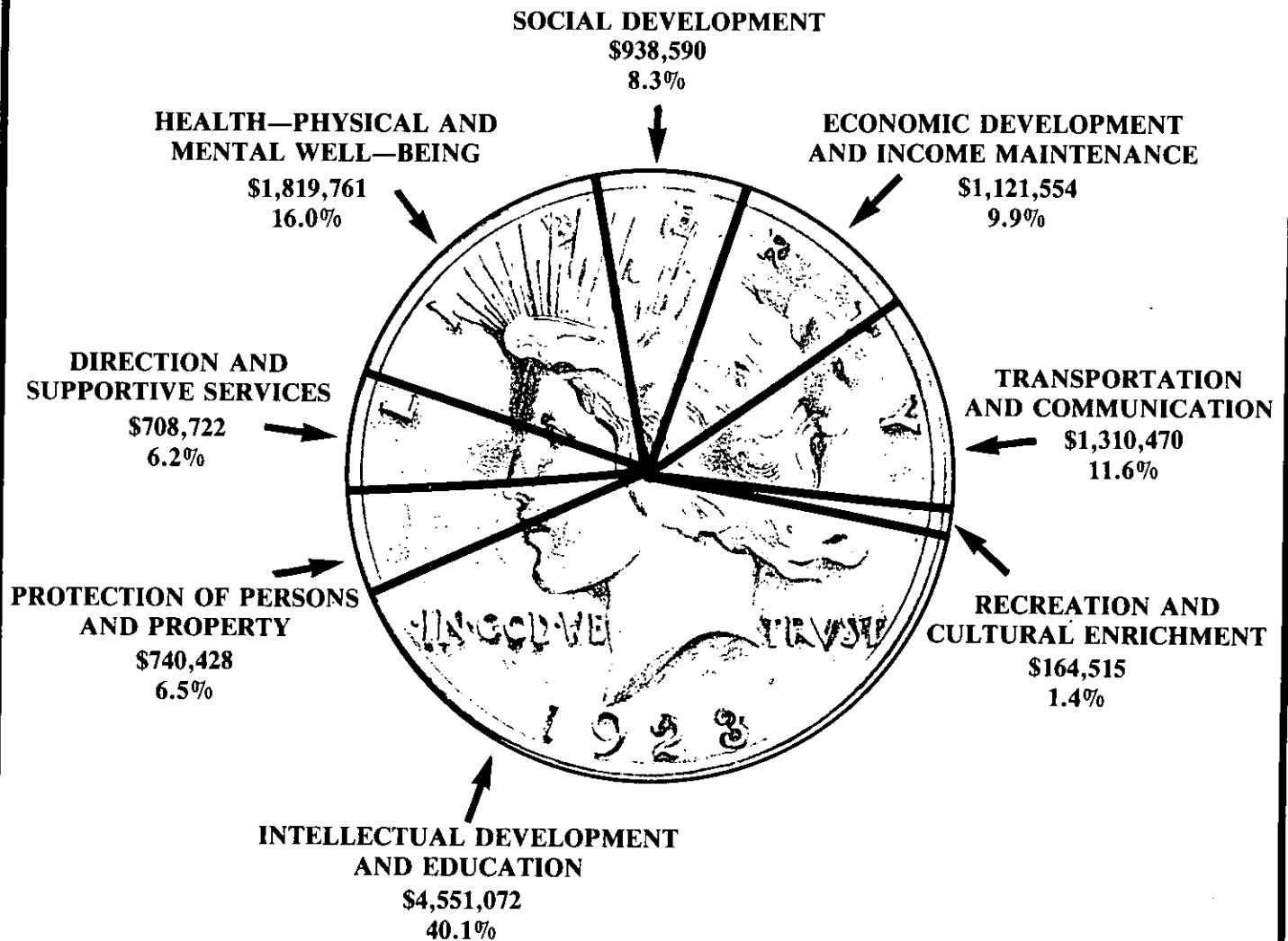
	(Dollar Amounts in Thousands)						
	1982-83 Actual	1983-84 Available	1984-85 Budget	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated
Milk Marketing Board							
General Fund	\$ 950	\$ 3,600	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
Milk Marketing Fund	741	804	815	676	676	676	676
TOTAL	\$ 1,691	\$ 4,404	\$ 1,765	\$ 1,626	\$ 1,626	\$ 1,626	\$ 1,626
Probation and Parole							
General Fund	\$ 20,671	\$ 21,951	\$ 23,253	\$ 24,219	\$ 25,228	\$ 26,274	\$ 27,366
Public Television Network							
General Fund	\$ 7,624	\$ 9,000	\$ 10,431	\$ 10,848	\$ 11,282	\$ 11,733	\$ 12,202
Public Welfare							
General Fund	\$ 2,542,831	\$ 2,608,108	\$ 2,667,618	\$ 2,775,835	\$ 2,900,570	\$ 3,033,141	\$ 3,173,785
Lottery Fund	100,000	167,239	169,635	170,600	171,512	172,498	173,568
TOTAL	\$ 2,642,831	\$ 2,775,347	\$ 2,837,253	\$ 2,946,435	\$ 3,072,082	\$ 3,025,639	\$ 3,347,353
Revenue							
General Fund	\$ 135,486	\$ 145,579	\$ 152,274	\$ 157,765	\$ 163,491	\$ 169,461	\$ 175,688
Motor License Fund	11,025	11,735	12,228	12,407	12,509	12,613	12,719
Lottery Fund	417,981	441,518	421,399	451,865	457,984	464,351	470,968
Racing Fund	146	213	145	148	151	154	157
TOTAL	\$ 564,638	\$ 599,045	\$ 586,046	\$ 622,185	\$ 634,135	\$ 646,579	\$ 659,532
Securities Commission							
General Fund	\$ 1,691	\$ 1,949	\$ 2,154	\$ 2,240	\$ 2,330	\$ 2,423	\$ 2,520
State							
General Fund	\$ 3,421	\$ 3,749	\$ 3,692	\$ 3,823	\$ 3,960	\$ 4,107	\$ 4,248
State Employees' Retirement System							
General Fund	\$ 1,157	\$ 7,879	\$ 1,403	\$ 1,431	\$ 1,460	\$ 1,489	\$ 1,519
State Police							
General Fund	\$ 55,487	\$ 61,728	\$ 67,847	\$ 70,561	\$ 73,382	\$ 76,319	\$ 79,372
Motor License Fund	123,001	131,553	148,112	154,037	160,198	166,605	173,270
TOTAL	\$ 178,488	\$ 193,281	\$ 215,959	\$ 224,598	\$ 233,580	\$ 242,924	\$ 252,642
Tax Equalization Board							
General Fund	\$ 896	\$ 941	\$ 974	\$ 1,013	\$ 1,053	\$ 1,095	\$ 1,140
Transportation							
General Fund	\$ 177,333	\$ 186,162	\$ 190,661	\$ 197,117	\$ 203,746	\$ 211,420	\$ 219,400
Motor License Fund	902,966	991,673	1,015,184	966,788	953,860	942,052	938,329
Lottery Fund	67,491	86,026	91,243	94,763	97,056	100,539	103,243
TOTAL	\$ 1,147,790	\$ 1,263,861	\$ 1,297,088	\$ 1,258,668	\$ 1,254,662	\$ 1,254,011	\$ 1,260,972
Legislature							
General Fund	\$ 76,322	\$ 88,188	\$ 94,938	\$ 98,735	\$ 102,685	\$ 106,792	\$ 111,064
Judiciary							
General Fund	\$ 97,188	\$ 101,279	\$ 107,702	\$ 110,922	\$ 114,271	\$ 117,753	\$ 121,377

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Recommended	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Commonwealth Total							
General Fund	\$ 7,991,122	\$ 8,617,030	\$ 9,039,730	\$ 9,429,996	\$ 9,894,788	\$10,435,140	\$11,045,062
Motor License Fund	1,229,166	1,336,879	1,377,508	1,343,011	1,332,594	1,326,419	1,331,659
Banking Department Fund	6,711	7,387	7,360	7,648	7,945	8,248	8,567
Boating Fund	3,621	4,043	4,272	4,356	4,406	4,411	4,417
Fair Fund	1,650	6	11	11	11	11	11
Farm Products Show Fund	1,475	1,735	1,802	1,830	1,654	1,687	1,720
Fish Fund	14,658	15,976	16,474	17,123	17,798	18,500	19,230
Game Fund	32,015	35,755	29,334	27,902	21,426	20,958	20,394
Lottery Fund	715,907	889,969	862,584	907,046	922,827	940,588	958,553
Milk Marketing Fund	746	814	825	686	686	686	686
Racing Fund	19,651	16,183	14,828	15,325	12,834	12,844	12,855
Revenue Sharing Trust Fund	2,500	368	384	. . . .	. . . .	. . . .	. . . .
GRAND TOTAL	<u>\$10,019,222</u>	<u>\$10,926,145</u>	<u>\$11,355,112</u>	<u>\$11,754,934</u>	<u>\$12,216,969</u>	<u>\$12,769,492</u>	<u>\$13,403,154</u>

Distribution of the Commonwealth Dollar GENERAL FUND AND SPECIAL FUNDS

1985-86 Fiscal Year
(Dollar Amounts in Thousands)



TOTAL \$11,355,112

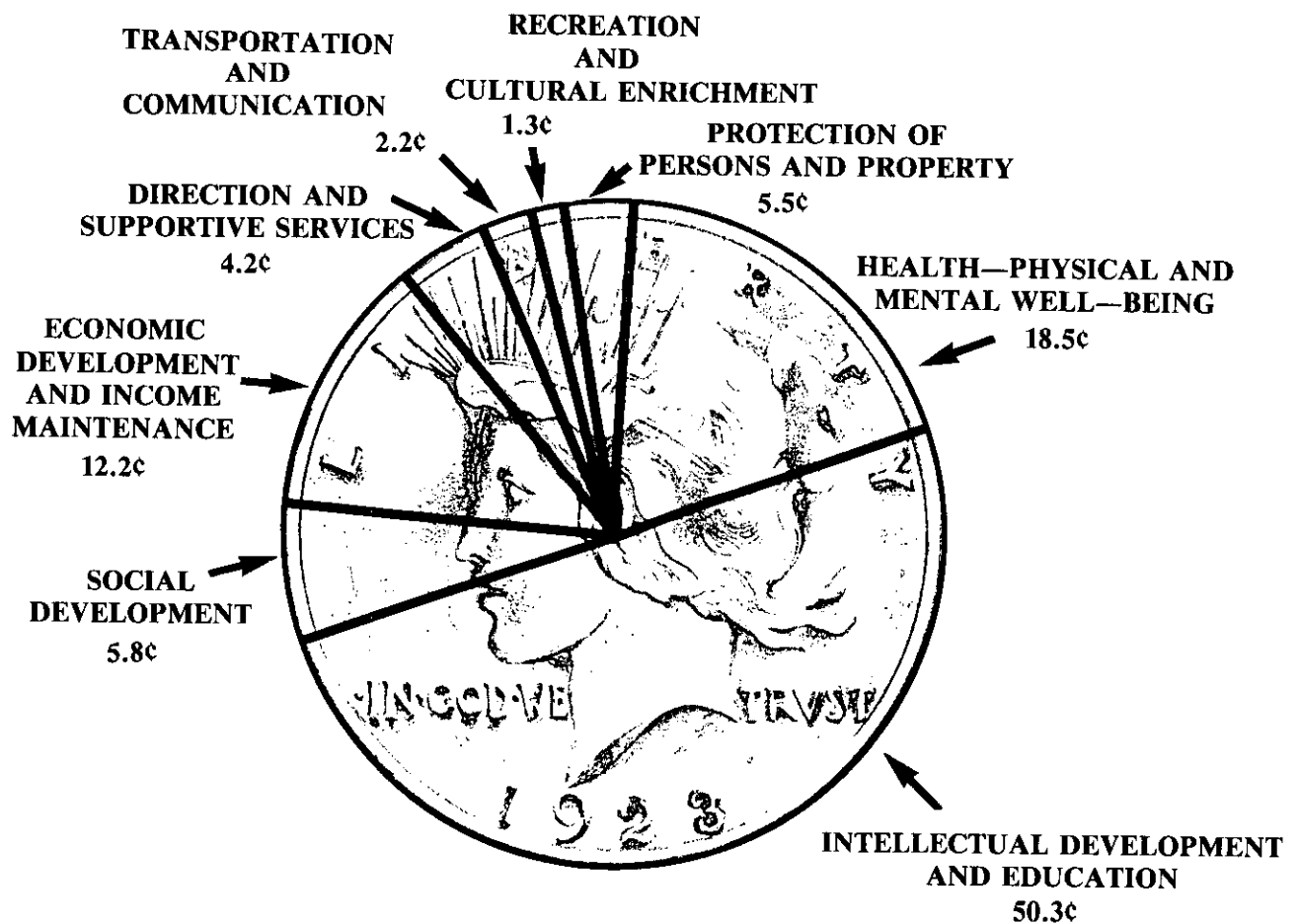
GENERAL FUND AND SPECIAL FUNDS

Five-Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Recommended	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Commonwealth Program							
Direction and Supportive Services	\$ 647,009	\$ 695,069	\$ 708,722	\$ 737,277	\$ 754,468	\$ 777,917	\$ 802,743
Protection of Persons and Property	637,436	692,803	740,428	772,646	811,658	848,459	886,826
Health—Physical and Mental Well-Being	1,598,440	1,759,430	1,819,761	1,913,369	2,021,198	2,122,300	2,233,209
Intellectual Development and Education	3,935,870	4,298,753	4,551,072	4,755,278	5,029,142	5,335,761	5,732,543
Social Development	861,288	954,761	938,590	999,237	1,030,403	1,064,160	1,099,189
Economic Development and Income Maintenance	1,008,362	1,086,064	1,121,554	1,134,888	1,133,275	1,189,075	1,210,801
Transportation and Communication	1,186,406	1,282,981	1,310,470	1,273,764	1,270,893	1,262,361	1,265,485
Recreation and Cultural Enrichment	144,411	156,284	164,515	168,475	165,932	169,459	172,358
GENERAL FUND AND SPECIAL FUNDS TOTAL	<u>\$10,019,222</u>	<u>\$10,926,145</u>	<u>\$11,355,112</u>	<u>\$11,754,934</u>	<u>\$12,216,969</u>	<u>\$12,769,492</u>	<u>\$13,403,154</u>

Distribution of the Commonwealth Dollar GENERAL FUND

1985-86 Fiscal Year



\$1.00

GENERAL FUND

Five-Year Commonwealth Program Summary

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Recommended	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Commonwealth Program							
Direction and Supportive Services	\$ 334,194	\$ 367,649	\$ 381,939	\$ 397,385	\$ 410,955	\$ 423,586	\$ 437,377
Protection of Persons and Property	426,399	472,919	501,332	528,747	565,187	593,385	622,803
Health—Physical and Mental Well-Being	1,498,440	1,609,791	1,669,926	1,762,569	1,869,486	1,969,602	2,079,441
Intellectual Development and Education	3,933,370	4,298,753	4,551,072	4,755,278	5,029,142	5,335,761	5,732,543
Social Development	524,402	514,533	524,448	549,747	574,393	599,919	626,802
Economic Development and Income Maintenance	1,005,037	1,066,457	1,101,871	1,115,166	1,113,717	1,169,472	1,191,152
Transportation and Communication	175,147	186,402	194,691	201,994	209,590	217,809	226,611
Recreation and Cultural Enrichment	94,133	100,526	114,451	119,110	122,318	125,606	128,333
GENERAL FUND TOTAL	<u>\$ 7,991,122</u>	<u>\$ 8,617,030</u>	<u>\$ 9,039,730</u>	<u>\$ 9,429,996</u>	<u>\$ 9,894,788</u>	<u>\$10,435,140</u>	<u>\$11,045,062</u>

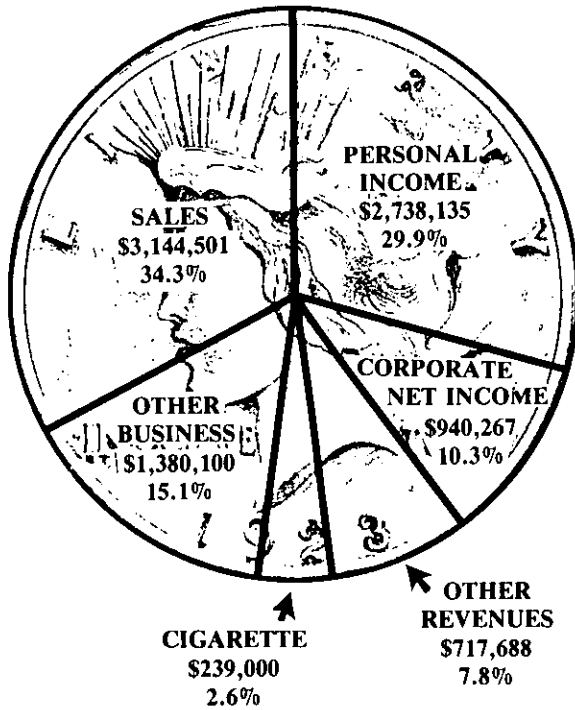
FIVE YEAR SUMMARY OF COMMONWEALTH PROGRAMS

	(DOLLAR AMOUNTS IN THOUSANDS)						
	1983-84 ACTUAL	1984-85 AVAILABLE	1985-86 BUDGET	1986-87 ESTIMATED	1987-88 ESTIMATED	1988-89 ESTIMATED	1989-90 ESTIMATED
DIRECTION AND SUPPORTIVE SERVICES							
GENERAL FUND.....	\$ 334,194	\$ 367,649	\$ 381,939	\$ 397,385	\$ 410,955	\$ 423,586	\$ 437,377
SPECIAL FUNDS.....	312,815	327,420	326,783	339,892	343,513	354,331	365,366
FEDERAL FUNDS.....	805	632	1,021	1,052	1,019	1,052	1,086
OTHER FUNDS.....	66,683	73,552	76,028	78,287	81,189	84,225	87,460
TOTAL-OPERATING.....	<u>\$ 714,497</u>	<u>\$ 769,253</u>	<u>\$ 785,771</u>	<u>\$ 816,616</u>	<u>\$ 836,676</u>	<u>\$ 863,194</u>	<u>\$ 891,289</u>
CAPITAL BOND AUTHORIZATION.	\$ 30,207	\$ 3,212	\$ 773	\$ 1,350	\$ 1,400	\$ 1,475	\$ 1,175
PROGRAM TOTAL.....	<u>\$ 744,704</u>	<u>\$ 772,465</u>	<u>\$ 786,544</u>	<u>\$ 817,966</u>	<u>\$ 838,076</u>	<u>\$ 864,669</u>	<u>\$ 892,464</u>
PROTECTION OF PERSONS AND PROPERTY							
GENERAL FUND.....	\$ 426,399	\$ 472,919	\$ 501,332	\$ 528,747	\$ 565,187	\$ 593,385	\$ 622,803
SPECIAL FUNDS.....	211,037	219,884	239,096	243,899	246,471	255,074	264,023
FEDERAL FUNDS.....	24,335	34,218	29,799	27,115	28,687	31,360	30,540
OTHER FUNDS.....	258,786	284,953	288,742	292,824	297,528	300,948	305,155
TOTAL-OPERATING.....	<u>\$ 920,557</u>	<u>\$ 1,011,974</u>	<u>\$ 1,058,969</u>	<u>\$ 1,092,585</u>	<u>\$ 1,137,873</u>	<u>\$ 1,180,767</u>	<u>\$ 1,222,521</u>
CAPITAL BOND AUTHORIZATION.	\$ 121,340	\$ 77,998	\$ 12,396	\$ 22,400	\$ 23,425	\$ 15,650	\$ 12,900
PROGRAM TOTAL.....	<u>\$ 1,041,897</u>	<u>\$ 1,089,972</u>	<u>\$ 1,071,365</u>	<u>\$ 1,114,985</u>	<u>\$ 1,161,298</u>	<u>\$ 1,196,417</u>	<u>\$ 1,235,421</u>
HEALTH-PHYSICAL AND MENTAL WELL-BEING							
GENERAL FUND.....	\$ 1,498,440	\$ 1,609,791	\$ 1,669,926	\$ 1,762,569	\$ 1,869,486	\$ 1,969,602	\$ 2,079,441
SPECIAL FUNDS.....	100,000	149,639	149,835	150,800	151,712	152,698	153,768
FEDERAL FUNDS.....	1,043,278	1,245,129	1,273,339	1,298,473	1,357,726	1,422,638	1,489,547
OTHER FUNDS.....	96,773	105,836	79,849	69,289	71,010	72,513	74,112
TOTAL-OPERATING.....	<u>\$ 2,738,491</u>	<u>\$ 3,110,395</u>	<u>\$ 3,172,949</u>	<u>\$ 3,281,131</u>	<u>\$ 3,449,934</u>	<u>\$ 3,617,451</u>	<u>\$ 3,796,868</u>
CAPITAL BOND AUTHORIZATION.	\$ 15,065	\$ 6,588	\$ 6,987	\$ 13,575	\$ 14,175	\$ 14,775	\$ 14,650
PROGRAM TOTAL.....	<u>\$ 2,753,556</u>	<u>\$ 3,116,983</u>	<u>\$ 3,179,936</u>	<u>\$ 3,294,706</u>	<u>\$ 3,464,109</u>	<u>\$ 3,632,226</u>	<u>\$ 3,811,518</u>
INTELLECTUAL DEVELOPMENT AND EDUCATION							
GENERAL FUND.....	\$ 3,933,370	\$ 4,298,753	\$ 4,551,072	\$ 4,755,278	\$ 5,029,142	\$ 5,335,761	\$ 5,732,543
SPECIAL FUNDS.....	2,500	.....	.....	.....	.....	.....	.....
FEDERAL FUNDS.....	37,482	45,583	42,661	43,338	43,453	43,536	43,638
OTHER FUNDS.....	343,341	364,504	459,180	461,457	386,432	386,459	386,891
TOTAL-OPERATING.....	<u>\$ 4,316,693</u>	<u>\$ 4,708,840</u>	<u>\$ 5,052,913</u>	<u>\$ 5,260,073</u>	<u>\$ 5,459,027</u>	<u>\$ 5,765,756</u>	<u>\$ 6,163,072</u>
CAPITAL BOND AUTHORIZATION.	\$ 129,000	\$ 10,493	\$ 12,676	\$ 21,225	\$ 22,300	\$ 32,375	\$ 38,075
PROGRAM TOTAL.....	<u>\$ 4,445,693</u>	<u>\$ 4,719,333</u>	<u>\$ 5,065,589</u>	<u>\$ 5,281,298</u>	<u>\$ 5,481,327</u>	<u>\$ 5,798,131</u>	<u>\$ 6,201,147</u>
SOCIAL DEVELOPMENT							
GENERAL FUND.....	\$ 524,402	\$ 514,533	\$ 524,448	\$ 549,747	\$ 574,393	\$ 599,919	\$ 626,802
SPECIAL FUNDS.....	336,886	440,228	414,142	449,490	456,010	464,241	472,387
FEDERAL FUNDS.....	392,502	447,308	435,613	452,101	463,297	474,893	486,893
OTHER FUNDS.....	15,069	17,713	14,765	15,416	15,927	16,451	16,992
TOTAL-OPERATING.....	<u>\$ 1,268,859</u>	<u>\$ 1,419,782</u>	<u>\$ 1,388,968</u>	<u>\$ 1,466,754</u>	<u>\$ 1,509,627</u>	<u>\$ 1,555,504</u>	<u>\$ 1,603,074</u>
CAPITAL BOND AUTHORIZATION.	\$	\$	\$	\$	\$	\$	\$
PROGRAM TOTAL.....	<u>\$ 1,268,859</u>	<u>\$ 1,419,782</u>	<u>\$ 1,388,968</u>	<u>\$ 1,466,754</u>	<u>\$ 1,509,627</u>	<u>\$ 1,555,504</u>	<u>\$ 1,603,074</u>

FIVE YEAR SUMMARY OF COMMONWEALTH PROGRAMS (CONTINUED)

	(DOLLAR AMOUNTS IN THOUSANDS)						
	1983-84 ACTUAL	1984-85 AVAILABLE	1985-86 BUDGET	1986-87 ESTIMATED	1987-88 ESTIMATED	1988-89 ESTIMATED	1989-90 ESTIMATED
ECONOMIC DEVELOPMENT AND INCOME MAINTENANCE							
GENERAL FUND.....	\$ 1,005,037	\$ 1,066,457	\$ 1,101,871	\$ 1,115,166	\$ 1,113,717	\$ 1,169,472	\$ 1,191,152
SPECIAL FUNDS.....	3,325	19,607	19,683	19,722	19,558	19,603	19,649
FEDERAL FUNDS.....	972,377	1,163,233	1,109,271	1,128,649	1,139,763	1,150,676	1,163,540
OTHER FUNDS.....	64,403	75,115	85,861	91,490	95,532	100,113	104,918
TOTAL-OPERATING.....	<u>\$ 2,045,142</u>	<u>\$ 2,324,412</u>	<u>\$ 2,316,686</u>	<u>\$ 2,355,027</u>	<u>\$ 2,368,570</u>	<u>\$ 2,439,864</u>	<u>\$ 2,479,259</u>
CAPITAL BOND AUTHORIZATION.	<u>\$ 48,058</u>	<u>\$ 1,430</u>	<u>\$ 142,380</u>	<u>\$ 675</u>	<u>\$ 700</u>	<u>\$ 350</u>	<u>\$ 250</u>
PROGRAM TOTAL.....	<u>\$ 2,093,200</u>	<u>\$ 2,325,842</u>	<u>\$ 2,459,066</u>	<u>\$ 2,355,702</u>	<u>\$ 2,369,270</u>	<u>\$ 2,440,214</u>	<u>\$ 2,479,509</u>
TRANSPORTATION AND COMMUNICATION							
GENERAL FUND.....	\$ 175,147	\$ 186,402	\$ 194,691	\$ 201,994	\$ 209,590	\$ 217,809	\$ 226,611
SPECIAL FUNDS.....	1,011,259	1,096,579	1,115,779	1,071,770	1,061,303	1,044,552	1,038,874
FEDERAL FUNDS.....	426,433	771,459	815,938	597,064	656,863	596,819	556,771
OTHER FUNDS.....	126,418	277,558	245,316	324,340	292,605	245,105	232,420
TOTAL-OPERATING.....	<u>\$ 1,739,257</u>	<u>\$ 2,331,998</u>	<u>\$ 2,371,724</u>	<u>\$ 2,195,168</u>	<u>\$ 2,220,361</u>	<u>\$ 2,104,285</u>	<u>\$ 2,054,676</u>
CAPITAL BOND AUTHORIZATION.	<u>\$ 115,678</u>	<u>\$ 121,031</u>	<u>\$ 16,699</u>	<u>\$ 36,650</u>	<u>\$ 37,700</u>	<u>\$ 38,725</u>	<u>\$ 40,700</u>
PROGRAM TOTAL.....	<u>\$ 1,854,935</u>	<u>\$ 2,453,029</u>	<u>\$ 2,388,423</u>	<u>\$ 2,231,818</u>	<u>\$ 2,258,061</u>	<u>\$ 2,143,010</u>	<u>\$ 2,095,376</u>
RECREATION AND CULTURAL ENRICHMENT							
GENERAL FUND.....	\$ 94,133	\$ 100,526	\$ 114,451	\$ 119,110	\$ 122,318	\$ 125,606	\$ 128,333
SPECIAL FUNDS.....	50,278	55,758	50,064	49,365	43,614	43,853	44,025
FEDERAL FUNDS.....	15,386	13,468	9,932	10,681	10,259	10,437	10,592
OTHER FUNDS.....	11,821	13,881	12,544	12,989	13,049	13,064	13,039
TOTAL-OPERATING.....	<u>\$ 171,618</u>	<u>\$ 183,633</u>	<u>\$ 186,991</u>	<u>\$ 192,145</u>	<u>\$ 189,240</u>	<u>\$ 192,960</u>	<u>\$ 195,989</u>
CAPITAL BOND AUTHORIZATION.	<u>\$ 26,163</u>	<u>\$ 84</u>	<u>\$ 4,577</u>	<u>\$ 8,125</u>	<u>\$ 8,300</u>	<u>\$ 8,650</u>	<u>\$ 9,250</u>
PROGRAM TOTAL.....	<u>\$ 197,781</u>	<u>\$ 183,717</u>	<u>\$ 191,568</u>	<u>\$ 200,270</u>	<u>\$ 197,540</u>	<u>\$ 201,610</u>	<u>\$ 205,239</u>
COMMONWEALTH TOTALS							
GENERAL FUND.....	\$ 7,991,122	\$ 8,617,030	\$ 9,039,730	\$ 9,429,996	\$ 9,894,788	\$ 10,435,140	\$ 11,045,062
SPECIAL FUNDS.....	2,028,100	2,309,115	2,315,382	2,324,938	2,322,181	2,334,352	2,358,092
FEDERAL FUNDS.....	2,912,598	3,721,030	3,717,574	3,558,473	3,701,067	3,731,411	3,782,607
OTHER FUNDS.....	983,294	1,213,112	1,262,285	1,346,092	1,253,272	1,218,878	1,220,987
TOTAL-OPERATING.....	<u>\$ 13,915,114</u>	<u>\$ 15,860,287</u>	<u>\$ 16,334,971</u>	<u>\$ 16,659,499</u>	<u>\$ 17,171,308</u>	<u>\$ 17,719,781</u>	<u>\$ 18,406,748</u>
CAPITAL BOND AUTHORIZATION.	<u>\$ 485,511</u>	<u>\$ 220,836</u>	<u>\$ 196,488</u>	<u>\$ 104,000</u>	<u>\$ 108,000</u>	<u>\$ 112,000</u>	<u>\$ 117,000</u>
PROGRAM TOTAL.....	<u>\$ 14,400,625</u>	<u>\$ 16,081,123</u>	<u>\$ 16,531,459</u>	<u>\$ 16,763,499</u>	<u>\$ 17,279,308</u>	<u>\$ 17,831,781</u>	<u>\$ 18,523,748</u>

INCOME



Commonwealth of Pennsylvania

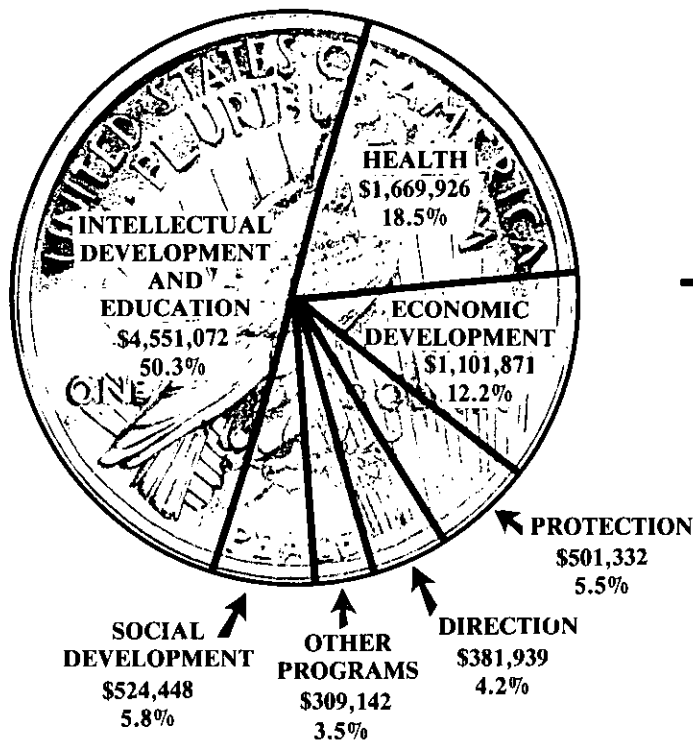
1985-86 Fiscal Year GENERAL FUND

(Dollar Amounts in Thousands)

TOTAL INCOME	\$ 9,159,691
LESS REFUNDS	—100,600
TAX REDUCTION	—186,000
TAX STABILIZATION RESERVE	—25,000
BEGINNING BALANCE	200,585

TOTAL \$ 9,048,676

OUTGO



TOTAL OUTGO \$ 9,039,730
PLUS ENDING SURPLUS 8,946

TOTAL \$ 9,048,676

GENERAL FUND

Program Summary

	(Dollar Amounts in Thousands)			
	1984-85		1985-86	
Direction and Supportive Services	\$ 367,649	4.2%	\$ 381,939	4.2%
Protection of Persons and Property	472,919	5.5%	501,332	5.5%
Health—Physical and Mental Well-Being	1,609,791	18.7%	1,669,926	18.5%
Intellectual Development and Education	4,298,753	49.9%	4,551,072	50.3%
Social Development	514,533	6.0%	524,448	5.8%
Economic Development and Income Maintenance	1,066,457	12.4%	1,101,871	12.2%
Transportation and Communications	186,402	2.1%	194,691	2.2%
Recreation and Cultural Enrichment	100,526	1.2%	114,451	1.3%
GENERAL FUND TOTAL	\$8,617,030	100.0%	\$9,039,730	100.0%

SUMMARY OF PROGRAM REVISIONS

The 1985-86 Commonwealth Budget reflects those new initiatives, program decreases, increases and expansions, which are recommended to address the most pressing economic, consumer and social problems confronting the citizens of Pennsylvania.

GENERAL FUND

Department/Appropriation	Program Revision Title	1985-86 State Funds <small>(in thousands)</small>
Governor's Office		
Governor's Office	PII—Computerization and Word Processing	\$ 100 ^a
	Department Total	<u>\$ 100</u>
Executive Office		
Crime Victims Compensation Board	PII—Automated Claims Processing	\$ 56 ^a
	Department Total	<u>\$ 56</u>
Attorney General		
Attorney General's Office	PII—Narcotics Investigation Management System	\$ 100 ^a
	Department Total	<u>\$ 100</u>
Agriculture		
General Government Operations	PII—Computerization—Summerdale Lab	\$ 38
	PII—Computerization and Robotics—Agriculture Building Laboratory	140
	PII—Electronic Scales	40
	Program Revision Total	<u>\$ 218^a</u>
	Department Total	<u>\$ 218</u>
Civil Service Commission		
General Government Operations	Integrated Word and Data Processing	\$ 360 ^a
	Department Total	<u>\$ 360</u>
Commerce		
Ben Franklin Partnership	Economic Development	\$ 6,400
Pennsylvania Energy Development Authority	Economic Development	500
Community Economic Recovery	Economic Development	500
Tourist Promotion Assistance	Economic Development	500
Tourism and Economic Development Promotion	Economic Development	3,650
Pittsburgh Technology Development Center	Economic Development	1,000
Site Development	Economic Development	1,000

SUMMARY OF PROGRAM REVISIONS
(continued)
GENERAL FUND
(continued)

Department/Appropriation	Program Revision Title	1985-86 State Funds (in thousands)
Commerce (continued)		
Transfer to Pennsylvania Economic Revitalization Fund	Economic Development	12,000
	Program Revision Total	<u>\$ 25,450^b</u>
General Government Operations	PII—Computer Terminal Upgrade	67 ^a
	Department Total	<u>\$ 25,517</u>
Community Affairs		
Enterprise Development	Economic Development	\$ 1,000
Housing and Redevelopment	Economic Development	2,000
	Program Revision Total	<u>\$ 3,000^b</u>
	Department Total	<u>\$ 3,000</u>
Education		
General Government Operations	PII—Field/Central Office Communications	\$ 25
General Government Operations	PII—Online Database	35
State Library	PII—Library Card Catalogue Computerization	250
	Program Revision Total	<u>\$ 310^a</u>
State Library	Access Pennsylvania	\$ 600
Library Access	Access Pennsylvania	2,000
Improvement of Library Services	Access Pennsylvania	500
	Program Revision Total	<u>\$ 3,100</u>
Teen Pregnancy and Parenthood	Teen Pregnancy and Parenthood	<u>\$ 946^c</u>
State System of Higher Education—Deferred Maintenance	Excellence in Higher Education	\$ 2,500
Chairs of Excellence	Excellence in Higher Education	1,000
	Program Revision Total	<u>\$ 3,500^d</u>
Science and Engineering Equipment	Science and Engineering Equipment .....	. . . . .^e
	Department Total	<u>\$ 7,856</u>

**SUMMARY OF PROGRAM REVISIONS
(continued)**

**GENERAL FUND
(continued)**

Department/Appropriation	Program Revision Title	1985-86 State Funds (in thousands)
Environmental Resources		
Office of Protection	Water Quality Management Expansion	\$ 874
Sewage Facilities Construction Grants	Water Quality Management Expansion	1,000
	Program Revision Total	<u>\$ 1,874</u>
Office of Protection	Solid Waste Management Expansion	\$ 285
Hazardous Waste Control	Solid Waste Management Expansion	2,734
Solid Waste Disposal Plan- ning Grants	Solid Waste Management Expansion	450
Resource Recovery Grants	Solid Waste Management Expansion	900
	Program Revision Total	<u>\$ 4,369</u>
	Department Total	<u>\$ 6,243</u>
General Services		
General Government Operations	PII—Computer Aided Design and Drafting System ..	\$ 80 ^a
	Department Total	<u>\$ 80</u>
Health		
Vital Statistics	PII—Vital Statistics Automation	\$ 500 ^a
Assistance to Drug and Alcohol Abuse	Teen Pregnancy and Parenthood	200 ^c
	Department Total	<u>\$ 700</u>
Higher Education Assistance Agency		
Grants to Part-Time Students	Excellence in Higher Education	\$ 8,000
Merit Scholarships	Excellence in Higher Education	1,000
	Program Revision Total	<u>\$ 9,000^d</u>
	Department Total	<u>\$ 9,000</u>
Historical and Museum Commission		
General Government Operations	PII—Micro Acquisition and Linkage	\$ 134 ^a
Museum Assistance	Museum Assistance	2,200
	Department Total	<u>\$ 2,334</u>

SUMMARY OF PROGRAM REVISIONS
(continued)
GENERAL FUND
(continued)

Department/Appropriation	Program Revision Title	1985-86 State Funds (in thousands)
Labor and Industry		
Teen Pregnancy and Parenthood	Teen Pregnancy and Parenthood.....	\$ 1,250 ^c
Job Training for Welfare Recipients	Job Training for Welfare Recipients	1,000 ^f
	Department Total	<u>\$ 2,250</u>
Military Affairs		
Third Veterans Home	Third Veterans Home .....	. . . . .^g
	Department Total	<u>.</u>
Public Television Network		
Public Television Station Grants	Public Television Improvements	\$ 1,000
General Government Operations	PII—Video Conference System	35 ^a
	Department Total	<u>\$ 1,035</u>
Public Welfare		
General Government Operations	PII—Administrative Data Processing	\$ 56
General Government Operations	PII—Fiscal Management Information System	310
	Program Revision Total	<u>\$ 366^a</u>
Cash Grants	Cash Grant Increase	\$ 14,948
Medical Assistance— Outpatient	Cash Grant Increase	347
Medical Assistance—Inpatient	Cash Grant Increase	977
	Program Revision Total	<u>\$ 16,272</u>
State Centers for the Mentally Retarded	Dual Diagnosis (MH/MR) Services.....	\$ 445
Community Based Services— Mentally Retarded	Dual Diagnosis (MH/MR) Services.....	400
Community Residential Services—Mentally Retarded	Dual Diagnosis (MH/MR) Services.....	1,200
	Program Revision Total	<u>\$ 2,045</u>
Child Abuse	Child Abuse Services	\$ 2,760
Pennsylvania Employment Program	Job Training for Welfare Recipients	\$ 339 ^f
	Department Total	<u>\$ 21,782</u>

SUMMARY OF PROGRAM REVISIONS
(continued)
GENERAL FUND
(continued)

Department/Appropriation	Program Revision Title	1985-86 State Funds (in thousands)
State		
General Government Operations	PII—Computerization of the Uniform Commercial Code Files	\$ 176 ^d
	Department Total	\$ 176
State Police		
General Government Operations	PII—Initial Crime Report Automation	\$ 65 ^a
	Department Total	\$ 65
	TOTAL PROGRAM REVISIONS	\$ 80,872

^aThe total Program Revision will cost \$2.6 million. Details are presented in a summary in Volume I.

^bThe total Program Revision will cost a total of \$45 million: \$16.5 million in 1984-85 and \$28.5 million in 1985-86. Details are presented in the appendix to Industrial Development subcategory in the Department of Commerce.

^cThe total Program Revision will cost \$2.4 million. Details are presented in the appendix to the General Elementary and Secondary Education subcategory in the Department of Education.

^dThe total Program Revision will cost \$12.5 million. Details are presented in the appendix to the Higher Education subcategory in the Department of Education.

^eThe total Program Revision will provide \$150 million over two years from the sale of State liquor licenses. Details are presented in the appendix to the Higher Education subcategory in the Department of Education.

^fThe total Program Revision will cost \$1.3 million. Details are presented in the appendix to the Income Maintenance subcategory in the Department of Public Welfare.

^gThis Program Revision, which will cost \$6.2 million, is proposed in the Capital Budget.

PRODUCTIVITY IMPROVEMENT INITIATIVES

In recent years some public employers have been installing Productivity Investment Banks to encourage new and creative ideas and projects. Productivity Investment Banks are special accounts which fund new projects on a competitive basis, with the expectation that cost savings and improved service resulting from each project will more than pay back initial project start-up costs.

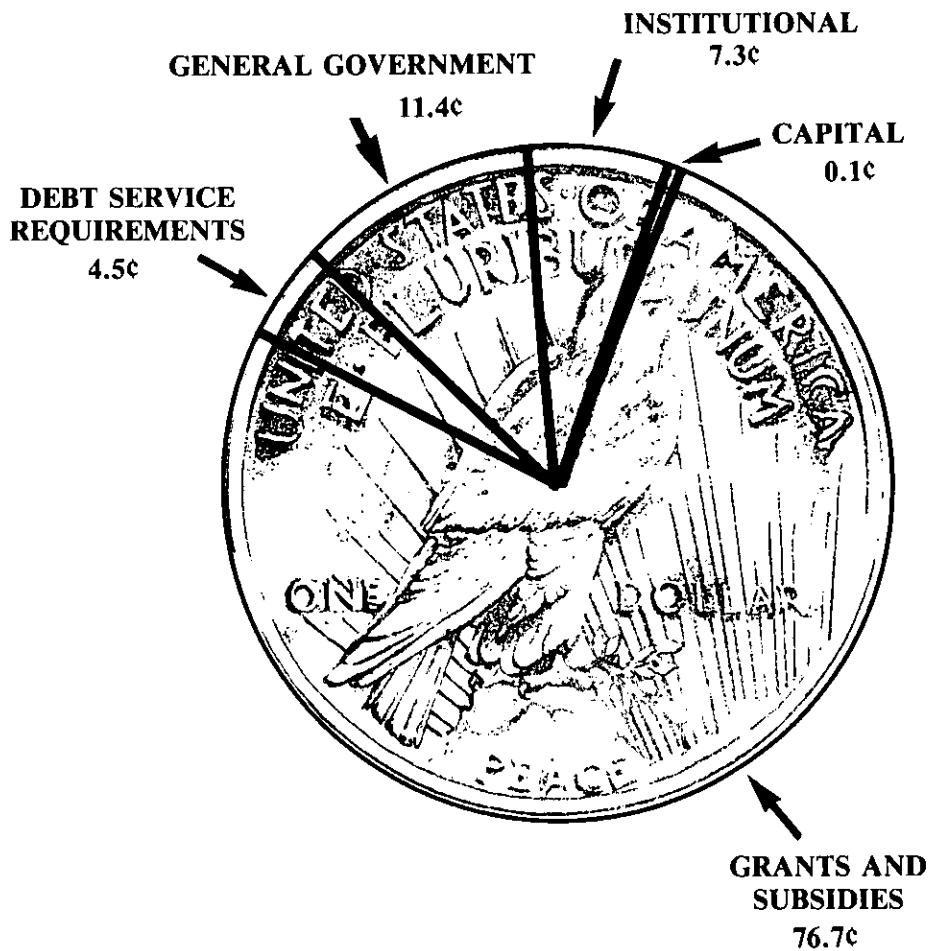
This year the Commonwealth is installing a similar program. In the Program Policy Guidelines, agencies were asked to submit Productivity Improvement Initiatives (PIIs) to compete for \$3,000,000 that was announced as being set aside for that purpose. Initiatives amounting to more than \$3,500,000 were submitted by the agencies and reviewed by the Office of the Budget, the Office of Administration and the Office of Policy Development. The initiatives that are being recommended will cost \$2,567,000 but will return almost \$5,000,000 in savings plus increased effectiveness in the first three years of operation. The initiatives being recommended are described in each agency's narrative and funding is included in each agency's recommended appropriation. The following lists those projects and the amounts being included:

<u>Agency — Project</u>	(In Thousands) <u>PII Projects Recommended</u>
Governor's Office	
Computerization and Word Processing	\$ 100
Crime Victim Compensation	
Automated Claims Processing	56
Attorney General	
Narcotics Investigation Management	100
Agriculture	
Computerization — Summerdale Laboratory	38
Computerization of the Agriculture Building Laboratory	140
Electronic Scales	40
Civil Service Commission	
Integrated Word and Data Processing	360 ¹
Commerce	
Computer Terminal Upgrade	67
Education	
Field/Central Office Communications	25
Online Database	35
Library Card Catalogue Computerization	250
General Services	
Computer Aided Design and Drafting	80
Health	
Vital Statistics Automation	500
Historical and Museum	
Micro Acquisition and Linkage	134
PPTN	
Video Conference System	35
Public Welfare	
Administrative Data Processing	56
Fiscal Management Information System	310
State	
Computerization of the Uniform Commercial Code Files	176
State Police	
Initial Crime Report Automation	65
TOTAL PRODUCTIVITY IMPROVEMENT INITIATIVES	\$ 2,567

¹General Fund appropriation since all agencies will benefit.

USE OF THE GENERAL FUND DOLLAR

1985-86 Fiscal Year



\$1.00

FEDERAL BLOCK GRANTS

The Federal Omnibus Budget Reconciliation Act of 1981 created nine block grants. Eight of these were implemented during 1982-83. The State currently has no plans to implement the Health Primary Care Block grant. In addition, information is provided herein on the Job Training Partnership Act, which has not been labeled by the Federal government as a block grant but which provides for a program that operates in a very similar manner to the original block grants.

The following tables provide information on the estimated amounts to be received from the Federal government and an estimated distribution of the funds by program within the block grant.

The distribution by program is a preliminary proposal only. Opportunities for public review and comment and the public hearing process will provide feedback from affected groups and the public which may result in modifications to the distribution.

The estimates of total funding for each block are very preliminary. The State must begin planning for the use of these funds long before the Federal appropriation process is complete and final Federal allocations of funds are known. Funding shown for 1983-84 includes one time monies provided by the Federal Jobs Bill for a number of the block grants.

In general the amount shown for administration costs represents the amount that Federal law permits under that particular block grant. It is shown for informational purposes although in many cases it is anticipated that less than the full amount will be spent. The major exception to this approach is the Education Block grant. The law permits up to 20 percent to be spent for administration, but 10 percent is shown.

SUMMARY OF FEDERAL BLOCK GRANTS

(Dollar Amounts in Thousands)

Categorical	1983-84 Actual Block	Total	1984-85 Estimated Block	1985-86 Recommended Block
Community Services	\$ 14,467	\$ 14,467	\$ 17,700	\$ 17,197
Small Communities	24,260	24,260	61,282	50,886
Education	\$ 148	21,434	25,414	23,100
Maternal and Child Health	19,053	19,053	25,550	21,700
Preventive Health and Health Services	4,276	4,276	5,169	5,314
Alcohol, Drug Abuse, and Mental Health	31,287	31,287	30,271	30,014
Low-Income Home Energy Assistance	163,843	163,843	151,950	144,700
Social Services	140,920	140,920	148,122	142,863
Job Training Partnership	103,269	103,269	176,411	160,424
TOTAL	<u>\$ 148</u>	<u>\$ 522,809</u>	<u>\$ 641,869</u>	<u>\$ 596,198</u>

COMMUNITY SERVICES

The block grant provides funds for community based programs that offer health, nutrition, housing and employment related services to improve the standard of living of low-income persons.

Programs consolidated into the block include Community Action; Senior Opportunities and Services; Community Food and Nutrition; Energy Conservation; Training, Evaluation and Technical Assistance.

The requirement that 90 percent of the funding be distributed to existing Community Action Agencies (CAAs) has been continued for future years of the program; 5 percent is allowed for administration and the remaining 5 percent is utilized for competitive projects. The 90 percent program monies are being granted to existing CAAs for maintenance or operating costs, energy coordination; Pennsylvania Intergovernmental Council; Pennsylvania Director's Association for Community Action; and competitive grants in the areas of employment training, job preparedness, community conservation corps, community economic development, summer employment and youth programs and emergency assistance. The 1984-85 funding level includes a carryover of unexpended 1983-84 funding authority. Also included in 1983-84 and 1984-85 is funding approved under the Federal Emergency Jobs Act.

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)		
	1983-84 Actual Block	1984-85 Estimate Block	1985-86 Recommended Block
Executive Offices			
Economic Development committee	\$ 33	. . . .	. . . .
Community Affairs			
Administration	\$ 377	\$ 500	\$ 697
Community Services	13,713	16,200	16,500
Community Services — Jobs	344	1,000	. . . .
Subtotal	\$ 14,434	\$ 17,700	\$ 17,197
TOTAL	\$ 14,467	\$ 17,700	\$ 17,197

SMALL COMMUNITIES

Program funds provide assistance in expanding low and moderate income housing opportunities; promote more rational land use; increase economic opportunities for low and moderate income persons; and correct deficiencies in public facilities that affect the public health and safety.

The program also recognizes housing and community facility needs and community preservation through the rehabilitation of existing housing.

Act 179 of 1984 established an entitlement approach to the program which distributes the available funds on a formula basis. Eighty-five percent of the funds must go for grants to eligible cities, boroughs/townships and counties with 24 percent allocated to cities, 38 percent to boroughs/townships and 38 percent for counties. There is a 13 percent setaside for discretionary projects which the department plans to distribute to boroughs and townships under 10,000 in population. The remaining 2 percent is set aside for administrative costs.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual Block	Estimate Block	Recommended Block
Community Affairs			
Administration	\$ 588	\$ 886	\$ 886
Small Communities (DCA)	22,168	53,422	50,000
Small Communities — Jobs	1,504	7,000	. . . .
TOTAL	\$ 24,260	\$ 61,282	\$ 50,886

EDUCATION

The Federal law provides that the Commonwealth must distribute at least 80 percent of the block to school districts and may keep up to 20 percent for administration. The proposed distribution provides 90 percent distribution to districts. The Federal law provides that the Commonwealth cannot tell the districts how to spend their block grant as long as it is spent within the area of the antecedent programs. The school district block is distributed according to a formula based on students and poverty/disadvantaged factors.

(Dollar Amounts in Thousands)

Department / Appropriation	Categorical	1983-84 Actual Block	Total	1984-85 Estimate Block	1985-86 Recommended Block
Education:					
Administration:					
Civil Rights	\$ 11		\$ 11		
Career Education	25		25		
Basic Skills	1		1		
Strengthening State Agencies	18		18		
Education Innovation	7		7		
Administration of School Libraries	9		9		
Education Block Grant — Administration		\$ 2,130	2,130	\$ 2,200	\$ 2,310
Subtotal	\$ 71	\$ 2,130	\$ 2,201	\$ 2,200	\$ 2,310
School Districts:					
Career Education	\$ 77		\$ 77		
Education Block Grant — School District Distribution		\$ 17,697	17,697	\$ 17,600	\$ 19,104
Education Block Grant — School Improvement		66	66		
Education Block Grant — Technology Initiative		1,541	1,541		1,686
Education Block Grant — Computer Knowledge Enhancement				2,807*	
Subtotal	\$ 77	\$ 19,304	\$ 19,381	\$ 20,407	\$ 20,790
Subtotal — Education	\$ 148	\$ 21,434	\$ 21,582	\$ 22,607	\$ 23,100
Higher Education Assistance Agency:					
School Districts:					
Computer Knowledge Enhancement				\$ 2,807	
TOTAL	\$ 148	\$ 21,434	\$ 21,582	\$ 25,414	\$ 23,100

*In the available year funds were appropriated to PHEAA and subgranted to Education.

MATERNAL AND CHILD HEALTH

This block grant provides funds for health services for mothers and children to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children; rehabilitative services for blind and disabled individuals under age 16, and treatment and care for crippled children.

Consolidated programs include maternal and child health services/crippled children's services, supplemental security income, disabled children's services, lead based paint poisoning prevention, and genetic diseases.

The Omnibus Budget Reconciliation Act of 1981 provides that the Department of Health and Human Services (DHHS) monitor administrative expenses to insure they do not exceed traditional levels. In accordance with DHHS final rules and regulations, administrative costs will not exceed 10 percent.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1983-84 Actual Block	1984-85 Estimate Block	1985-86 Recommended Block
Health:			
Administration	\$ 1,431	\$ 1,900	\$ 1,750
Maternal and Child Health Services	8,477	16,000	13,000
Crippled Children's Services	3,780	6,000	6,000
Supplemental Security Income Services	948	950	950
Genetic Disease Testing and Counseling	45	. . . .	. . . .
Jobs Bill — Maternal and Child Health Services	4,372	700	. . . .
 TOTAL	 \$ 19,053	 \$ 25,550	 \$ 21,700

PREVENTIVE HEALTH AND HEALTH SERVICES

This block grant provides for preventive health services for individuals and families, and for a variety of public health services to reduce preventable morbidity and mortality. Programs consolidated into the block grant include emergency medical services, health incentive grants, hypertension control, rodent control, health education/risk reduction, and rape prevention and crisis services.

The Omnibus Budget Reconciliation Act provides a ceiling of ten percent on funds which may be used for administration.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1983-84 Actual Block	1984-85 Estimate Block	1985-86 Recommended Block
Health:			
Administration	\$ 234	\$ 300	\$ 319
Emergency Medical Services	758	905	905
Health Education and Prevention	340	432	475
Tuberculosis Programs	549	569	569
Hypertension	681	940	940
Diabetes	132	218	218
Fluoridation	3	20	80
Arthritis	41	.....	.....
Subtotal	\$ 2,738	\$ 3,384	\$ 3,506
Public Welfare:			
Rape Crisis Centers	\$ 157	\$ 157	\$ 180
Environmental Resources:			
Administration	\$ 88	\$ 128	\$ 128
Rodent Control	1,284	1,500	1,500
Subtotal	\$ 1,372	\$ 1,628	\$ 1,628
TOTAL	\$ 4,276	\$ 5,169	\$ 5,314

ALCOHOL DRUG ABUSE AND MENTAL HEALTH

This block grant provides funds to establish and maintain programs to combat alcohol and drug abuse, to care for the mentally ill and to promote mental health. Consolidated programs include: community mental health centers, drug abuse, community services, drug abuse prevention formula grants, alcohol formula grants and alcoholism treatment and rehabilitation.

(Dollar Amounts in Thousands)			
Department / Appropriation	1983-84 Actual Block	1984-85 Estimate Block	1985-86 Recommended Block
Health:			
Alcohol and Drug Abuse Administration	\$ 1,420	\$ 1,420	\$ 1,453
Alcohol Grant Programs	4,977	4,888	4,617
Drug Grant Programs	8,232	6,975	6,741
Jobs Bill — Alcohol and Drug Abuse	770	35	. . . .
Subtotal	<u>\$ 15,399</u>	<u>\$ 13,318</u>	<u>\$ 12,811</u>
Public Welfare:			
Alcohol Drug Abuse and Mental Health			
Administration	\$ 436	\$ 1,164	\$ 250
Mental Health — Community Health	14,593	15,789	16,953
Jobs Bill — Community Mental Health	859	. . . .	. . . .
Subtotal	<u>\$ 15,888</u>	<u>\$ 16,953</u>	<u>\$ 17,203</u>
TOTAL	<u><u>\$ 31,287</u></u>	<u><u>\$ 30,271</u></u>	<u><u>\$ 30,014</u></u>

LOW-INCOME HOME ENERGY ASSISTANCE

This block grant provides funds to assist eligible low income people to meet the cost of home energy and to provide low cost residential weatherization or other energy related home repairs for low income households. It replaces without substantial change the previous categorical program of low income energy assistance.

Up to 15 percent of the Federal allotment to Pennsylvania may be used for weatherization. Eight million dollars in new funds for weatherization will be provided in 1985-86 to the Department of Community Affairs to continue operation of this program.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1983-84 Actual Block	1984-85 Estimate Block	1985-86 Recommended Block
Community Affairs:			
Low-Income Home Energy Assistance — Administration	\$ 447	\$ 800	\$ 800
Low-Income Home Energy Assistance — Weatherization	10,539	10,400 ^c	10,400 ^c
Subtotal	\$ 10,986	\$ 11,200	\$ 11,200
Public Welfare:			
Low-Income Home Energy Assistance Block Grant — Administration	\$ 13,284 ^a	\$ 13,250 ^b	\$ 12,500
Low-Income Home Energy Assistance Block Grant	139,573	127,500	121,000
Subtotal	\$ 152,857	\$ 140,750	\$ 133,500
TOTAL	\$ 163,843	\$ 151,950	\$ 144,700

^aIncludes expenditures of \$2,056,000 from Low-Income Home Energy Assistance (1983) — Administration appropriation and \$11,228,000 from the Low-Income Home Energy Assistance (1984) — Administration appropriation.

^bIncludes the Low-Income Home Energy Assistance (1984) — Administration appropriation of \$2,100,000 and the Low-Income Home Energy Assistance (1985) — Administration appropriation of \$11,150,000.

^cIncludes \$3,200,000 in carryover.

SOCIAL SERVICES

This block grant provides funds to help those with special needs to achieve and maintain a greater degree of economic self-sufficiency, and to prevent neglect, abuse or exploitation of children and adults who are unable to protect their own interests.

(Dollar Amounts in Thousands)			
Department / Appropriation	1983-84 Actual Block	1984-85 Estimate Block	1985-86 Recommended Block
Executive Offices:			
General Government	\$ 272	.....	.....
Aging:			
General Government	\$ 955	\$ 995	.....
Aging Services	14,595	.....	.....
Subtotal	<u>\$ 15,550</u>	<u>\$ 995</u>	.....
Public Welfare:			
General Government	\$ 6,021	\$ 6,021	\$ 5,850
County Assistance Offices	14,498	14,498	14,498
SSI Advocacy .....	.....	3,000	1,500
Visually Handicapped	2,328	.....	.....
Youth Development	1,841	1,841	1,550
Community Mental Health	7,396	9,400	9,400
Community Mental Retardation	7,383	14,397	12,197
Mental Retardation Residential Services .....	.....	5,965	5,965
County Child Welfare	11,438	11,450	11,450
Day Care	45,707	43,313	42,419
Social Services	459	460	.....
Domestic Violence and Rape Crisis	2,229	2,526	2,526
Family Planning	4,593	4,780	5,020
Legal Services	6,688	6,688	6,688
Shelter	2,998	3,000	3,000
Attendant Care .....	.....	4,000	4,700
County Adult Services	11,519	11,788	.....
Human Services Development Fund .....	.....	4,000	16,100
Subtotal	<u>\$ 125,098</u>	<u>\$ 147,127</u>	<u>\$ 142,863</u>
TOTAL	<u>\$ 140,920</u>	<u>\$ 148,122</u>	<u>\$ 142,863</u>

JOB TRAINING PARTNERSHIP

The Federal Job Training Partnership Act (JTPA) places responsibility for the administration of job training programs with the Commonwealth. The ultimate goal is to provide unsubsidized employment to those entering and completing the program. Under JTPA, Title II (Training services for disadvantaged) economically disadvantaged adults, youth and older workers receive training, education and job search assistance and placement services to assist them in reentering the workforce.

Under Title III (dislocated workers) training and related employment assistance is provided to workers in three categories: (1) terminated or laid-off or who have received a notice of termination or lay-off from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation; (2) terminated, or who have received a notice of termination of employment, as a result of any permanent closure of a plant or facility; or (3) long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which they reside, including any older individuals who may have substantial barriers to employment by reason of age. Services may include such activities as job search assistance, retraining, prelayoff assistance and relocation.

Title II, the larger of two titles, requires that 78 percent of its funds pass through to Service Delivery Areas (SDAs) established by the Governor in coordination with the State Job Training Coordinating Council (SJTCC). Those areas establish Private Industry Councils (PIC's) whose responsibility is to develop plans for expenditures to be approved by the Governor and the SJTCC. The remainder of the funds under this title are spent as follows: 8 percent for educational training programs; 6 percent for incentive grants; 3 percent for an older workers program and 5 percent for administration.

Administration of these titles is shared by the Departments of Labor and Industry, Education, and Aging. Any unused portion of the five percent administrative funds may be used to fund special training project priorities of the Governor.

Both the Dislocated Worker portion under Title III and the Educational Training portion of Title II-A require a non-Federal match based on the current level of State unemployment as compared to the national level. The matching requirement is decreased when unemployment rates are higher than national averages. It is estimated that a total of \$9,247,000 in State funding will be required to meet this matching requirement. These funds are reflected under the Departments of Education and Labor and Industry.

Department / Appropriation	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual Block	Estimate Block	Recommended Block
Labor and Industry:			
Administration	\$ 3,477 ^a	\$ 6,100 ^b	\$ 5,142
Grants to Service Delivery Areas	63,102	90,113	80,222
Summer Youth Program	18,339	42,961	42,961
Incentive Grants	4,448	8,580 ^c	8,000
Older Workers	888	2,160 ^d	2,160
Dislocated Workers	2,126	15,403	10,823
Dislocated Workers — Job Bill	2,469	.....	.....
Veterans' Employment	300	700	400
Subtotal	<u>\$ 95,149</u>	<u>\$ 166,017</u>	<u>\$ 149,708</u>
Aging:			
Grants to Area Agencies on Aging	\$ 664	\$ 925	\$ 925
Education:			
Corrections Education	135	582	641
Educational Training	6,995	8,146	8,150
Education Linkage	326	741	1,000
Subtotal	<u>\$ 7,456</u>	<u>\$ 9,469</u>	<u>\$ 9,791</u>
TOTAL	<u><u>\$ 103,269</u></u>	<u><u>\$ 176,411</u></u>	<u><u>\$ 160,424</u></u>

^aActually expended as follows: Labor and Industry—Administration \$1,359,000; Labor and Industry Special Barrier Grants \$1,358,000; Office of the Budget \$348,000; Office of Policy Development \$226,000 and Education \$186,000.

^bActually appropriated as follows: Labor and Industry—Administration \$2,625,000; Labor and Industry Special Barrier Grants \$2,000,000; Office of the Budget \$1,031,000; Office of Policy Development \$394,000 and Aging \$50,000.

^cActually appropriated as follows: Incentive Grants \$6,580,000 and Technical Assistance \$2,000,000.

^dAppropriated to Aging.

PENNSYLVANIA ECONOMIC REVITALIZATION FUND

On June 26, 1984 the Economic Revitalization Fund was created by Act 104. The fund provides the vehicle to accomplish economic revitalization efforts through a \$190 million bond issue authorized by the electorate by referendum on April 10, 1984. There are ten major components to the program: (1) Minority Economic Development; (2) Employee Ownership Assistance; (3) Business Infrastructure Development; (4) Family Farm Assistance Program; (5) Small Business Incubators; (6) Pennsylvania Capital Loan Program; (7) Corps Program; (9) Vocational Education Equipment Program; and (10) Engineering School Equipment Program. All of these are three year programs with the exception of the Youth Conservation Corps which is two years. Future year appropriations indicated below represent program levels originally envisioned when the fund was created.

Department/Appropriation	(Dollar Amounts in Thousands)			Total
	1984-85 Available	1985-86 Budget	1986-87 Estimate	
Agriculture				
Agricultural Loan Program	\$ 10,000	.....	.....	\$ 10,000
Commerce				
Engineering School Equipment—Transfer to the Ben Franklin Partnership Fund ..	\$ 3,000	.....	.....	\$ 3,000
Minority Business Assistance—Bid and Per- formance Bonds	500	\$ 500	\$ 500	1,500
Minority Business Assistance—Loans	500	500	500	1,500
Minority Business Assistance— Technical/Managerial Assistance	700	700	600	2,000
Business Infrastructure Development	16,000	17,000	17,000	50,000
Small Business Incubators—Loans	5,000	6,000	6,000	17,000
Small Business Incubators—Challenge Grants	3,000	.....	.....	3,000
Employee Ownership Assistance—Technical Assistance	1,000	1,000	1,000	3,000
Employee Ownership Assistance—Loans	4,000	4,000	4,000	12,000
Capital Loan Fund	5,000	5,000	5,000	15,000
Community Affairs				
Recreational Improvements and Rehabilitation	\$ 18,000	.....	.....	\$ 18,000
Education				
Vocational—Technical Equipment	\$ 27,000	.....	.....	\$ 27,000
Environmental Resources				
Conservation Corps	\$ 7,500	\$ 7,500	.....	\$ 15,000
Recreational Improvements and Rehabilitation	12,000	.....	.....	12,000
TOTAL	<u>\$ 113,200</u>	<u>\$ 42,200</u>	<u>\$ 34,600</u>	<u>\$ 190,000</u>

Program Evaluation Reports

To provide the budget process with objective assessments of program performance, the Office of the Budget publishes program evaluation reports. The reports respond to a variety of research questions, but generally, they take one of two perspectives: a) evaluating program impact which concerns the ultimate effects resulting from program operations; b) evaluating the level of program efficiency or productivity in terms of the relationship between resources expended and activity levels.

Below is a summary of the major program evaluation project produced in the 1984-85 fiscal year.

A Study of Act 75: The Impact of Welfare Reform

This evaluation, conducted jointly by the Department of Public Welfare, the Office of Policy Development and the Office of the Budget, focused on the changes in economic and social circumstances before and after cessation of cash grants for a group of transitionally needy individuals. The group was a randomly selected sample representative of the statewide population of transitionally needy persons. Extensive data were gathered on each individual's social and economic circumstances employing both administrative records and in-person interviews. The changes in circumstances were evaluated using commonly accepted statistical techniques to determine which of the changes were meaningful.

The report shows that the study group reacted to the cessation of cash grants with considerable initiative and independence. Most importantly, as cash grants became unavailable, the group significantly increased their job search activity resulting in significantly higher employment with average earnings much higher than the value of cash assistance. Consequently, a majority of the group chose not to return to the cash assistance rolls when they again became eligible.

Transition to a Private Liquor System

The Governor has proposed a phased five year transition to a completely private liquor distribution system in Pennsylvania to replace the current State monopoly system.

During the first phase of transition, licenses for the current State-operated off-premise outlets would be sold to the highest qualified bidders who would each be allowed to open a second store. Six months later, wine-only retail licenses would be available to establishments which sell groceries and those devoted primarily to the sale of wine. Eighteen months into transition, wholesale liquor licenses would begin to be issued and after five years the entire system would be wholly privately operated.

Because of the uncertainties and complexities inherent in such an undertaking the detailed financial ramifications of the transition are not reflected in this budget. However, due to the exclusive nature of the initial licenses to be bid, it is anticipated that a substantial one-time income will be generated by this license sale and this income is reflected herein as Other Funds in the Department of Education where it would be available for the following:

Purpose	(Dollar Amounts in Thousands)	
	1985-86 Budget	1986-87 Estimated
To elementary or secondary schools for improvement or acquisition of computer or scientific laboratory facilities	\$ 5,000	\$ 5,000
To area vocational technical schools for capital equipment needed for classroom instruction to promote career opportunities in advanced technology fields	15,000	15,000
To community colleges for capital equipment needed for classroom instruction to promote career opportunities in advanced technology fields	15,000	15,000
To the State System of Higher Education for improvement of computer facilities and scientific equipment at each State university	15,000	15,000
To science and engineering colleges and universities for capital equipment needed for classroom instruction to promote career opportunities in advanced technology fields	25,000	25,000

In addition, under the Governor's proposal any individual or group of individuals who are displaced from State employment as a result of the transition and who desire to acquire a private retail wine or liquor license shall be eligible to apply for a loan guarantee of up to 70 percent of the amount borrowed to purchase the license and to acquire stock and equip the store. Up to \$10 million will be available for this purpose.

Additional details on the proposed uses of these funds are available in the appendix of the Higher Education subcategory under the Department of Education in Volume II of this budget.

PUBLIC INFORMATION AND COMMUNICATIONS

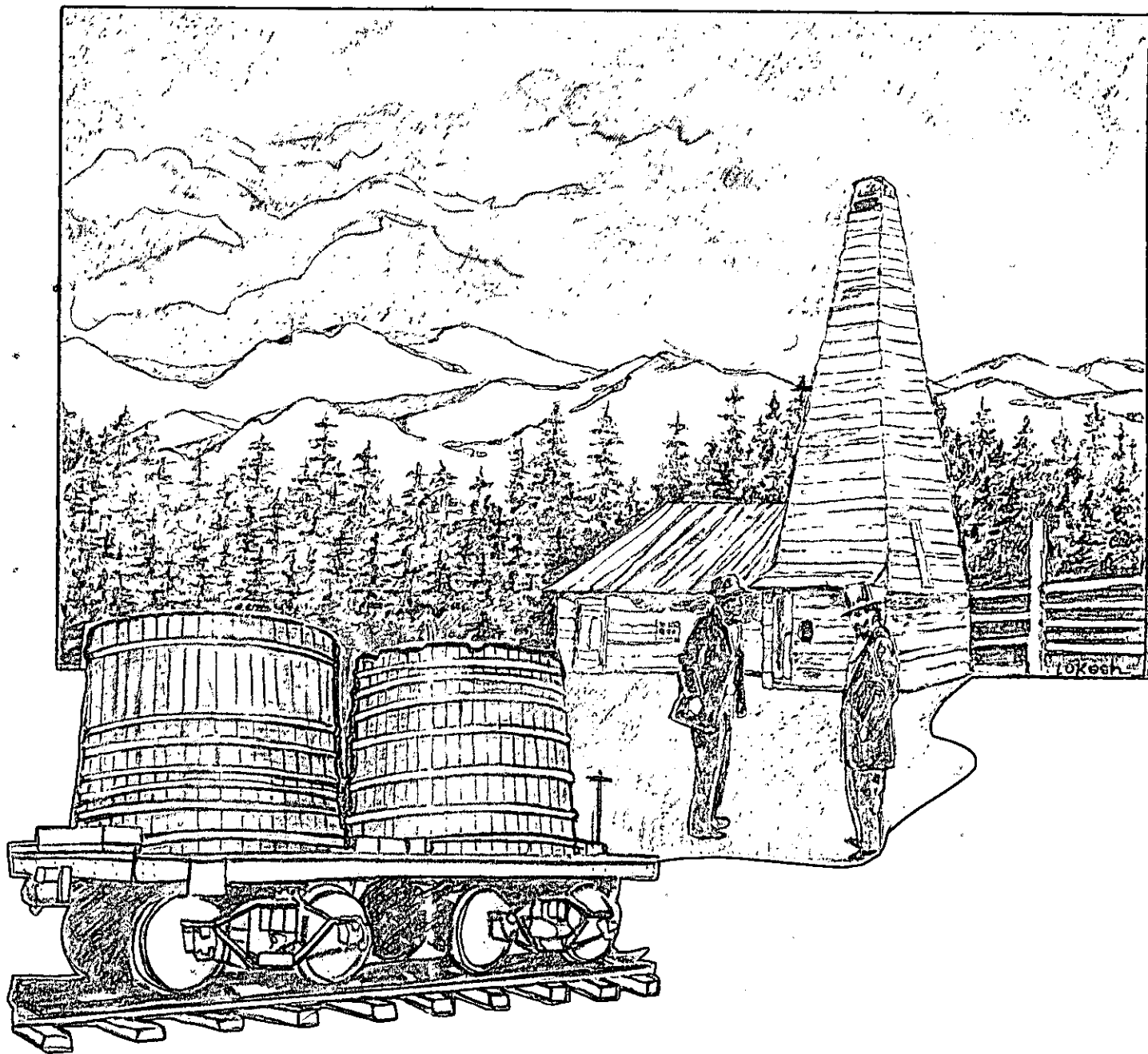
The Commonwealth spends funds on activities to provide government information to the news media and the general public and for other essential communication efforts. Funds are budgeted in about 30 agencies to provide public notification and information to the Commonwealth's public, news media, businesses, legislators and citizens regarding the bidding of contracts, issuance of rules and regulations, announcement of public hearings and the availability of services and financial aid such as the weatherization program and low income energy assistance. This amount which is detailed below excludes those items which are strictly educational and materials which are offered for public sale such as the "Game News" and "Angler."

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
	<u>Estimated</u>	<u>Budget</u>
Governor's Office	\$ 669	\$ 697
Executive Offices	178	187
Department of Aging	131	137
Department of Agriculture	179	187
Banking Department	32	32
State Civil Service Commission	45	47
Department of Commerce	191	200
Department of Community Affairs	218	223
Department of Corrections	138	148
Crime Commission	55	55
Department of Education	321*	304*
Emergency Management Agency	91	99
Department of Environmental Resources	488	503
Fish Commission	68	70
Game Commission	44	46
Department of General Services	46	54
Department of Health	204	214
Historical and Museum Commission	31	33
Insurance Department	52	57
Department of Labor and Industry	87	89
Liquor Control Board	86	94
Department of Military Affairs	127	130
Board of Probation and Parole	16	13
Public Television Network	83	87
Public Utility Commission	159	166
Department of Public Welfare	216	225
Department of Revenue	154	146
Securities Commission	8	9
Department of State	84	69
State Police	97	99
Tax Equalization Board	46	47
Department of Transportation	566	598
TOTAL	<u>\$ 4,910</u>	<u>\$ 5,065</u>

The Commonwealth also spends funds in these areas:

- *Lottery sales promotion* — \$8.6 million is spent on advertising campaigns to promote lottery sales and to disseminate information on the various lottery programs including property tax and rent assistance for 441,000 elderly citizens during 1985-86. These expenditures are expected to generate approximately \$845 million in lottery revenues during 1985-86.
- *Economic development* — A total of \$7.4 million is recommended from the General Fund to promote tourism and economic development. This has contributed to the approximately \$7.7 billion in 1984 travel revenues to Pennsylvania and supports the State's aggressive effort to preserve and create jobs.

*PPTN Included in Education in 1984-85 Budget.



Program Budget Summary

THE NATION'S FIRST OIL WELL

The drilling of the first successful oil well at Titusville in northwestern Pennsylvania by Edwin Z. Drake in August 1859 began a period during which Pennsylvania was the nation's leading oil producer. Although its output today is far exceeded by other regions of the country, the quality of Pennsylvania crude oil is still supreme, especially for lubricants.

Commonwealth Program Budget

This section summarizes the 1985-86 budget by the eight major program areas in which the Commonwealth provides services to its residents. It crosses departmental lines as well as individual special funds. As such it provides an overview of the major recommendations of this budget for program improvements or continuation.

Each program presentation contains a summary statement of budget recommendations in that program as well as a break out of categories and subcategories (subdivisions of activities) which contribute to the Commonwealth's total effort in that program. Volume II contains further information about specific departmental efforts at the subcategory level

FIVE YEAR SUMMARY OF COMMONWEALTH PROGRAMS

	(DOLLAR AMOUNTS IN THOUSANDS)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	ACTUAL	AVAILABLE	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
DIRECTION AND SUPPORTIVE SERVICES							
GENERAL FUND.....	\$ 334,194	\$ 367,649	\$ 381,939	\$ 397,385	\$ 410,955	\$ 423,586	\$ 437,377
SPECIAL FUNDS.....	312,815	327,420	326,783	339,892	343,513	354,331	365,366
FEDERAL FUNDS.....	805	632	1,021	1,052	1,019	1,052	1,086
OTHER FUNDS.....	66,683	73,552	76,028	78,287	81,189	84,225	87,460
TOTAL-OPERATING.....	\$ 714,497	\$ 769,253	\$ 785,771	\$ 816,616	\$ 836,676	\$ 863,194	\$ 891,289
PROTECTION OF PERSONS AND PROPERTY							
GENERAL FUND.....	\$ 426,399	\$ 472,919	\$ 501,332	\$ 528,747	\$ 565,187	\$ 593,385	\$ 622,803
SPECIAL FUNDS.....	211,037	219,884	239,096	243,899	246,471	255,074	264,023
FEDERAL FUNDS.....	24,335	34,218	29,799	27,115	28,687	31,360	30,540
OTHER FUNDS.....	258,786	284,953	288,742	292,824	297,528	300,948	305,155
TOTAL-OPERATING.....	\$ 920,557	\$ 1,011,974	\$ 1,058,969	\$ 1,092,585	\$ 1,137,873	\$ 1,180,767	\$ 1,222,521
HEALTH-PHYSICAL AND MENTAL WELL-BEING							
GENERAL FUND.....	\$ 1,498,440	\$ 1,609,791	\$ 1,669,926	\$ 1,762,569	\$ 1,869,486	\$ 1,969,602	\$ 2,079,441
SPECIAL FUNDS.....	100,000	149,639	149,835	150,800	151,712	152,698	153,768
FEDERAL FUNDS.....	1,043,278	1,245,129	1,273,339	1,298,473	1,357,726	1,422,638	1,489,547
OTHER FUNDS.....	96,773	105,836	79,849	69,289	71,010	72,513	74,112
TOTAL-OPERATING.....	\$ 2,738,491	\$ 3,110,395	\$ 3,172,949	\$ 3,281,131	\$ 3,449,934	\$ 3,617,451	\$ 3,796,868
INTELLECTUAL DEVELOPMENT AND EDUCATION							
GENERAL FUND.....	\$ 3,933,370	\$ 4,298,753	\$ 4,551,072	\$ 4,755,278	\$ 5,029,142	\$ 5,335,761	\$ 5,732,543
SPECIAL FUNDS.....	2,500	.....	.....	.....	.....	.....	.....
FEDERAL FUNDS.....	37,482	45,583	42,661	43,338	43,453	43,536	43,638
OTHER FUNDS.....	343,341	364,504	459,180	461,457	386,432	386,459	386,891
TOTAL-OPERATING.....	\$ 4,316,693	\$ 4,708,840	\$ 5,052,913	\$ 5,260,073	\$ 5,459,027	\$ 5,765,756	\$ 6,163,072
SOCIAL DEVELOPMENT							
GENERAL FUND.....	\$ 524,402	\$ 514,533	\$ 524,448	\$ 549,747	\$ 574,393	\$ 599,919	\$ 626,802
SPECIAL FUNDS.....	336,886	440,228	414,142	449,490	456,010	464,241	472,387
FEDERAL FUNDS.....	392,502	447,308	435,613	452,101	463,297	474,893	486,893
OTHER FUNDS.....	15,069	17,713	14,765	15,416	15,927	16,451	16,992
TOTAL-OPERATING.....	\$ 1,268,859	\$ 1,419,782	\$ 1,388,968	\$ 1,466,754	\$ 1,509,627	\$ 1,555,504	\$ 1,603,074

**FIVE YEAR SUMMARY OF COMMONWEALTH PROGRAMS
(CONTINUED)**

	(DOLLAR AMOUNTS IN THOUSANDS)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	ACTUAL	AVAILABLE	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED
ECONOMIC DEVELOPMENT AND INCOME MAINTENANCE							
GENERAL FUND.....	\$ 1,005,037	\$ 1,066,457	\$ 1,101,871	\$ 1,115,166	\$ 1,113,717	\$ 1,169,472	\$ 1,191,152
SPECIAL FUNDS.....	3,325	19,607	19,683	19,722	19,558	19,603	19,649
FEDERAL FUNDS.....	972,377	1,163,233	1,109,271	1,128,649	1,139,763	1,150,676	1,163,540
OTHER FUNDS.....	64,403	75,115	85,861	91,490	95,532	100,113	104,918
TOTAL-OPERATING.....	\$ 2,045,142	\$ 2,324,412	\$ 2,316,686	\$ 2,355,027	\$ 2,368,570	\$ 2,439,864	\$ 2,479,259
TRANSPORTATION AND COMMUNICATION							
GENERAL FUND.....	\$ 175,147	\$ 186,402	\$ 194,691	\$ 201,994	\$ 209,590	\$ 217,809	\$ 226,611
SPECIAL FUNDS.....	1,011,259	1,096,579	1,115,779	1,071,770	1,061,303	1,044,552	1,038,874
FEDERAL FUNDS.....	426,433	771,459	815,938	597,064	656,863	596,819	556,771
OTHER FUNDS.....	126,418	277,558	245,316	324,340	292,605	245,105	232,420
TOTAL-OPERATING.....	\$ 1,739,257	\$ 2,331,998	\$ 2,371,724	\$ 2,195,168	\$ 2,220,361	\$ 2,104,285	\$ 2,054,676
RECREATION AND CULTURAL ENRICHMENT							
GENERAL FUND.....	\$ 94,133	\$ 100,526	\$ 114,451	\$ 119,110	\$ 122,318	\$ 125,606	\$ 128,333
SPECIAL FUNDS.....	50,278	55,758	50,064	49,365	43,614	43,853	44,025
FEDERAL FUNDS.....	15,386	13,468	9,932	10,681	10,259	10,437	10,592
OTHER FUNDS.....	11,821	13,881	12,544	12,989	13,049	13,064	13,039
TOTAL-OPERATING.....	\$ 171,618	\$ 183,633	\$ 186,991	\$ 192,145	\$ 189,240	\$ 192,960	\$ 195,989
COMMONWEALTH TOTALS							
GENERAL FUND.....	\$ 7,991,122	\$ 8,617,030	\$ 9,039,730	\$ 9,429,996	\$ 9,894,788	\$ 10,435,140	\$ 11,045,062
SPECIAL FUNDS.....	2,028,100	2,309,115	2,315,382	2,324,938	2,322,181	2,334,352	2,358,092
FEDERAL FUNDS.....	2,912,598	3,721,030	3,717,574	3,558,473	3,701,067	3,731,411	3,782,607
OTHER FUNDS.....	983,294	1,213,112	1,262,285	1,346,092	1,253,272	1,218,878	1,220,967
TOTAL-OPERATING.....	\$ 13,915,114	\$ 15,860,287	\$ 16,334,971	\$ 16,659,499	\$ 17,171,308	\$ 17,719,781	\$ 18,406,748

DIRECTION AND SUPPORTIVE SERVICES

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 334,194	\$ 367,649	\$ 381,939	\$ 397,385	\$ 410,955	\$ 423,586	\$ 437,377
Special Funds	312,815	327,420	326,783	339,892	343,513	354,331	365,366
Federal Funds	805	632	1,021	1,052	1,019	1,052	1,086
Other Funds	66,683	73,552	76,028	78,287	81,189	84,225	87,460
TOTAL	\$ 714,497	\$ 769,253	\$ 785,771	\$ 816,616	\$ 836,676	\$ 863,194	\$ 891,289

This program provides administrative support and policy direction necessary to implement and maintain the substantive programs of the Commonwealth. These programs include the Commonwealth's budgeting system, policy research and analytical support, personnel management, revenue forecasting and collection, a uniform and computerized accounting system, an integrated central system (ICS) development and production project, and a data communications integration and management project.

The direct and indirect effects of Federal actions have a major impact on the State's budget. To insure that the Commonwealth's interests are adequately represented, the Governor's Washington Office continues to be utilized and has become one of the most active such offices of its kind in the Nation's Capital. This office provides a liaison between the Commonwealth and members of Congress and Federal officials. The budget recommendation for the Governor's Office includes \$100,000 for a Productivity Improvement Initiative to acquire computer technology which will enhance communications with other agencies.

The Office of Administration provides personnel services in the areas of classification and pay, placement, labor relations, training and affirmative action and monitors, coordinates and implements policy and programs which support the Governor's overall direction in managing the State work force. In addition, this office conducts management studies to affect policy and system changes, and maintains the Commonwealth's payroll, personnel, accounting and retirement systems.

The Office of Administration also coordinates the Pennsylvania Management Intern Program which provides the Commonwealth with high quality managerial talent. Recent graduates from selected masters' degree programs throughout Pennsylvania are chosen through a combination of personal interviews and ratings achieved through a series of rotational assignments in Commonwealth agencies. There are eight rotational assignments, each of which are six weeks long. Five assignments involve central administrative agencies: budgeting, comptroller operations, management information systems, employe relations, and policy development. The remaining three assignments involve the substantive agencies, two of which are chosen by the intern. The remaining one is the agency which funds a particular intern position. In addition, intern training involves attending brief-

ings provided by the major State agencies, attending all core Commonwealth Management Training seminars and, as teams, conducting a research project on a major issue facing State government. For the 1984-85 year, 24 interns were selected from 53 nominees chosen from 121 applications.

The Integrated Central System (ICS) facilitates policymaking and will provide integrated accounting, budgeting, payroll, purchasing and personnel systems when fully completed. Since the accounting system module will be nearly complete by July 1985, during the 1985-86 fiscal year, the ICS Project Team will change the emphasis from accounting system development to personnel and payroll system development. The 1985-86 recommended amounts include an additional \$184,000 for ICS Development and an additional \$1 million for ICS Production. The latter is for the on-going costs of report generation and transaction processing in the new accounting module.

The Data Communications Network is designed to improve and expand data communications in the Commonwealth. The Network, when completed, will result in increased efficiency and economy in data communications operations for Commonwealth agencies and will make more feasible the sharing of resources and information both within and between agencies. An additional \$95,000 is recommended to extend the implementation of the Network to include additional State agencies. Also, the Bureau of EDP Policy and Planning will develop and implement the Commonwealth's EDP Master Plan and Master Contingency Plan.

The Office of the Budget assists the Governor in formulating fiscal policies and procedures, prepares the annual Governor's Budget, and provides accounting, auditing, and financial advisory and supportive services to Commonwealth agencies. The Office of the Budget has been instrumental in providing much of the direction and staff support essential in moving toward the adoption of generally accepted accounting principles (GAAP) and the ICS accounting sub-systems. The recommended amount includes an additional \$191,000 for enhanced audit activities and an additional \$67,000 for budget preparation automation. Also, a separate appropriation of \$110,000 is recommended for the Pennsylvania Econometric Data Base initiative. This initiative will enhance revenue analysis and will provide the capability in both the Executive and Legislative branches of government

to access commercially available data bases and economic scenarios.

The Office of Policy Development provides policy research and analytical support to the Governor and his Cabinet in areas relating to economic development, human services, public safety, rural issues and other issues of concern to the Commonwealth. This office also coordinates the implementation of Commonwealth policy, and monitors and develops responses to Federal actions. The recommended amount for the Office of Policy Development includes an additional \$90,000 to coordinate the analysis and assessment process for all 11 programs established as part of the \$190 million bond-financed Pennsylvania Economic Revitalization Fund.

\$400,000 is recommended to reorganize the Department of Revenue's audit bureau in order to achieve a better geographical distribution, and to relocate field offices so as to facilitate interstate travel. The Commonwealth intends to audit more out-of-state companies in order to ensure the maximum collection of Commonwealth revenues.

A significant component of the State's personnel management system is provided by the Civil Service Commission. In fiscal year 1985-86, emphasis will again be placed on the identification of adverse impact and the development of more valid examinations. Full compliance with all Federal and State laws and regulations concerning employe selection procedures remains a major concern. The budget includes an additional \$360,000 in State funds for a Productivity Improvement Initiative to update and improve data processing and information management. Significant reform of the current system is continuing. The Senior Management Service is increasing the Commonwealth's ability to select the most competent senior managers and enhance their

mobility among agencies and positions.

The 1985-86 budget provides \$3 million for a number of energy conservation projects in Commonwealth-owned buildings. When completed, these projects will reduce energy costs to the Commonwealth with a payback period of two to three years. The energy conservation evaluations include all Commonwealth-owned buildings and projects are selected on a priority basis of energy savings.

The Commonwealth's benefits for its annuitants are funded through agency contributions to the State Employee Retirement System. In 1984-85, agency contributions to the system will total over \$400 million and the cost continues to rise annually. In 1984-85, the combined employer/employe cost is over 23 percent of payroll and has been increasing annually. The proposed revision to the retirement system for new employes, and those existing employes who elect to join it, would provide adequate benefits at a more fiscally acceptable cost to the Commonwealth. The employe contribution to the system, which is now either five percent or 6.25 percent of salary, depending on the starting date of employment, would no longer be required. Legislation establishing such a system has been drafted for the State system and is recommended for the School Employes Retirement System as well. The School System funding is shared by the Commonwealth and school districts and, at a 1984-85 cost of over \$750 million, has a major impact on those budgets. This proposal will mitigate the costs of the program for both systems in future years. A chart showing the funding increases by contributor for 1978-79 through 1985-86 is included in the subcategory "General Elementary and Secondary Education" in the Department of Education.

DIRECTION AND SUPPORTIVE SERVICES

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budge	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Administration and Support	\$ 71,021	\$ 84,619	\$ 83,324	\$ 87,180	\$ 91,622	\$ 95,423	\$ 99,599
Fiscal Management	\$ 432,850	\$ 441,905	\$ 445,356	\$ 456,419	\$ 467,692	\$ 479,253	\$ 491,111
Revenue Collection and Administration ..	354,456	360,665	362,900	372,740	382,740	392,979	403,462
Disbursement	60,031	61,590	62,024	62,430	62,853	63,292	63,748
Auditing	18,363	19,650	20,432	21,249	22,099	22,982	23,901
Commodity Management	\$ 3,738	\$ 3,845	\$ 3,930	\$ 4,087	\$ 4,250	\$ 4,420	\$ 4,598
Procurement, Storage and Distribution of Commodities	3,738	3,845	3,930	4,087	4,250	4,420	4,598
Physical Facilities Management	\$ 48,327	\$ 52,592	\$ 57,222	\$ 59,866	\$ 63,189	\$ 64,958	\$ 67,257
Provision and Operation of Facilities	48,327	52,592	57,222	59,866	63,189	64,958	67,257
Management of Commonwealth Liability ..	\$ 14,751	\$ 23,920	\$ 23,952	\$ 30,990	\$ 25,030	\$ 27,071	\$ 29,114
Risk Management and Tort Claims	14,751	23,920	23,952	30,990	25,030	27,071	29,114
Legislative Processes	\$ 76,322	\$ 88,188	\$ 94,938	\$ 98,735	\$ 102,685	\$ 106,792	\$ 111,064
Legislature	76,322	88,188	94,938	98,735	102,685	106,792	111,064
Program Total	\$ <u>647,009</u>	\$ <u>695,069</u>	\$ <u>708,722</u>	\$ <u>737,277</u>	\$ <u>754,468</u>	\$ <u>777,917</u>	\$ <u>802,743</u>

PROTECTION OF PERSONS AND PROPERTY

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 426,399	\$ 472,919	\$ 501,332	\$ 528,747	\$ 565,187	\$ 593,385	\$ 622,803
Special Funds	211,037	219,884	239,096	243,899	246,471	255,074	264,023
Federal Funds	24,335	34,218	29,799	27,115	28,687	31,360	30,540
Other Funds	258,786	284,953	288,742	292,824	297,528	300,948	305,155
TOTAL	\$ 920,557	\$ 1,011,974	\$ 1,058,969	\$ 1,092,585	\$ 1,137,873	\$ 1,180,767	\$ 1,222,521

This program includes the many components of the criminal justice system as well as all Commonwealth licensing and regulatory functions, the various consumer protection and consumer advocacy programs, emergency preparedness and highway safety.

The most pressing problem facing the criminal justice system is the rapid growth of the prison population and corresponding pressure on the limited prison space available, which has resulted in prison crowding. Pennsylvania has already been dealing with this problem by approving over \$160 million for the construction of over 3,000 new permanent cells at eight institutions. The 1984-85 pending capital budget recommends an additional \$68 million in capital improvements for our prison system, including another 150 cells at the Greensburg Regional Correctional Facility, the second phase of a major renovation of the Pittsburgh State Correctional Institution, security improvements at several institutions and establishment of mental health units at the State Correctional Institutions at Camp Hill, Dallas and Muncy.

These approved or recommended expansions will start being available beginning in the Spring of 1985 with the opening of a new cell block at Greensburg representing a gain of 150 cells. In the interim, measures must be undertaken to meet actual and projected increases in inmate population of approximately 12 percent this year and 10 percent next year. As in the past, these increases in prison population will have to be accommodated by short-term solutions such as double-celling of inmates, the use of prefabricated modular cells, and expansion of community service centers.

In an effort to reduce multiple cell occupancy and to handle the magnitude of increases experienced this year and anticipated next year, this budget contains major funding initiatives addressing prison crowding. Over \$17 million is provided for the proper staffing and operation of existing permanent and modular facilities.

In addition, initiatives underway in 1984-85 provide for additional modular units at Greensburg and Camp Hill amounting to a net gain of 124 beds.

In 1985-86, initiatives will provide for: cell expansions at Mercer and Dallas for a net gain of 278 beds; modular units at Camp Hill and Greensburg providing an additional 248 beds; establishment of an in-house training academy to upgrade training procedures for newly hired correctional officers; a pilot program in forensic mental health services at Muncy and Graterford to assist and more effectively treat

inmates with unstable mental backgrounds, and a pilot program for those incarcerated for sexual offenses; and an increase of 352 guards and other vital staff positions.

Increased funds are also included to make basic and vocational education programs available to the expanded prison population; about one-third of the inmates generally choose to pursue these activities.

Another integral part of the incarceration process recommended for funding emphasis is the probation and parole effort. Increasing prison populations eventually result in increased caseloads for the Board of Probation and Parole. Sufficient funds have been included to maintain the average caseload per agent at acceptable levels. This will insure that the parole system continues to provide effective public protection while assisting offenders to find work and become productive citizens.

This budget also assists local jurisdictions in dealing with their increasing jail populations by providing a nine percent increase in State support to the county probation program. With the recommended increase, State funds for county probation will have more than doubled since 1979. In addition, \$50,000 is recommended to assist several counties in establishing a program to provide specialized and individualized services to mentally retarded adult offenders.

The budget also provides funds to the Department of Public Welfare to expand and improve forensic mental health services to offenders in county jails.

The budget for the Pennsylvania State Police continues funding of previous initiatives. This includes providing funds for the continuation of the program to train 160 State Police Cadets. Also, the State Police will continue a program utilizing civilian personnel to actively solicit community participation in crime prevention efforts, and initiate a new program of fingerprinting children because of the soaring rate increase of missing and lost children each year.

To assist citizens, police officers, deputy sheriffs, county jail officers and local governments in dealing with the crime problem and jail crowding, the budget contains \$191,000 in additional funding for several initiatives to be conducted by the Pennsylvania Commission on Crime and Delinquency.

Act 2 of 1984, the Deputy Sheriffs Education and Training Act, mandates the Commission to provide basic and in-service training to all deputy sheriffs in the Commonwealth. The Federal Justice Assistance Act of 1984 authorizes up to 50 percent matching grants to State and local governments

to carry out specific programs of proven effectiveness, or which offer a high probability of improving the functions of the criminal justice system. Funds are provided to administer these programs and to expand the Jail Overcrowding Technical Assistance Program.

The Juvenile Court Judges Commission is continuing to encourage and assist in the development of county after-care and intensive probation programs, which have proven successful in reducing institutional placement costs while also reducing recidivism among juvenile offenders. The budget recommendation expands the county juvenile probation grant-in-aid program to continue these important programs, and also to implement a pilot program for mentally retarded juvenile offenders based on the successful program for mentally retarded adult offenders in Lancaster County.

The Commission will also continue to provide needed training to juvenile justice practitioners in key areas such as juvenile law, sex offenders, and passive restraint. To further this effort, the budget recommendation includes funding for the Commission to establish a Center for Youth Services Training, in conjunction with the Department of Public Welfare and the Pennsylvania Commission on Crime and Delinquency. This center will develop Statewide training programs to improve the capabilities of juvenile justice and youth services personnel in dealing with critical areas such as physical and sexual abuse of children and violent juvenile offenders, and will also disseminate information and provide technical assistance regarding successful program models in the juvenile justice and youth services systems.

The budget also includes funding in the Department of Public Welfare for the creation of a long-term secure facility for serious juvenile offenders, in order to provide extended intensive rehabilitation and supervision of these youth.

This budget provides an 9.5 percent increase for the Office of the Attorney General to continue its efforts in crime investigation and enforcement areas, including \$195,000 for a new Regional Grand Jury initiative.

Our capabilities in the area of emergency preparedness are being enhanced in this budget via a new program for voluntary certification of fire-service personnel by the Pennsylvania Emergency Management Agency.

In the past, numerous initiatives were funded in the area of regulatory and licensing activities including efforts in the Departments of Insurance, State and Banking and in the Securities Commission. The benefits to both the Commonwealth and the private sector from coordination and simplification of regulatory efforts in the various Commonwealth agencies are now being realized, and the con-

tinuation of these efforts is still a priority. This budget includes a 10.5 percent increase in funding for the Securities Commission, including hiring of a Small Business Filing Coordinator and an Abusive Tax Shelter Analyst in order to implement major new regulations designed to assist in capital formation for small businesses and long-term job creation; in the Insurance Department a \$38,000 initiative has been provided for expanded investigations of insurance bond investment fraud, and \$30,000 for Life Care Facility Examinations; and in the Department of State, enforcement activities will be enhanced by the provision of six new investigative positions in the Bureau of Professional and Occupational Affairs.

Enhancements to the Department of Transportation's vehicle registration program are continuing. A statistical quality control program is underway to provide more consistently error-free processing of title and registration applications. The International Registration Program (IRP) has expanded with the addition of four states in 1983. A new data processing system has been developed to provide more efficient handling of IRP applications. A fleet registration system is under development. A feasibility study exploring additional ways to provide more decentralized vehicle registration and driver license services throughout the Commonwealth was recently completed. The department is currently planning a phase-in of a decentralized system beginning in 1986-87.

As part of Transportation's overall effort to improve the data processing systems of both the vehicle registration and driver license programs, this budget includes second year funding of 1984-85 initiatives totalling \$4.6 million.

The emission inspection program for the Commonwealth inspects 3.1 million vehicles annually and is intended to reduce vehicle carbon monoxide and hydrocarbon pollutants and improve the air quality.

The areas affected are the Pittsburgh and Allentown-Bethlehem-Easton metropolitan areas (only in specific zip codes within these areas) and the Philadelphia region consisting of five counties.

This budget continues past initiatives within the Judicial branch of government. The Commonwealth will continue paying 80 percent of all county court juror costs incurred beyond the first three days of impanelization. The budget provides increased funding for those direct costs historically assumed by the Commonwealth including all appellate court judge and employe salaries, benefits and operating costs plus common pleas court judges and district court justice salaries and benefits.

PROTECTION OF PERSONS AND PROPERTY

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
General Administration and Support	\$ 37,172	\$ 40,712	\$ 44,278	\$ 45,988	\$ 47,772	\$ 49,608	\$ 51,126
Traffic Safety and Supervision	\$ 170,413	\$ 181,204	\$ 199,851	\$ 203,411	\$ 207,568	\$ 215,171	\$ 223,104
Operator Qualifications Control	25,338	26,927	29,308	28,743	28,448	29,589	30,796
Vehicle Standards Control	22,795	24,367	26,653	25,469	24,827	25,819	26,850
Traffic Supervision	100,238	107,550	121,291	126,609	131,682	136,916	142,365
Highway Safety Projects	17,481	17,563	17,659	17,779	17,925	18,075	18,229
Highway Safety Education	4,561	4,797	4,940	4,811	4,686	4,772	4,864
Control and Reduction of Crime	\$ 225,000	\$ 254,998	\$ 287,992	\$ 307,028	\$ 335,572	\$ 355,633	\$ 377,095
Juvenile Crime Prevention	3,415	3,526	3,971	4,022	4,075	4,130	4,188
Criminal Law Enforcement	57,380	64,737	71,187	74,054	77,038	80,129	83,351
Reintegration of Offenders	164,205	186,735	212,834	228,952	254,459	271,374	289,556
Adjudication of Defendents	\$ 97,188	\$ 101,279	\$ 107,702	\$ 110,922	\$ 114,271	\$ 117,753	\$ 121,377
State Judicial System	97,188	101,279	107,702	110,922	114,271	117,753	121,377
Maintenance of Public Order	\$ 12,740	\$ 14,815	\$ 13,142	\$ 13,708	\$ 14,312	\$ 15,121	\$ 15,740
Prevention and Control of Civil Disorder	1,381	1,493	1,616	1,751	1,907	2,000	2,134
Emergency Disaster Assistance	11,359	13,322	11,526	11,957	12,405	13,121	13,606
Consumer Protection	\$ 55,110	\$ 56,297	\$ 45,628	\$ 47,161	\$ 45,896	\$ 47,170	\$ 48,497
Regulation of Consumer Products	18,975	19,902	12,659	13,175	13,716	14,267	14,842
Regulation of Financial Institutions	6,401	7,090	7,064	7,347	7,641	7,947	8,265
Regulation of Securities Industry	1,691	1,949	2,154	2,240	2,330	2,423	2,520
Regulation of Insurance Industry	7,067	7,268	7,598	7,902	8,218	8,547	8,889
Regulation of Horse Racing	19,285	15,684	14,388	14,871	12,365	12,360	12,355
Regulation of Milk Industry	1,691	4,404	1,765	1,626	1,626	1,626	1,626
Protection from Natural Hazards and Disasters	\$ 23,324	\$ 22,960	\$ 22,170	\$ 24,177	\$ 25,401	\$ 26,490	\$ 27,715
Flood Control	2,508	2,787	2,990	3,233	3,521	3,643	3,860
Management of Forest Resources	14,249	15,083	14,012	15,708	16,454	17,223	18,025
Animal Health	6,567	5,090	5,168	5,236	5,426	5,624	5,830
Community Housing Hygiene and Safety ..	\$ 10,718	\$ 14,157	\$ 13,316	\$ 13,664	\$ 14,032	\$ 14,416	\$ 14,814
Accident Prevention	6,790	9,766	9,008	9,368	9,743	10,133	10,538
Fire Prevention	3,928	4,391	4,308	4,296	4,289	4,283	4,276

PROTECTION OF PERSONS AND PROPERTY

Contribution by Category and Subcategory

**General Fund and Special Funds
(Continued)**

	(Dollar Amounts in Thousands)							
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated	Estimated
Electoral Process	\$ 1,049	\$ 1,319	\$ 1,106	\$ 1,134	\$ 1,163	\$ 1,199	\$ 1,224	
Maintenance of Electoral Process	1,049	1,319	1,106	1,134	1,163	1,199	1,224	
Prevention and Elimination of Discriminatory Practices	4,722	\$ 5,062	\$ 5,243	\$ 5,453	\$ 5,671	\$ 5,898	\$ 6,134	
Reduction of Discriminatory Practices ...	4,722	5,062	5,243	5,453	5,671	5,898	6,134	
Program Total	\$ <u>637,436</u>	\$ <u>692,803</u>	\$ <u>740,428</u>	\$ <u>772,646</u>	\$ <u>811,658</u>	\$ <u>848,459</u>	\$ <u>886,826</u>	

HEALTH-PHYSICAL AND MENTAL WELL-BEING

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 1,498,440	\$ 1,609,791	\$ 1,669,926	\$ 1,762,569	\$ 1,869,486	\$ 1,969,602	\$ 2,079,441
Special Funds	100,000	149,639	149,835	150,800	151,712	152,698	153,768
Federal Funds	1,043,278	1,245,129	1,273,339	1,298,473	1,357,726	1,422,638	1,489,547
Other Funds	96,773	105,836	79,849	69,289	71,010	72,513	74,112
TOTAL	\$ 2,738,491	\$ 3,110,395	\$ 3,172,949	\$ 3,281,131	\$ 3,449,934	\$ 3,617,451	\$ 3,796,868

The Commonwealth provides health services through purchase of service arrangements and the direct delivery of services. The Commonwealth is one of the largest purchasers of health care services in the State.

A number of steps are being taken to deal with the rapidly increasing costs of the Medical Assistance program. These include actions to improve the administration of the program through emphasizing fraud control, cost avoidance and recovery from third party payors, centralized prior authorization, pharmaceutical cost containment, and increased use of prepaid capitation programs. While increasing enrollment in Health Maintenance Organizations (HMOs) continues to be emphasized, the major initiative in the capitation area is the implementation of a health insuring organization (HIO) demonstration project for the Philadelphia area, known as Health PASS (Philadelphia Accessible Services System). It is anticipated that the project will serve approximately 100,000 recipients and that the project will begin May 1, 1985, pending approval of the required Federal waivers. In addition, to involve recipients in the costs of their health care and to discourage unnecessary utilization, a recipient copay ranging from \$.50 to \$3.00, depending on the service and/or its cost, was implemented September 1, 1984 for non-exempt individuals and services.

In order to provide incentives for hospitals to better manage costs, beginning July 1, 1984, the method of payment for inpatient services provided by acute care general hospitals under the Medical Assistance program was changed from a retrospective cost reimbursement system to a diagnosis specific payment system. The prospective payment system follows the Federal Medicare program's recently adopted hospital payment system by determining rates based on diagnosis related groups (DRGs). Rates are established for each DRG, designed to reflect the average amount of resources used to treat specific inpatient cases.

Outpatient providers in the Medical Assistance program are primarily reimbursed on a fee for service basis, according to the Medical Assistance Fee Schedule. In recent years, progress has been made in revising the fee schedule to update and/or add procedure codes and terminology as well as to increase medical fees. Effective April 1, 1985, those procedures performed by physicians and outpatient hospital clinics will be identified and the fees for those procedures will be established at 50 percent of reported usual charges. To the extent that other providers perform these procedures, they will also receive the increased fee. The recommended

budget includes \$43.7 million in total funds in 1985-86 for this fee increase. The 1985-86 recommended budget also includes \$1,474,000 to increase the fee for home health services from \$18 to \$25 per visit. In addition, a total of \$1.7 million is recommended in 1985-86 to provide for increased Medical Assistance costs associated with the recommended increase in cash grants, as described in the Economic Development and Income Maintenance Program Plan.

With the redefinition of skilled nursing home care, and the transfer of patients from skilled nursing to intermediate care, it is recognized that intermediate nursing care patients may require more nursing care hours per day. For this reason, for services provided on or after July 1, 1985, the maximum number of nursing care hours per day for intermediate care for which Medical Assistance will reimburse will be increased from 2.4 to 2.6. In order to allow nursing homes to benefit from this increase, the method of calculating nursing home ceilings will be revised by setting net operating ceilings at the 55th percentile rather than at the median. The recommended budget includes \$13.3 million for these purposes.

During the 1985-86 fiscal year, Medical Assistance will require \$996.3 million in State and Lottery Funds. This is a \$25.8 million increase over the amount available in the 1984-85 fiscal year. This represents a 2.7 percent increase, reflecting substantial progress in cost containment when compared to the average annual increase of 10.8 percent over the last five years. This progress in cost containment has enabled the Commonwealth to undertake the new initiatives described above, such as increasing the nursing hours eligible for reimbursement and the physician and hospital clinic fee increases.

The recommended budget also includes \$1,653,000 in Lottery Funds to expand the preadmission assessment component of the Long-Term Care Assessment and Management Program (LAMP) for applicants to Medical Assistance funded nursing homes and State funded community sheltered living arrangements. Lottery Funds will also provide \$11.3 million for in-home services for persons participating in the LAMP program, as described in the Social Development Commonwealth Program Plan.

The Administration continues to place emphasis on the Medical Assistance Management Information System (MAMIS). MAMIS is an integrated computer processing system developed with the overall objectives of promptly processing and paying each eligible provider for every valid

claim as well as consolidating and organizing data and preparing reports needed for managing and controlling the Medical Assistance program. This system is reducing error rates and is providing better control of fraud and abuse.

The Commonwealth provides for the care and rehabilitation of the mentally ill through the operation of institutions and grants to counties for community based services. The recommended budget for 1985-86 includes approximately \$433 million in State funds for mental health services. Emphasis continues to be placed on the efficient management of the State institutional system and the adequate provision of rehabilitative services in the community programs. In fiscal year 1983-84, 4,575 clients served and discharged from State institutions were referred to and served by community mental health programs.

The budget provides \$10.3 million for the annualization and expansion of after-care services for the mentally ill, including funding for residential rehabilitation placements, vocational and social rehabilitation services, and the provision of case management services and for new initiatives to provide mental health services to individuals in county prisons and shelters for the homeless.

The recommended budget also includes \$884,000 for the expansion (40 to 80 beds) of Philadelphia State Hospital's forensic unit for patients requiring evaluation and treatment in a secure mental health setting.

The Pennhurst Center for the Mentally Retarded, will be renovated to become the Commonwealth's third veterans home. A \$6.2 million renovation capital project will provide 180 nursing and 150 domiciliary beds to serve Pennsylvania's veteran population in the East.

The Alcohol, Drug Abuse and Mental Health Services Block Grant provides additional funds for community mental health programs. These funds continue to be utilized for the provision of community residential rehabilitative services.

In 1984-85, the Department of Public Welfare has been implementing a divestiture plan for the eight State General Hospitals. Of these hospitals, five are expected to be transferred to community ownership and operation. In 1985-86, the remaining three hospitals will be transferred. The recommended budget provides funds necessary to complete the divestiture process.

The budget provides additional funds for a number of initiatives in the Department of Health. The Cancer Control program will receive an increase of \$1.0 million to continue existing cancer education programs and to initiate a series of new projects. The Office of Drug and Alcohol Programs will receive an increase of \$2.0 million to expand prevention, intervention and treatment services with particular emphasis on adolescents and women. Part of this increase will be used for the prevention of fetal alcohol syndrome and fetal alcohol effects and will be targeted for teenage parents. In addition \$748,000 will be utilized from the Maternal and Child Health Block Grant to expand prenatal and maternity care services to teenagers in the State and to establish a special information and referral hotline

for pregnant teenagers and teen parents. A Productivity Improvement Initiative has also been approved to assist the Bureau of Vital Statistics in automating a retrieval system for birth records. The Department of Health will receive additional funds to enter data and analyze responses to a questionnaire needed to establish a registry of Pennsylvania Vietnam veterans who were possibly exposed to herbicides used in Vietnam.

Solid waste management is one of the most pressing environmental problems facing the Commonwealth. In light of this, the budget continues several major program efforts begun in last year's budget. First, an additional \$2.7 million is recommended to expand the identification, monitoring and clean-up of hazardous waste sites. A 50 percent increase is included in the program to help local governments plan for the proper disposal of residual and municipal wastes and an additional \$900,000 is planned for encouraging the construction of resource recovery facilities, particularly those using waste-to-energy technology.

Due to a cutback in Federal funding, a Program Revision is recommended to make available to municipalities grants to partially subsidize the huge front-end costs of sewage facilities construction. Capping the existing State grant for sewage facilities operations will provide the initial funding for this construction assistance program.

Other water quality programs will be expanded. A groundwater monitoring effort will be initiated. This will generate the data needed to evaluate current regulations and policies and to develop an overall protection strategy. Permitting and compliance activities will be strengthened as a result of the State's acceptance of drinking water primacy from the Federal government. Also, new pricing incentives have resulted in a substantial rise in the number of oil and gas well permit requests. These additional programs must be met to protect our water resources from improper drilling operations.

Dealing with radioactive waste continues to be another essential State activity. When approved by the State Legislature, Pennsylvania will join Delaware, Maryland and West Virginia in an interstate compact for the disposal of low-level radioactive waste. This budget includes \$200,000 as the Commonwealth's contribution for the initial implementation costs associated with the operation of the compact.

The Radiation Protection Act of 1984 will also be implemented. This Act expands and centralizes regulatory and surveillance activities in the Department of Environmental Resources, increases planning and emergency response activities in the Pennsylvania Emergency Management Agency and requires the State Police to escort all shipments of spent reactor fuel in or through the State. These increased program levels are funded from licenses and fees.

Finally, funds have been recommended for the Department of Environmental Resources to initiate inspections of seasonal farm labor accommodations in the mushroom industry.

HEALTH - PHYSICAL AND MENTAL WELL-BEING

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Administration and Support	\$ 30,048	\$ 36,045	\$ 39,607	\$ 42,104	\$ 44,371	\$ 46,575	\$ 48,545
Physical Health Treatment	\$ 1,058,777	\$ 1,171,892	\$ 1,192,471	\$ 1,249,700	\$ 1,318,401	\$ 1,392,474	\$ 1,470,597
Medical Research and Health							
Information	8,061	8,539	9,394	9,733	10,087	10,454	10,836
Medical Facilities Review	5,796	6,322	6,755	7,117	7,511	7,858	8,256
Health Services Development	6,569	10,676	62,950	75,520	83,286	91,788	101,080
Disease Prevention	53,657	57,416	58,812	59,848	60,953	62,097	63,280
Detection and Diagnosis	7,883	8,102	8,299	8,443	8,592	8,747	8,911
Outpatient Treatment	206,528	238,869	235,025	240,401	246,324	255,655	265,484
Inpatient Treatment	496,183	533,635	486,891	505,990	539,668	575,330	613,288
Life Maintenance	249,686	281,415	295,427	313,151	331,893	349,857	368,160
Control and Treatment of Drug and Alcohol	24,414	26,918	28,918	29,497	30,087	30,688	31,302
Mental Health	\$ 434,313	\$ 463,298	\$ 484,081	\$ 506,042	\$ 531,226	\$ 554,431	\$ 580,304
Mental Health Systems Support	22,320	23,272	25,013	25,893	26,759	27,676	28,649
Community Services	11,809	12,745	12,932	13,597	14,215	14,864	15,546
Acute Mental Health Services	55,670	58,821	59,891	63,065	66,019	69,121	72,377
Rehabilitative Services	16,870	17,646	25,220	26,671	28,022	29,440	30,930
Inpatient Services (State Mental Hospitals)	327,644	350,814	361,025	376,816	396,211	413,330	432,802
Protection from Health Hazards	\$ 75,302	\$ 88,195	\$ 103,602	\$ 115,523	\$ 127,200	\$ 128,820	\$ 133,763
Air Pollution Control	4,628	4,730	5,097	5,302	5,486	5,624	5,768
Water Quality Management	43,351	48,638	58,239	69,292	80,013	85,532	89,320
Community Environmental Management	6,057	7,478	8,114	8,359	8,613	8,877	9,153
Solid Waste Management	6,901	11,966	16,619	17,879	18,017	18,322	18,645
Radiological Health	6,885	7,158	6,787	5,595	5,611	627	645
Environmental Support Services	7,480	8,225	8,746	9,096	9,460	9,838	10,232
Program Total	<u>\$ 1,598,440</u>	<u>\$ 1,759,430</u>	<u>\$ 1,819,761</u>	<u>\$ 1,913,369</u>	<u>\$ 2,021,198</u>	<u>\$ 2,122,300</u>	<u>\$ 2,233,209</u>

INTELLECTUAL DEVELOPMENT AND EDUCATION

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 3,933,370	\$ 4,298,753	\$ 4,551,072	\$ 4,755,278	\$ 5,029,142	\$ 5,335,761	\$ 5,732,543
Special Funds	2,500	.....	.....	.....	.....	.....	.....
Federal Funds	37,482	45,583	42,661	43,338	43,453	43,536	43,638
Other Funds	343,341	364,504	459,180	461,457	386,432	386,459	386,891
TOTAL	\$ 4,316,693	\$ 4,708,840	\$ 5,052,913	\$ 5,260,073	\$ 5,459,027	\$ 5,765,756	\$ 6,163,072

The Administration continues to place a high priority on Intellectual Development and Education for the Commonwealth's citizens. As evidence of this commitment, the recommended budget includes a 5.9% increase in State funds for this vital program as compared with an overall recommended General Fund increase of 4.9 percent. Of the total recommended General Fund budget increase of \$422.7 million, 60.0 percent or \$252.3 million is devoted to this program.

In last year's budget, the Governor proposed an Agenda for Excellence to improve the quality of education in the Commonwealth's public school system. The Agenda included: remedial education programs; the creation of a new standard of excellence in curricula; and the identification and rewarding of outstanding teachers. The proposed budget for 1985-86 includes \$58.0 million for the continuation of this program. This funding is in addition to the normal ongoing funding for local education.

This funding level will support the continuation of periodic student testing for an acceptable level of competence in reading and mathematics and remedial courses to improve the competency level of those students whose achievement is unsatisfactory. In addition, school districts will be given the option of implementing an "Excellence in Teaching" award program which will provide State funded awards of \$2,000 for up to five percent of each district's teachers. The criteria to be used would be determined by the school district with the Department of Education's approval.

In conjunction with the effort to improve the quality of education in public schools, the budget provides \$500,000 to improve the quality and content of teacher education programs, criteria for admission to those programs, revision of standards for certification, and the design and implementation of an induction process for first year educators. A standard statewide testing program for teacher certification will also be developed and implemented.

Act 31 of 1983 revised the method of distributing subsidy payments to school districts by providing each district with a base level of aid per student as well as supplemental payments based on the number of low income families living in the district and on the population density of the district. The 1985-86 budget includes an increase of \$94.9 million or 5.0 percent for the Equalized Subsidy for Basic Education (ESBE) appropriation. This increase which is

equal to the anticipated rate of inflation, is sufficient to keep pace with anticipated increases in school district expenditures. The total recommended funding level for ESBE of nearly \$2.0 billion will support increases for school districts ranging from 2 percent to 5.5 percent. In addition to the ESBE funding, \$1.4 billion in State funds is recommended to fund other public school services, including vocational education, pupil transportation, special education, early intervention services and the intermediate units.

A 35 percent increase in funds, for a total of \$10.0 million is being recommended to expand early intervention services to more handicapped children thereby maximizing growth and development during the critical preschool years. In addition, \$15.4 million will be provided for early intervention services through local mental health and mental retardation agencies for a total commitment of \$25.4 million.

Teen pregnancy and parenthood is a serious and continuing problem both in the Commonwealth and the nation as a whole. Many pregnant teenagers drop out of school prior to graduation and as a result have difficulty obtaining employment. This in turn is likely to lead to long-term welfare dependency.

To begin to address this issue, this budget contains \$2.4 million to create new programs and/or expand existing ones to meet the comprehensive needs of pregnant and parenting teenagers.

The competency testing and remediation programs contained in the Agenda for Excellence should greatly reduce adult illiteracy in the future. However, there are a significant number of adults in Pennsylvania who do not have a high school diploma as well as individuals who are considered functionally illiterate. This lack of education can result in unemployment and welfare dependency. In response to this need for adult education, \$1.0 million is included in this budget to begin a grant program under which non-profit providers (school districts, intermediate units, colleges, community-based and volunteer organizations, etc.) would administer Adult Basic Education/General Education Development programs.

In an effort to mitigate the impact of the school retirement system on future Commonwealth and school district budgets it is proposed that a new system, a "second tier," be provided for new employees and those current employees who elect to join. The new system would require lower employer contributions, no employee contributions, and

benefit levels comparable with private systems. The future savings to school districts could be substantial. A chart showing the funding increases by contributor for 1978-79 through 1985-86 is included in the subcategory "General Elementary and Secondary Education" in the Department of Education.

A recommended funding increase of over \$46.7 million for the institutional appropriations and student aid represents a strong and continuing commitment to higher education. The increase will provide sufficient funds to ensure the continued improved quality of higher education in Pennsylvania and includes funds for four new programs: \$1.0 million for merit scholarships, \$8.0 million for grants for part-time students, \$2.5 million for deferred maintenance at the State System of Higher Education, and \$1.0 million for the establishment of Chairs of Excellence with funds provided on a matching basis. These initiatives have been developed through the work of the Governor's Commission on Financing Higher Education.

In basic, vocational, and higher education there is a pressing need for equipment to keep pace with instructional

demands of our technological society. From basic computers in the elementary schools to oscilloscopes, microcomputers, and other advanced technology equipment for the schools of engineering, millions of dollars of needs can be easily estimated. Steps toward meeting that need must be a priority for local, private, institutional, and Commonwealth planners this year and in the immediate future. Although \$30.0 million is available through the bond funded Pennsylvania Economic Revitalization Fund for equipment in vocational technology schools, community colleges and engineering colleges, these funds can only meet a portion of the total need.

This budget again proposes to dedicate the two-year proceeds from the proposed sale of liquor store franchises almost entirely to grants for computer, laboratory, and engineering equipment purchases. The total expenditure of \$150.0 million, \$75.0 million in 1985-86 and \$75.0 million in 1986-87, together with funds generated by local and private efforts, should have a major impact on the quality of education and the competence of our workforce in advanced technology areas for many years to come.

INTELLECTUAL DEVELOPMENT AND EDUCATION

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Administration and Support	\$ 8,639	\$ 9,114	\$ 8,864	\$ 9,219	\$ 9,587	\$ 9,970	\$ 10,370
General Instruction	\$ 1,660,471	\$ 1,808,646	\$ 1,906,669	\$ 1,978,869	\$ 2,082,819	\$ 2,224,644	\$ 2,401,293
General Pre-School Education	105,264	115,519	124,836	134,291	146,203	159,180	172,956
General Elementary and Secondary Education	1,555,207	1,693,127	1,781,833	1,844,578	1,936,616	2,065,464	2,228,337
Special Education	\$ 646,068	\$ 714,313	\$ 760,217	\$ 797,974	\$ 854,556	\$ 920,531	\$ 990,339
Mentally Handicapped Education	214,014	239,092	256,297	268,407	291,082	312,946	335,008
Physically Handicapped Education	308,698	338,924	360,648	379,999	405,879	435,875	469,375
Gifted and Talented Education	123,356	136,297	143,272	149,568	157,595	171,710	185,956
Compensatory Programs	\$ 335,793	\$ 376,046	\$ 396,406	\$ 415,987	\$ 445,868	\$ 482,577	\$ 526,920
Compensatory Pre-School Education	14,369	23,816	24,934	25,972	27,438	29,279	31,756
Compensatory Elementary and Secondary Education	321,424	352,230	371,472	390,015	418,430	453,298	495,164
Vocational Education	\$ 357,851	\$ 382,953	\$ 409,710	\$ 428,448	\$ 447,165	\$ 455,682	\$ 498,422
Vocational Secondary Education	353,966	377,815	404,070	422,662	441,228	449,587	492,164
Community Education	3,885	5,138	5,640	5,786	5,937	6,095	6,258
Higher Education	\$ 927,048	\$ 1,007,681	\$ 1,069,206	\$ 1,124,781	\$ 1,189,147	\$ 1,242,357	\$ 1,305,199
Assistance to Higher Education	828,515	902,294	947,064	996,136	1,047,089	1,090,709	1,143,338
Financial Assistance to Students	82,517	88,250	104,320	110,110	122,782	131,601	141,012
Financial Assistance to Institutions	16,016	17,137	17,822	18,535	19,276	20,047	20,849
Program Total	<u>\$ 3,935,870</u>	<u>\$ 4,298,753</u>	<u>\$ 4,551,072</u>	<u>\$ 4,755,278</u>	<u>\$ 5,029,142</u>	<u>\$ 5,335,761</u>	<u>\$ 5,732,543</u>

SOCIAL DEVELOPMENT

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 524,402	\$ 514,533	\$ 524,448	\$ 549,747	\$ 574,393	\$ 599,919	\$ 626,802
Special Funds	336,886	440,228	414,142	449,490	456,010	464,241	472,387
Federal Funds	392,502	447,308	435,613	452,101	463,297	474,893	486,893
Other Funds	15,069	17,713	14,765	15,416	15,927	16,451	16,992
TOTAL	\$ 1,268,859	\$ 1,419,782	\$ 1,388,968	\$ 1,466,754	\$ 1,509,627	\$ 1,555,504	\$ 1,603,074

The Social Development program provides services to individuals who are in need of various levels of care, remedial treatment, rehabilitation, or social services to deal with problems of mental retardation, visual and physical handicaps, aging, and youth.

A major new program, the Pharmaceutical Assistance Contract for Elderly (PACE), was implemented on July 1, 1984, to help senior citizens defray the cost of prescription drugs. By the end of the program's first six months of operation, over 300,000 persons had enrolled and payments for prescriptions on behalf of the Commonwealth's senior citizens were exceeding \$1 million per week. When the annual income level for eligibility is increased on April 1, 1985, as many as 150,000 additional senior citizens are expected to receive a PACE identification card. The PACE program, financed from the successful Pennsylvania Lottery, will enable an estimated 600,000 senior citizens to save approximately \$300 million on the purchase of their prescription drugs during its first three years of operation.

The State Lottery Fund is a major source of funds for grants to the Area Agencies on Aging. During 1985-86, over \$60 million in Lottery Fund monies will be made available to the Commonwealth's 50 Area Agencies on Aging for the provision of social services to senior citizens. Of these funds, a 17 percent increase to \$14 million is being recommended for the expansion of in-home services for the frail elderly with the objective of providing an alternative to long-term care in an institutional setting.

The Long-Term Care Assessment and Management Program (LAMP) for applicants for Medical Assistance funded nursing homes and State-funded community sheltered living arrangements is being implemented in six counties during 1984-85 to assure that community-based care is provided when appropriate. The budget recommendation for 1985-86 includes \$3,306,000 in Lottery and Federal funds for pre-admission assessments and \$11.3 million for the provision of in-home services to enable individuals to receive care in the community rather than enter an institution.

The Lottery Fund also provided \$10.1 million on a one-time grant basis in 1984-85 for the more than 500 senior citizen centers to make repairs and improvements to comply with fire and safety standards, increase accessibility to the handicapped, and make general renovations.

Act 49 of 1984 which amended the Mass Transit Assistance Act increased the reimbursement to transit

operators from 75 percent to 100 percent of the base fare revenues and from 60 percent to 100 percent of the transfer revenues the operators lose through the free transit program. Act 49 of 1984 also increased the reimbursement percentage from 75 percent to 90 percent to county transportation systems which provide reduced fare, demand responsive rides to persons aged 65 and older and provides for an annual executive authorization not to exceed \$2.3 million for equipment grants.

Services for persons who are mentally retarded continue to emphasize community programming and appropriate residential placement. Institutional programs have traditionally received substantial reimbursement through the Medicaid (Title XIX) program for services. Generally, services in the community have been funded by State, county and private resources. Waiver requests have been submitted to the Federal government to permit the Medicaid (Title XIX) reimbursement of certain community-based services for persons who are either residents in institutions or are at risk of being institutionalized.

Community programming and residential placement are further emphasized in fiscal year 1985-86. Funding of \$1,700,000 for the expansion of adult day services for mentally retarded persons has been recommended. An increase of \$1,200,000 in the funding for case management services has also been recommended. Case management services are necessary to properly assist, support and monitor formerly institutionalized clients in community programs. Beginning in fiscal year 1984-85, funding for the expansion of these community services was provided through the Social Services Block Grant (Title XX). This funding will continue in fiscal year 1985-86. To meet the need for services to individuals that are dual diagnosed as both mentally ill and mentally retarded the budget recommendation includes \$448,000 in State funds for 20 additional beds in each of the two State Centers, \$1.2 million for 100 beds at the community level and \$400,000 for adult day programs.

In fiscal year 1985-86, \$100,000 is continued for contractual monitoring of formerly institutionalized clients in community residential settings.

The community mental retardation program includes the provision of early intervention services to mentally retarded children. An expansion of \$300,000 for these services to meet the current estimated need has been recommended. Total funding for the provision of early intervention ser-

vices through MR programs including the recommended expansion will be \$15.4 million. Additional funds for the early intervention program for handicapped pre-school children are identified in the Intellectual Development and Education program.

The budget also includes \$9,800,000 to continue two attendant care programs for adult and elderly individuals who are physically handicapped but mentally alert. Of these funds, \$5.1 million will be provided by the Lottery Fund for senior citizens and \$4.7 million will be allocated from the Social Services Block Grant for services to adults aged 18 to 59 who are physically handicapped mentally alert. The program will provide in-home services for physically handicapped persons who do not require extensive medical care so that they may remain in or return to their own homes. In addition to providing important services for handicapped individuals, this program will create jobs for several

hundred attendants.

The Human Services Development Fund which was established in 1984-85 and successfully gives counties greater flexibility in providing human service needs in the local communities has been expanded to a total of \$18,100,000 through the merger with the Adult Services Block Grant and an increase in State funds of \$2,000,000.

Services to children and youth have been increased in three areas. A Program Revision of \$2,760,000 is recommended to expand programs to prevent child abuse, and provide services to victims and families of child abuse. An additional \$500,000 is provided for housing assistance to families with children in foster care due to temporary economic and health problems. Finally, funding for Day Care Services have been increased by \$3 million. Up to \$1.5 million of this amount will be used for latchkey programs for school-age children before and after school and during school vacations.

SOCIAL DEVELOPMENT

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Administration and Support	\$ 1,048	\$ 1,103	\$ 1,140	\$ 1,143	\$ 1,138	\$ 1,127	\$ 1,110
Social Development of Individuals	\$ 189,575	\$ 176,983	\$ 175,617	\$ 183,052	\$ 190,868	\$ 199,059	\$ 207,669
Youth Development Services	30,058	28,276	28,791	29,885	31,026	32,130	33,301
Family Support Services	159,517	148,707	146,826	153,167	159,842	166,929	174,368
Support of the Aged	\$ 338,444	\$ 440,330	\$ 412,178	\$ 447,493	\$ 454,017	\$ 462,253	\$ 470,404
Support of the Aged	338,444	440,330	412,178	447,493	454,017	462,253	470,404
Mental Retardation	\$ 332,221	\$ 336,348	\$ 349,655	\$ 367,549	\$ 384,380	\$ 401,721	\$ 420,006
Mental Retardation Systems Support	13,312	10,732	11,272	11,931	12,629	13,370	14,158
Community Based Services	48,655	54,697	67,261	71,081	74,830	78,784	82,954
Community Residential Services	109,237	113,519	124,560	132,048	138,650	145,583	152,862
Private Intermediate Care Facilities	24,581	28,515	35,015	36,496	38,139	39,855	41,648
State Centers	136,436	128,882	111,547	115,993	120,132	124,129	128,384
Program Total	<u>\$ 861,288</u>	<u>\$ 954,761</u>	<u>\$ 938,590</u>	<u>\$ 999,237</u>	<u>\$ 1,030,403</u>	<u>\$ 1,064,160</u>	<u>\$ 1,099,189</u>

ECONOMIC DEVELOPMENT AND INCOME MAINTENANCE

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 1,005,037	\$ 1,066,457	\$ 1,101,871	\$ 1,115,166	\$ 1,113,717	\$ 1,169,472	\$ 1,191,152
Special Funds	3,325	19,607	19,683	19,722	19,558	19,603	19,649
Federal Funds	972,377	1,163,233	1,109,271	1,128,649	1,139,763	1,150,676	1,163,540
Other Funds	64,403	75,115	85,861	91,490	95,532	100,113	104,918
TOTAL	\$ 2,045,142	\$ 2,324,412	\$ 2,316,686	\$ 2,355,027	\$ 2,368,570	\$ 2,439,864	\$ 2,479,259

As the economy continues a solid recovery triggered by tax cuts, declining inflation and interest rates and reduced unemployment, this Administration's highest priority remains one of positioning the Commonwealth to take maximum advantage of this improved economic climate.

This program contains four activities which, while seemingly unrelated, are all aimed at the common goal of enhancing the economic well-being of Pennsylvanians. Economic development is keyed to providing jobs for the workforce; scientific and technological development is aimed at creating the mix of industries and jobs needed in today's changing economy; job training strives to improve workforce skills needed for those jobs; and income maintenance provides assistance for those who, through no fault of their own, cannot maintain an acceptable standard of living without such assistance.

Economic Development

In response to the recent national recession and the changing structure of Pennsylvania's economy, the Commonwealth undertook during 1983-84 and the first half of 1984-85 a number of innovative economic development and job-creation initiatives in furtherance of the comprehensive strategy set forth in the Governor's *Blueprint for Economic Development*. These included implementation of the bond-funded \$190 million Pennsylvania Economic Revitalization (PERF) program which is now fully operational, implementation of the Job Training Partnership Act, initiation of an Enterprise Development Zone (EDZ) program and the Pennsylvania Energy Development Authority (PEDA) program, and acceleration of the Capital Loan program and Ben Franklin Partnership.

Economic development priorities during 1985-86 will emphasize effectively coordinating and targeting this array of new and diverse programs now in place, in order to insure optimum utilization of the job creation and economic expansion tools now available.

Priorities include ensuring that the business community, both in Pennsylvania and elsewhere, is aware of the broad range of incentives and assistance programs which are available; expanding and strengthening existing programs where needed; and placing renewed emphasis on a number of areas that perhaps have not shared in the tremendous expansion in economic development programs in the last few years.

Economic development initiatives in this budget fall into four primary areas: tourism and economic development promotion, industrial development, housing and redevelopment, and small business assistance.

In recognition that increased tourism is an important part of any comprehensive approach to economic development, the Commonwealth's tourism and economic development promotion campaign is almost doubled in this budget, and grants to assist localized tourist promotion efforts increase by \$400,000. Although tourism and economic development advertising efforts have already increased dramatically under this Administration, Pennsylvania's competitive advertising presence has nonetheless eroded in recent years due to significant increases in the travel promotion efforts of neighboring states. Such increases are a necessity if Pennsylvania is to strengthen its place in the tourism market, and make known to the business world the full extent of its recent economic development initiatives.

The second major tourism-related proposal of this budget is a \$141.1 million capital project, in addition to the \$43.9 million project already approved, for State participation in the construction of the new Pennsylvania Convention Center in Philadelphia. This project, which will create an estimated 10,000 jobs and over \$2 billion in State tax revenues over the next 35 years, represents a major commitment towards further economic development in Southeastern Pennsylvania through the attraction of large public events and associated tourist expenditures.

New industrial development initiatives involve three separate proposals: a new Community Economic Recovery program to complement the Employee Ownership Assistance program under PERF, expanded Enterprise Development efforts in both the Department of Commerce and the Department of Community Affairs, and General Fund support in order to expedite existing PERF activities.

Despite the recent improvement in the overall economic situation, a number of communities in Pennsylvania are still faced with severe economic problems. As major plants have closed or cut back production, the impact has been felt through increased unemployment and loss of tax revenue to the community, plus loss of supplier and service-type firms dependent on the major industry in the area which further exacerbates the tax revenue loss as the entire community becomes more and more distressed.

The Community Economic Recovery Program proposed

in this budget will provide direct grants to local support coalitions of business, labor, religious and other community leaders and local officials to (1) develop local economic diversification and job retention strategies aimed at preventing or ameliorating impending economic disaster, and (2) to provide technical assistance to existing firms, particularly mature industries interested in modernizing their facilities.

Additional support for the Enterprise Development Zone program will be provided in two areas: a 25 percent increase to Community Affairs' basic program and a \$1 million increase in funds under Commerce's Site Development program targeted to Enterprise Development Zones. Enterprise Development Zones, which involve areas of high and persistent unemployment coupled with poverty substantially higher than the Statewide average and general economic decline, currently involve 27 communities; the Site Development program provides grants to local governments for water, sewer, and access road projects. The increases provided in this budget will accelerate the recovery effort in these communities, while allowing needed infrastructure improvements to take place.

Finally, to avoid the constraints and requirements imposed by recent Federal Deficit Reduction Act (DEFRA) and the Tax Code on the issuance of tax exempt consumer loan and Industrial Development (IDB) bonds, \$12 million is recommended in both 1984-85 and 1985-86 for transfer to the Pennsylvania Economic Revitalization Fund to meet the needs of the fund and to reduce the use of IDB bonds by the fund. In the absence of this General Fund support, several of the PERF programs, especially the Business Infrastructure Development Program, would need to be financed by IDBs. The IDB process prescribed by U.S. Internal Revenue Service regulations is cumbersome and places heavy paperwork and procedural review burdens on program applicants, thereby discouraging many applicants and causing delays in project implementation. Funding these projects through the General Fund rather than IDBs will allow these PERF programs to move forward as originally envisioned by the General Assembly.

Recognizing the importance of housing construction and rehabilitation in overall economic development efforts, this budget proposes to increase State funding for Community Affairs' Housing and Redevelopment program by 25 percent.

New small business assistance initiatives involve a program to assist in the creation of export trading companies, and a new State delivery program to assist small businesses and export trading companies in using the resources available through Eximbank; in addition, increased funding also will be provided for existing technical assistance and training efforts, local development districts and PennTAP. A number of key economic development programs are continued at present levels, including the Pennsylvania Industrial Development Authority (PIDA), Community Facilities and the Homeowner's Emergency Mortgage Assistance (HEMA) program. A Business Outreach Program will be created to insure that businesses are aware of the many economic development programs now available and to help local communities identify opportunities for job retention and growth.

Finally, two initiatives are funded in the Department of Agriculture: \$200,000 to expand the Farm Market Promotion program to inner cities, and \$198,000 for an inspection program for amusement rides.

Scientific and Technological Development

Five major initiatives comprise the Scientific and Technological Development component of this budget: expansion of the Ben Franklin Partnership (BFP) program, funding for the proposed Pittsburgh Technology Development Center, assistance in construction of the Department of Defense/Carnegie Mellon University Software Engineering Institute, an increase in funding for the Pennsylvania Energy Development Authority (PEDA) and increased State funding for the Pennsylvania Energy Centers.

The now nationally known Ben Franklin Partnership encourages the development of scientific and technological innovation through education and research in an attempt to expand the skilled workforce and increase Pennsylvania's competitive opportunities in both existing businesses and growth industries of the future. BFP helps existing industries utilize advances in technology to become more productive, encourages the creation of new and developing technology-based businesses, and includes funding for challenge grants for joint university/private sector efforts to establish Advanced Technology Centers in Pennsylvania's higher education institutions. This program has been highly successful, with private participation exceeding 75 percent versus the 50 percent envisioned; that is, the program is experiencing a 3:1 match ratio with each State dollar supplemented by \$3 of private funding. Accordingly, an increase of \$6.4 million is being recommended, a nearly 35 percent increase over the current level and a twenty-five fold increase over 1982-83, the program's initial year. Already the Ben Franklin Partnership has invested \$116 million of public and private funds in advanced technology efforts, and has become the most highly-leveraged such program in the nation.

Two new major State-assisted projects are also proposed as public-private partnerships to enhance Pennsylvania's research and technology development capabilities as well as stimulate economic development and jobs. State funding in 1984-85 in the amount of \$4.5 million is recommended for site improvement to assist the Department of Defense/Carnegie Mellon Software Engineering Institute project. The availability of such State support was an important element in the choice of Pennsylvania as the site for the facility, which is expected to generate 250 new jobs and a steady annual expenditure level of \$30 million and attract peripheral related businesses.

The second proposal for technological innovation in Western Pennsylvania involves the Gulf Research Center at Harmarville, now owned by Chevron. Under this proposal, Chevron would convey the existing Research Center to the University of Pittsburgh to establish a non-profit corporation for technological innovation. Until 1983, the Center was the focus of much of Gulf's research and development program, and served other clients such as government and industry.

The facility is ideally suited for research and technology development in petroleum, energy, chemicals and phar-

maceuticals, and is sufficiently adaptable to be used for prototype construction and light assembly operations. The University proposes to rehabilitate several buildings for incubators utilizing Pennsylvania Economic Revitalization Fund (PERF) monies; will encourage research facilities of major corporations in Pittsburgh to be located on the site; will establish centers of excellence in such areas as chemicals or coal; and will undertake contract research such as is done at the Research Triangle in North Carolina. The University anticipates initially having 800 employees working at the site, with hopes of eventually increasing this number to 2,000 or more, and will keep the property on the tax rolls. The Commonwealth will provide \$1 million in 1985-86 and \$2 million in 1986-87 to help assist in start-up and operation costs until the Center reaches self-sufficiency in three to five years.

The fourth important Scientific and Technological Development initiative in this budget involves a 50 percent increase in funding for PEDAs. Specifically planned are: (1) a program to provide funding assistance to industries and institutions considering conversion to alternative energy sources to perform feasibility studies; (2) a promotional program to increase farmers' awareness and acceptance of the waste to energy conversion systems available, and (3) a program to provide grants to municipalities to study the feasibility of converting waste to energy.

Finally, the Governor's Energy Council provides funds to the Pennsylvania Energy Centers which conduct site-specific energy efficiency surveys for small business, local government and multi-family apartment owners. These surveys identify and concentrate on energy conservation projects which have a payback of one year or less. During the four years the Energy Centers have been in operation, 21,500 visits have been conducted resulting in a savings of over 250,000 barrels of oil equivalency, a savings of approximately \$7 million. An additional \$400,000 in State funds is recommended for this cost effective program in 1985-86, due to decreasing Federal funds which traditionally have supported the energy centers.

Job Training

If Pennsylvania is to continue to improve its economic condition through the impacts of the initiatives outlined above, it is essential that a skilled workforce is available for those firms locating or expanding in Pennsylvania, and that unemployed individuals in Pennsylvania have the skills necessary to take advantage of available jobs.

To this end this budget continues to take full advantage of the Federal Job Training Partnership Act (JTPA). This act, a replacement for the Comprehensive Employment and Training Act, is designed to aid the entry or re-entry and productive participation of unskilled and unemployed youth and adults and dislocated workers into the workforce through the provision of job training education and job placement activities. It is estimated that over \$160 million in Federal funds will be available in 1985-86, and \$9.3 million in State funds have been recommended to fulfill the matching requirements. Pennsylvania has placed particular emphasis in its use of JTPA funds on programs benefitting welfare recipients, displaced homeowners and dislocated workers.

The Commonwealth's Customized Job Training (CJT) Program has become an effective component in Pennsylvania's arsenal of economic development tools, as well as a successful effort to prepare and place Pennsylvanians in new and upgraded jobs in our changing economy. Employers across the state are increasingly using the CJT program to train employees for jobs created through expansion, and the program is utilized by large corporations, small businesses, new ventures, and advanced technology firms. Over 5,000 individuals have been trained and placed in jobs or had their jobs upgraded since the inception of the program. In response to program growth and increasing demand for training, this budget contains an initiative to raise the funding level from \$7 million to \$12 million.

This budget also provides \$1 million in State funds to assist local Private Industry Councils (PICs) in establishing training programs for welfare recipients, particularly those with multiple barriers to employment; the funds will be provided on a matching basis under a competitive process.

Also included is \$1.25 million in State funds to assist PICs in establishing comprehensive training programs for pregnant teenagers and teenage parents, including vital support services such as day care, transportation, etc. These initiatives, discussed more fully under the Intellectual Development and Education Program, will help avoid long-term welfare dependency for these groups.

Another major program helping low-income individuals is the Community Services Block Grant (CSBG), which the State is administering. The thrust of the \$17 million CSBG is a range of employment and training programs and services which combat the causes of poverty. Some of the services provided include employment training programs and work experience for economically disadvantaged youth and adults in private business and in community improvements projects; and emergency assistance to meet immediate and urgent individual and family needs of low-income persons, such as health services, nutritious food and shelter.

The Pennsylvania Conservation Corps, established under the bond-funded Pennsylvania Revitalization Fund, will also provide work experience and job training to disadvantaged youth across the State; approximately 100 projects have already been approved, involving nearly 700 jobs and \$10 million in funding.

Under the Vocational Rehabilitation program, \$1,070,000 in funding has been recommended to expand and improve services at existing centers for independent living (CILs), to establish a new CIL in the Allentown/Bethlehem/Easton area, and to provide employment related services through four district offices of the Office of Vocational Rehabilitation. The CILs provide a range of services aimed at allowing the severely handicapped to bridge the gap between institutionalization and independence by improving their ability to live more independently, creating the possibility of entering vocational rehabilitation training and eventually securing employment. The district offices, as part of a coordinated project with the CILs, will identify and serve severely handicapped persons, who are currently not eligible for vocational rehabilitation because of the severity of their disabilities, but who may have the future potential to obtain employment if they receive extended training, restorative

services, and other needed services.

Income Maintenance

A major initiative proposal in this budget is a cash grant increase to be effective on January 1, 1986. All family sizes' benefit levels will be increased by approximately five percent, the fourth grant increase under this Administration.

The budget includes funding to increase the number of staff and improve the working environment in the Department of Public Welfare's county assistance offices. In addition to promoting improved levels of service, this will provide better facilities for the recipients to visit.

A work registration program, based on the mandates of Act 75 of 1982, has been implemented. Act 75 requires all non-exempt applicants for cash assistance to register for work prior to authorization of benefits. All those registered are required to participate in the work registration program, including: assessment and job search by the Office of Employment Security; enrollment in the Department of Public Welfare's Pennsylvania Employables Program for intensive job finding and training activities; and participation in the Community Work Experience Program. In the last two years, 100,000 former welfare recipients have received jobs.

The recommended budget includes \$339,000 in State funds to include General Assistance recipients in the Federally-funded Work Saturation Demonstration in the Philadelphia area, which is aimed at providing intensive education, job training, work experience, and, ultimately, job placement to welfare recipients.

The Federal Omnibus Budget Reconciliation Act of 1981 created a Low-Income Home Energy Assistance Block Grant. The purpose of this block grant is to provide assistance to low income individuals to offset high energy costs through payments to fuel vendors. Funding for weatherization activities to conserve energy and lower fuel bills is also provided.

In addition, funding has been included in this budget for the continued development and implementation of the Family Assistance Management Information System (FAMIS), a computer based data file. FAMIS will assist activities performed by the Department of Public Welfare which are necessary to process applications for assistance and maintain recipient records.

The other major income maintenance program is Unemployment Compensation. While this system had been out of balance since the early 1970's, corrective action was taken on July 21, 1983 to restructure both taxes and benefits. As a result of these 1983 amendments and the improving economy, 1984 was the first year since 1973 that the Commonwealth's account in the Federal Unemployment Compensation Trust Fund took in more than it paid out. In addition, 1984 was the first year since the Trust Fund began borrowing from the Federal Government in 1975 that the outstanding Federal unemployment loan balance was reduced. The Fund is now solvent and the federal debt is expected to be paid by 1989.

Compensation to crime victims and crime victims services remain a priority of this Administration. This budget includes a Productivity Investment Initiative for automated claims processing which will allow the Crime Victims Compensation Board to process more claims and reduce its backlog. In 1985-86, compensation payments to crime victims are anticipated to total \$4.5 million. However, less State tax funds are required as a result of the Federal Crime Victim Act of 1984 which appropriates Federal funds to states for crime victim compensation.

The Commission on Crime and Delinquency also has two mandates from these two acts. Act 96 of 1984 mandates the Commission to provide technical assistance and financial grants to criminal justice agencies for developing services for victims of crime. The Federal Crime Victims Act also provides funds for financial assistance to State and local government and private agencies for victim services.

ECONOMIC DEVELOPMENT AND INCOME MAINTENANCE

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Administration and Support	\$ 10,761	\$ 12,094	\$ 11,784	\$ 12,100	\$ 12,395	\$ 12,685	\$ 12,966
Commonwealth Economic Development	\$ 57,376	\$ 89,892	\$ 108,070	\$ 101,956	\$ 101,903	\$ 101,418	\$ 99,699
Tourism and Travel Development	7,197	7,945	11,489	11,537	11,586	11,637	11,690
Industrial Development	28,811	45,137	53,239	44,286	45,633	45,007	43,284
Scientific and Technological Development	11,081	25,291	30,639	32,713	31,057	30,865	30,648
International Trade	908	837	959	997	1,037	1,079	1,122
Agribusiness Development	8,419	9,371	9,892	10,497	10,587	10,747	10,789
Energy Management	960	1,311	1,852	1,926	2,003	2,083	2,166
Economic Development of Disadvantaged and Handicapped	\$ 840,199	\$ 860,669	\$ 870,947	\$ 885,679	\$ 905,323	\$ 923,768	\$ 944,373
Income Maintenance	808,975	821,171	820,920	834,365	852,633	869,705	888,814
Achieving Economic Independence— Socially and Economically Disadvantaged	16,889	24,309	31,605	32,868	34,222	35,595	37,083
Achieving Economic Independence— Physically and Mentally Handicapped	10,865	11,463	14,669	14,652	14,632	14,588	14,550
Community Conservation and Youth Employment	3,470	3,726	3,753	3,794	3,836	3,880	3,926
Community Physical Development	\$ 36,197	\$ 52,868	\$ 55,869	\$ 56,140	\$ 31,327	\$ 30,857	\$ 29,846
Housing and Redevelopment	36,197	52,868	55,869	56,140	31,327	30,857	29,846
Improvement of Local Government Operations	\$ 32,238	\$ 35,848	\$ 37,626	\$ 39,464	\$ 41,394	\$ 78,419	\$ 80,544
Area-wide Services	150	175	175	175	175	175	175
Municipal Administrative Support Capability	31,193	34,687	36,442	38,247	40,142	77,131	79,218
Community Development Planning	895	986	1,009	1,042	1,077	1,113	1,151
Natural Resource Development and Management	\$ 22,889	\$ 25,638	\$ 28,059	\$ 30,186	\$ 31,400	\$ 32,212	\$ 33,460
Management of Land Resources	8,795	9,340	10,504	10,902	11,296	11,625	11,967
Regulation of Mineral Resources	14,094	16,298	17,555	19,284	20,104	20,587	21,493
Labor-Management Relations	\$ 2,202	\$ 2,402	\$ 2,450	\$ 2,548	\$ 2,650	\$ 2,756	\$ 2,866
Industrial Relations Stability	2,202	2,402	2,450	2,548	2,650	2,756	2,866
Veterans Compensation	\$ 6,500	\$ 6,653	\$ 6,749	\$ 6,815	\$ 6,883	\$ 6,960	\$ 7,047
Vietnam Veterans Compensation	6,500	6,653	6,749	6,815	6,883	6,960	7,047
Program Total	<u>\$ 1,008,362</u>	<u>\$ 1,086,064</u>	<u>\$ 1,121,554</u>	<u>\$ 1,134,888</u>	<u>\$ 1,133,275</u>	<u>\$ 1,189,075</u>	<u>\$ 1,210,801</u>

TRANSPORTATION AND COMMUNICATION

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 175,147	\$ 186,402	\$ 194,691	\$ 201,994	\$ 209,590	\$ 217,809	\$ 226,611
Special Funds	1,011,259	1,096,579	1,115,779	1,071,770	1,061,303	1,044,552	1,038,874
Federal Funds	426,433	771,459	815,938	597,064	656,863	596,819	556,771
Other Funds	126,418	277,558	245,316	324,340	292,605	245,105	232,420
TOTAL	\$ 1,739,257	\$ 2,331,998	\$ 2,371,724	\$ 2,195,168	\$ 2,220,361	\$ 2,104,285	\$ 2,054,676

A top priority of the Administration's transportation program continues to be the accelerated restoration of the Interstate highway system and completion of the remaining Interstate gaps.

The Department of Transportation estimates that the current Federal apportionment of Interstate restoration funds will allow only about half of the needed restoration work. In order to meet the Commonwealth's needs, the department must take advantage of the Federal provision permitting additional Interstate construction funds to be transferred to the restoration program. However, this transfer of Federal funds from Interstate completion to Interstate restoration projects would hinder Transportation's ability to get high priority Interstate gaps under construction in time.

Therefore, this budget proposes to use another provision of Federal law which allows the Commonwealth to utilize 100 percent State funds for Interstate construction in anticipation of future Federal reimbursements. (Congress has authorized Interstate completion funds only to 1990.) Under the Advanced Construction Interstate (ACI) provision, the Commonwealth will be able to front-end fund projects with current revenues and minimal issuance of Federal Revenue Anticipation Notes (FRANS) until sufficient Federal obligation authority is available to permit reimbursements from the Federal Highway Trust Fund.

Replacement and rehabilitation of the Commonwealth's bridges continue at an accelerated rate due to funds being generated through a \$36 per axle tax on all heavy trucks travelling within the Commonwealth's borders. In total some 857 State bridges are programmed for repair/replacement during the five-year period beginning July 1985. The axle tax is currently being challenged in the courts. In the event this revenue generating provision is determined to be unconstitutional, alternative funding will be sought to continue the necessary replacement and rehabilitation of State and local bridges.

The transfer to local control of State roads determined to be functionally local will continue with the 1985-86 budget. Act 32 of 1983 established a local roads turnback program by authorizing a separate restricted revenue account

within the Motor License Fund. At the current level of funding about 5,000 miles of State roads will eventually be turned back to local governments.

In recognition of the ever growing cost of providing adequate mass transit services, Act 49 of 1984 revised upward the assumed revenue factor used in calculating State grants to transit agencies. While this change was intended to recognize the higher efficiencies and fare box revenues being realized by mass transit agencies, the legislation did allow transit agencies to utilize actual revenues in excess of assumed revenues for any purpose for the furtherance of service. Additionally, Act 49 increased the State Lottery Fund base fare reimbursement for the free elderly transit program from 75 percent to 100 percent and eliminated any adjustment made for transfers. This increase in State Lottery Funds has assisted urban transit systems in reducing their operating deficits.

This budget proposes a General Fund subsidy of \$174.5 million which represents a 4.8 percent increase over the available year and \$86.4 million from the Lottery Fund, a 7.6 percent increase. In addition, a capital budget of \$12.5 million is proposed for transit equipment and related infrastructure improvements. This represents a sizeable State commitment to mass transit. Local transit tax enabling legislation should be considered to provide a long term source of funding for mass transit.

Increased assistance is also provided to rural and intercity transportation through programs devoted to new urbanized area transit companies, intercity bus and rail passenger services, rural transit programs and rail and freight.

More efficient aircraft and a flat fuel tax have in the past had a deleterious effect on the restricted revenue account that provides funds for the Commonwealth's aviation programs. In recognition of this, the General Assembly passed Act 164 in 1984 which increased both the aviation and jet fuel taxes and created the following new programs: a rebate program for real estate taxes paid by privately-owned public use airports; a revolving loan program for airport development; a runway marking program; a highway sign program to install directional signs to airports; and a visibility marker program to mark power lines near runways.

TRANSPORTATION AND COMMUNICATION

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Administration and Support	\$ 30,026	\$ 31,258	\$ 31,143	\$ 31,964	\$ 32,828	\$ 33,725	\$ 34,654
Transportation Systems and Services	\$ 1,156,380	\$ 1,251,723	\$ 1,279,327	\$ 1,241,800	\$ 1,238,065	\$ 1,228,636	\$ 1,230,831
State Highway Construction	247,838	282,345	305,460	283,173	275,916	263,423	258,191
State Highway Maintenance	555,206	611,694	600,500	580,500	577,500	575,500	574,000
Local Highway Assistance	149,928	157,112	154,650	154,918	155,356	155,613	155,850
Urban Mass Transportation	166,791	172,969	181,754	189,652	197,993	206,240	215,061
Intercity Rail and Rural Bus Transportation	7,309	12,377	11,927	11,346	10,616	10,637	10,659
Air Transportation	114	214	114	113	113	111	110
Water Transportaiton	637	634	622	598	571	512	460
State Bridge Projects	28,557	14,378	24,300	21,500	20,000	16,600	16,500
Program Total	\$ 1,186,406	\$ 1,282,981	\$ 1,310,470	\$ 1,273,764	\$ 1,270,893	\$ 1,262,361	\$ 1,265,485

RECREATION AND CULTURAL ENRICHMENT

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
General Fund	\$ 94,133	\$ 100,526	\$ 114,451	\$ 119,110	\$ 122,318	\$ 125,606	\$ 128,333
Special Funds	50,278	55,758	50,064	49,365	43,614	43,853	44,025
Federal Funds	15,386	13,468	9,932	10,681	10,259	10,437	10,592
Other Funds	11,821	13,881	12,544	12,989	13,049	13,064	13,039
TOTAL	\$ 171,618	\$ 183,633	\$ 186,991	\$ 192,145	\$ 189,240	\$ 192,960	\$ 195,989

The Commonwealth encourages cultural development in the arts through matching grants-in-aid to arts organizations, program initiatives that address issues and problems that are beyond the capacity of a single art institution and staff services and technical assistance to arts organizations. Quality programs are encouraged through an ongoing evaluation process.

The budget includes a \$1 million increase in funds for Grants to the Arts so that the Council on the Arts can meet the needs of an increasing number of grant applicants which, subsequently, will provide more and better arts programs for Pennsylvania. The budget also includes \$25,000 for a Productivity Improvement Initiative to enhance grant accounting, management and information retrieval for the Council.

The Access Pennsylvania Program Revision will provide \$3.1 million to increase interlibrary cooperation and full access to public libraries for citizens across the State, increase funding to libraries in low-income areas and begin the process of converting high school library catalogues into machine readable form so they can be shared with other libraries.

The Pennsylvania Public Television Network will be enhanced by a new grant program providing \$1.0 million in matching grants for replacement of aged station equipment. \$500,000 is also provided for expansion of the instructional television program.

Funding of \$500,000 is provided for continued maintenance and preservation of the Commonwealth's 27 historic sites and museums which it directly administers, as well as 30 historic sites and museums managed under alternative plans by community groups. Preservation maintenance for each historic site or museum is essential to protect and preserve the original fabric of the historic structure or landscape, which is an integral part of the properties' historic significance.

This program also provides \$100,000 for the replacement

of the commercial vehicles serving twenty-seven (27) historic sites and museums located across the Commonwealth. These vehicles, which include the unique mobile museum, are used to maintain the Historical and Museum Commission's approximately 400 buildings and structures and over 3,000 acres of land and landscaping.

The Bicentennial of the United States Constitution Commemoration initiative will provide \$125,000 to develop a commemorative program which emphasizes the key role of Pennsylvania in the adoption of the U.S. Constitution. In the budget, \$100,000 is also provided for improving the infrastructure of collection storage facilities. This initiative will meet the need for more storage space and will bring together collections under professional oversight where they can be managed under proper environmental controls.

A new Museum Assistance Program is recommended to provide assistance to museums to encourage and expand public programs. There will be five principal areas of assistance to these museums: collections management; education and public programs; institutional development; collaborative programs and initiatives, and promotion marketing. The \$2.2 million recommended appropriation includes continued funding for the six museums currently funded through the Historical and Museum Commission.

Two Productivity Improvement Initiatives totalling \$134,000 are also proposed. They will provide for the purchase of equipment which will improve the utilization of personnel time and costs and provide a linkage to the Department of Education mainframe to ensure computerized data tracking and logging programs.

Funding is continued for operation and maintenance of the State Park system. Two Economic Revitalization Fund programs, the Pennsylvania Conservation Corps and the Recreation Improvement and Rehabilitation program, will aid in the massive operation and maintenance effort required to keep the State Park system functioning properly.

RECREATION AND CULTURAL ENRICHMENT

Contribution by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	Actual	Available	Budget	Estimated	Estimated	Estimated	Estimated
General Administration and Support	\$ 5,168	\$ 5,177	\$ 4,987	\$ 5,187	\$ 5,395	\$ 5,610	\$ 5,834
Recreation	\$ 98,632	\$ 105,365	\$ 105,243	\$ 106,458	\$ 101,048	\$ 101,806	\$ 102,541
Management of Recreation Areas and Facilities	37,335	38,032	40,460	41,310	41,747	42,584	43,499
Recreational Hunting	34,220	37,962	31,603	30,118	23,574	23,088	22,506
Recreational Fishing and Boating	20,200	21,941	22,878	23,557	24,071	24,775	25,511
Local Recreation Areas and Facilities ...	6,877	7,430	10,302	11,473	11,656	11,359	11,025
Cultural Enrichment	\$ 40,611	\$ 45,742	\$ 54,285	\$ 56,830	\$ 59,489	\$ 62,043	\$ 63,983
Development and Promotion of Penn- sylvania State and Local History....	378	537	504	524	545	567	590
Museum Development and Operation ...	7,987	7,509	8,570	8,769	8,973	9,150	9,346
Development and Preservation of Historic Sites and Properties	2,771	5,248	5,559	5,944	6,371	6,648	6,515
State Library Services	19,593	21,058	25,229	26,833	28,490	30,204	31,679
Development of Artists and Audiences ...	4,759	5,585	6,773	6,804	6,836	6,869	6,904
Public Television Services	5,123	5,805	7,650	7,956	8,274	8,605	8,949
Program Total	\$ 144,411	\$ 156,284	\$ 164,515	\$ 168,475	\$ 165,932	\$ 169,459	\$ 172,358



Summary By Fund

FIRST MEDICAL COLLEGE

The first medical college in North America was inaugurated in 1765 as the medical department of the College of Philadelphia, graduating its first class in 1768. It later became the School of Medicine of the University of Pennsylvania.

Philadelphia was an early medical center. In addition to having the first medical college, it had the first continuing hospital in America, the Pennsylvania Hospital, which was chartered in 1751. Pennsylvania Hospital also was the first hospital to start free out-patient treatments for the poor in 1752.

Philadelphia later became the site of the first college for training female physicians when the Female Medical College of Pennsylvania was incorporated in 1850. It was renamed the Women's Medical College in 1865 and later began using the name Medical College of Pennsylvania.

Philadelphia continues as a major medical center. It has six medical schools, more than any city in the country.

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, (including the Sales and Use Tax), other taxes (including the Personal Income Tax) and nontax revenues.

GENERAL FUND

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 76,414	\$ 200,585
Revenue:		
Official Estimate	\$8,560,900	\$9,143,370
Adjustment to Official Estimate	179,170	.....
Proposed Revenue Changes .....	.....	-186,000
Less Refunds Reserve	-94,000	-100,600
Accrued Revenue Unrealized	326,431	342,752
Less Revenues Accrued Previously	-321,300	-326,431
Total Revenue	\$8,651,201	\$8,873,091
Tax Stabilization Reserve .....	.....	-25,000
Prior Year Lapses	40,000	.....
Funds Available	\$8,767,615	\$9,048,676
Expenditures:		
Appropriations	\$8,533,821	\$9,039,730
Supplemental Appropriations	83,209	.....
Less Current Year Lapses	-50,000	.....
Estimated Expenditures	-8,567,030	-9,039,730
Ending Balance	\$ 200,585	\$ 8,946

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

REVENUE REFUNDS

Department of Revenue	1984-85 Estimated	1985-86 Budget
Corporate Taxes	\$ 41,700	\$ 44,600
Sales and Use Tax	6,500	7,000
Personal Income Tax	32,000	34,300
Other Monies	13,800	14,700
Total Revenue Refunds	\$ 94,000	\$ 100,600

REVENUE REDUCTION PROPOSAL

	1984-85 Estimated	1985-86 Budget
Reduce the personal income tax rate from 2.35% to 2.2% effective July 1, 1985	\$ 160,900
Permit expired 1982 corporate net operating losses to be used to obtain tax credits for new investments in Pennsylvania.	25,000
Eliminate fifth sales tax filing for quarterly payers	100
Total Revenue Reduction Proposal	\$ 186,000

TAX STABILIZATION RESERVE

The Governor proposes the establishment of a Tax Stabilization Reserve to provide a cushion to the State budget in economic hard times when revenues are depressed and social needs are the greatest.

	1984-85 Estimated	1985-86 Budget
Tax Stabilization Reserve	\$ 25,000

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

	1984-85 Estimated
SUPPLEMENTAL APPROPRIATIONS	
Agriculture	
Animal Indemnities	\$ <u>175</u>
Correction	
State Correctional Institutions	\$ <u>716</u>
Commerce	
Software Engineering Institute	\$ 4,500
Transfer to Pennsylvania Economic Revitalization Fund	12,000
Department Total	\$ <u>16,500</u>
Education	
Pupil Transportation	\$ 5,000
Nonpublic Pupil Transportation	310
Tuition for Orphans and Children Placed in Private Homes	900
School Employes Social Security	3,213
School Retirement:	
Pension Increase for Annuitants	3,946
Contingent Reserve and Supplemental Accounts	23,969
Authority Rentals and Sinking Fund Requirements	4,533
Department Total	\$ <u>41,871</u>
General Services	
Utility Costs	\$ <u>646</u>
Health	
Renal Disease	\$ <u>1,084</u>
Public Welfare	
Medical Assistance:	
Outpatient	\$ 22,873
Inpatient	3,596
Capitation	(26,469)
Subtotal	<u> </u>
State General Hospitals	14,429
General State Authority Rentals—State General Hospitals	5,333
Public Assistance — Transportation Block Grant	4,205
Department Total	\$ <u>23,967</u>
State	
Voter Registration by Mail	\$ <u>250</u>
State Employes Retirement System	
Pension Increase for Annuitants	\$ <u>(2,000)</u>
TOTAL	\$ <u><u>83,209</u></u>

GENERAL FUND

STATE FUNDS BY DEPARTMENT

The following is a summary, by department of 1983-84 actual expenditures, of 1984-85 amounts available and of 1985-86 amounts budgeted from the General Fund as presented in the budget.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Governor's Office.....	\$ 2,987	\$ 3,299	\$ 3,512
Executive Offices	44,450	50,552	55,257
Lieutenant Governor's Office	594	661	684
Attorney General	20,630	22,514	24,639
Department of the Auditor General	23,035	24,601	25,546
Treasury Department	288,792	328,596	373,277
Department of Aging.....	1,462	.....	.....
Department of Agriculture	28,589	30,305	22,596
State Civil Service Commission	1	1	360
Department of Commerce	49,552	79,115	87,368
Department of Community Affairs.....	26,034	22,871	25,722
Department of Corrections	140,335	161,247	185,801
Crime Commission.....	2,093	2,170	2,293
Department of Education	3,701,057	4,035,626	4,268,451
Emergency Management Agency.....	2,659	4,953	2,553
Department of Environmental Resources.....	122,663	135,773	148,690
Fish Commission	4	4	155
Department of General Services	105,579	111,180	115,319
Department of Health	114,178	122,605	129,801
Higher Education Assistance Agency	98,533	110,387	127,342
Historical and Museum Commission	10,375	11,427	12,719
Housing Finance Agency	5,000	25,750	25,850
Insurance Department	7,067	7,268	7,598
Department of Labor and Industry	52,135	62,224	45,112
Department of Military Affairs	22,261	23,788	25,188
Milk Marketing Board.....	950	3,600	950
Board of Probation and Parole.....	20,671	21,951	23,253
Public Television Network	7,624	9,000	10,431
Department of Public Welfare.....	2,542,831	2,608,108	2,667,618
Department of Revenue	135,486	145,579	152,274
Securities Commission	1,691	1,949	2,154
Department of State	3,421	3,749	3,692
State Employees' Retirement System	1,157	7,879	1,403
State Police	55,487	61,728	67,847
Tax Equalization Board	896	941	974
Department of Transportation	177,333	186,162	190,661
Legislature	76,322	88,188	94,938
Judiciary	97,188	101,279	107,702
 TOTAL	 <u>\$7,991,122</u>	 <u>\$8,617,030</u>	 <u>\$9,039,730</u>

GENERAL FUND

FEDERAL FUNDS BY DEPARTMENT

The following is a summary of Federal Funds, by department, of 1983-84 expenditures, the 1984-85 amounts available and the 1985-86 amounts budgeted as presented in the General Fund budget. Excluded are revenue sharing monies which are shown in the special fund—Revenue Sharing Trust Fund. The General Assembly specifically appropriates Federal Funds by Federal source.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Offices	\$ 8,429	\$ 14,625	\$ 9,536
Attorney General	1,638	1,797	1,701
Department of the Auditor General .....	. . . .	. . . .	768
Department of Aging	2,448	. . . .	. . . .
Department of Agriculture	4,686	4,941	3,487
Department of Commerce	2,402	5,055	600
Department of Community Affairs	78,710	132,174	104,283
Department of Corrections	181	210	210
Crime Commission	1,264	1,700	1,800
Department of Education	45,597	54,183	51,608
Emergency Management Agency	1,441	3,280	2,524
Department of Environmental Resources	50,010	114,220	145,822
Department of General Services	75	. . . .	. . . .
Department of Health	97,150	109,942	105,379
Higher Education Assistance Agency .....	. . . .	2,807	. . . .
Historical and Museum Commission	473	674	450
Department of Labor and Industry	132,515	205,034	189,386
Department of Military Affairs	2,051	3,165	2,740
Board of Probation and Parole	21	18	. . . .
Public Utility Commission	275	289	289
Department of Public Welfare	1,979,421	2,216,695	2,204,554
State Police	1,451	2,836	1,570
Department of Transportation	55,371	41,424	8,648
Judiciary	1	. . . .	. . . .
 TOTAL	 <u>\$2,465,610</u>	 <u>\$2,915,069</u>	 <u>\$2,835,355</u>

GENERAL FUND

OTHER FUNDS BY DEPARTMENT

The following is a summary of Other Funds, by department, of 1983-84 expenditures, the 1984-85 amounts available and the 1985-86 amounts budgeted as presented in the General Fund budget.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Offices	\$ 28,112	\$ 30,403	\$ 31,279
Attorney General	2,612	3,246	3,383
Department of the Auditor General	6,462	6,057	6,492
Treasury Department	916	927	946
Department of Aging	8	.	.
Department of Agriculture	879	1,046	1,050
State Civil Service Commission	6,645	7,023	7,264
Department of Commerce	1,177	1,478	1,501
Department of Community Affairs	3,982	5,863	1,729
Department of Corrections	672	742	765
Department of Education	1,796	1,859	1,886
Emergency Management Agency .....	.	780	100
Department of Environmental Resources	9,849	13,669	14,426
Department of General Services	13,617	13,983	15,855
Department of Health	14,091	16,183	16,035
Historical and Museum Commission	510	355	357
Insurance Department	335	720	745
Department of Labor and Industry .....	.	.	.
Department of Military Affairs	3,435	3,402	3,604
Public Utility Commission	20,694	22,733	23,905
Department of Public Welfare	139,965	155,320	140,346
Department of Revenue	7,416	8,281	7,697
Department of State	9,217	11,105	10,621
State Police	9,959	10,400	11,294
Department of Transportation	528	1,216	655
Legislature	5	5	5
Judiciary	1,146	823	878
TOTAL	\$ 284,028	\$ 317,619	\$ 302,818

Summary by Department and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Governor's Office			
General Government			
Governor's Office	\$ 2,987	\$ 3,299	\$ 3,512
DEPARTMENT TOTAL	<u>\$ 2,987</u>	<u>\$ 3,299</u>	<u>\$ 3,512</u>
Executive Offices			
General Government			
Governor's Action Center	\$ 601	\$ 583	\$ 603
Office of Administration	4,261	3,391	3,850
Office of the Budget	17,253	19,388	19,837
Econometric Data Base .....	.....	.....	110
ICS Development	2,244	3,610	3,902
ICS Production .....	.....	.....	1,000
Data Communications Network	527	800	923
Office of Policy Development	555	600	712
Human Resources Committee .....	.....	286	295
Task Force on Rural Issues	38	125	129
Milrite Council	170	216	222
Human Relations Commission	4,544	4,867	5,041
Council on the Arts	562	585	773
Commission for Women	178	195	202
Governor's Energy Council	960	1,311	1,852
Commission on Crime and Delinquency	1,483	1,580	1,827
Office of General Counsel	1,148	1,210	1,396
Juvenile Court Judges Commission	372	378	547
Crime Victims Compensation Board	346	389	459
Health Facilities Hearing Board	140	172	179
Public Employe Retirement Study Commission	288	350	392
Distinguished Daughters	3	4	4
Subtotal	<u>\$ 35,673</u>	<u>\$ 40,040</u>	<u>\$ 44,255</u>
Grants and Subsidies			
Grants to the Arts	\$ 4,197	\$ 5,000	\$ 6,000
Improvement of Juvenile Probation Services	2,392	2,512	2,702
Compensation to Crime Victims	2,188	2,500	2,300
Crime Victims Services .....	.....	500	.....
Subtotal	<u>\$ 8,777</u>	<u>\$ 10,512</u>	<u>\$ 11,002</u>
TOTAL STATE FUNDS	<u>\$ 44,450</u>	<u>\$ 50,552</u>	<u>\$ 55,257</u>
Federal Funds	\$ 8,429	\$ 14,625	\$ 9,536
Other Funds	28,112	30,403	31,279
DEPARTMENT TOTAL	<u>\$ 80,991</u>	<u>\$ 95,580</u>	<u>\$ 96,072</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Office of the Lieutenant Governor			
General Government			
Lieutenant Governor's Office	\$ 412	\$ 464	\$ 480
Board of Pardons	182	197	204
DEPARTMENT TOTAL	<u>\$ 594</u>	<u>\$ 661</u>	<u>\$ 684</u>
Attorney General			
General Government			
Attorney General's Office	\$ 20,630	\$ 22,414	\$ 24,539
Trials of Grand Juries .....	.....	100	100
TOTAL STATE FUNDS	<u>\$ 20,630</u>	<u>\$ 22,514</u>	<u>\$ 24,639</u>
Federal Funds	\$ 1,638	\$ 1,797	\$ 1,701
Other Funds	884	1,213	1,169
Other Funds—Restricted Revenue	1,728	2,033	2,214
DEPARTMENT TOTAL	<u>\$ 24,880</u>	<u>\$ 27,557</u>	<u>\$ 29,723</u>
Auditor General			
General Government			
Auditor General's Office	\$ 17,705	\$ 18,767	\$ 19,519
Public Assistance Audit	4,672	4,951	5,114
Board of Claims	658	883	913
TOTAL STATE FUNDS	<u>\$ 23,035</u>	<u>\$ 24,601</u>	<u>\$ 25,546</u>
Federal Funds .....	.....	.....	\$ 768
Other Funds	\$ 6,462	\$ 6,057	6,492
DEPARTMENT TOTAL	<u>\$ 29,497</u>	<u>\$ 30,658</u>	<u>\$ 32,806</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
State Treasurer's Office	\$ 11,340	\$ 12,221	\$ 12,617
Transition—Auditor General .....	.....	75	.....
Board of Finance and Revenue	809	931	966
Council of State Governments	106	106	108
Great Lakes Commission	25	26	28
Publishing Monthly Statements	26	28	33
Replacement Checks	70	257	100
National Conference of State Legislatures	119	126	127
Education Commission of the States	52	55	57
Advisory Commission on Intergovernmental Relations	4	4	4
National Governor's Association	78	84	92
Coalition of Northeast Governors	50	50	50
Northeast-Midwest Institute	40	40	42
National Center for State Courts .....	.....	126	128
Governmental Accounting Standards Board .....	.....	37	36
Subtotal	<u>\$ 12,719</u>	<u>\$ 14,166</u>	<u>\$ 14,388</u>
Debt Service Requirements			
Interest Obligations — Penn State University	\$ 2	\$ 16	\$ 16
Loan and Transfers Agent	93	183	228
Tax Note Expenses	190	168	168
Interest on Tax Anticipation Notes	43,890	42,500	42,500
General Obligation Debt Service	231,448	271,063	315,477
Subtotal	<u>\$ 275,623</u>	<u>\$ 313,930</u>	<u>\$ 358,389</u>
Grants and Subsidies			
Law Enforcement Officers' Death Benefit	\$ 450	\$ 500	\$ 500
Subtotal	<u>\$ 450</u>	<u>\$ 500</u>	<u>\$ 500</u>
TOTAL STATE FUNDS	<u>\$ 288,792</u>	<u>\$ 328,596</u>	<u>\$ 373,277</u>
Other Funds	\$ 916	\$ 927	\$ 946
DEPARTMENT TOTAL	<u>\$ 289,708</u>	<u>\$ 329,523</u>	<u>\$ 374,223</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Aging			
General Government			
General Government Operations	\$ 1,462	.....	.....
TOTAL STATE FUNDS	<u>\$ 1,462</u>	<u>.....</u>	<u>.....</u>
Federal Funds	\$ 2,448	.....	.....
Other Funds	8	.....	.....
DEPARTMENT TOTAL	<u>\$ 3,918</u>	<u>.....</u>	<u>.....</u>
Department of Agriculture			
General Government			
General Government Operations	\$ 16,000	\$ 16,640	\$ 17,606
Agricultural Products Commission .....	.....	.....	100
Agricultural Research	310	610	310
Agricultural Promotion	58	60	60
Poultry Research and Promotion .....	.....	500	.....
Agricultural Development Program .....	.....	20	20
Subtotal	<u>\$ 16,368</u>	<u>\$ 17,830</u>	<u>\$ 18,096</u>
Grants and Subsidies			
Brucellosis Vaccination Program	\$ 150	\$ 150	\$ 150
Animal Indemnities	102	400	225
Avian Influenza	2,000	.....	.....
Johne's Disease	115	115	115
Rabies Virus Research .....	.....	100	100
Transfer to Farm Products Show Fund	1,000	1,000	1,000
Livestock Show	83	83	83
Open Dairy Show	66	66	66
Junior Dairy Show	28	28	28
4-H Club Shows	33	33	33
Transfer to Fair Fund	700	2,500	2,500
Farm Market Promotion .....	.....	.....	200
Emergency Food Program	7,944	8,000	.....
Subtotal	<u>\$ 12,221</u>	<u>\$ 12,475</u>	<u>\$ 4,500</u>
TOTAL STATE FUNDS	<u>\$ 28,589</u>	<u>\$ 30,305</u>	<u>\$ 22,596</u>
Federal Funds	\$ 4,686	\$ 4,941	\$ 3,487
Other Funds	879	1,046	1,050
DEPARTMENT TOTAL	<u>\$ 34,154</u>	<u>\$ 36,292</u>	<u>\$ 27,133</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Civil Service Commission			
General Government			
General Government Operations	\$ 1	\$ 1	\$ 360
TOTAL STATE FUNDS	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 360</u>
Other Funds	\$ 6,645	\$ 7,023	\$ 7,264
DEPARTMENT TOTAL	<u>\$ 6,646</u>	<u>\$ 7,024</u>	<u>\$ 7,624</u>
Department of Commerce			
General Government			
General Government Operations	\$ 5,386	\$ 5,800	\$ 6,228
Tourism and Economic Development Promotion	3,400	3,750	7,400
Economic Revitalization Administration .....	. . . .	180	290
Subtotal	<u>\$ 8,786</u>	<u>\$ 9,730</u>	<u>\$ 13,918</u>
Grants and Subsidies			
Industrial Development Assistance	\$ 497	\$ 500	\$ 500
Pennsylvania Industrial Development Authority	15,000	15,000	15,000
Site Development	896	1,000	2,000
Site Development—New Castle .....	. . . .	350	. . . .
J & L Site Development	1,000	1,000	1,000
Plant Site—Pullman Standard .....	. . . .	1,000	. . . .
Local Development District Grants	100	400	600
Appalachian Regional Commission	466	500	500
Minority Business Development Authority	2,000	2,000	2,000
Community Facilities	5,975	5,000	5,000
Small Business Assistance	100	100	100
Minority Business Technical Assistance	250	250	250
Labor/Management Committees .....	. . . .	500	500
Pennsylvania Capital Loan Program .....	. . . .	1,000	1,000
International City Project .....	. . . .	50	. . . .
American Wind Symphony .....	. . . .	85	. . . .
Community Economic Recovery .....	. . . .	. . . .	500
Transfer to Pennsylvania Economic Revitalization Fund .....	. . . .	12,000	12,000
Ben Franklin Partnership	10,482	18,750	25,200
Pennsylvania Energy Development Authority	500	1,500	2,000
Software Engineering Institute .....	. . . .	4,500	. . . .
Pittsburgh Technology Development Center .....	. . . .	. . . .	1,000
Tourist Promotion Assistance	3,500	3,900	4,300
Subtotal	<u>\$ 40,766</u>	<u>\$ 69,385</u>	<u>\$ 73,450</u>
TOTAL STATE FUNDS	<u>\$ 49,552</u>	<u>\$ 79,115</u>	<u>\$ 87,368</u>
Federal Funds	\$ 2,402	\$ 5,055	\$ 600
Other Funds	1,177	1,478	1,501
DEPARTMENT TOTAL	<u>\$ 53,131</u>	<u>\$ 85,648</u>	<u>\$ 89,469</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Community Affairs			
General Government			
General Government Operations	\$ 6,974	\$ 7,785	\$ 7,636
Grants and Subsidies			
Community Conservation and Youth Employment	\$ 2,735	\$ 2,736	\$ 2,736
Housing and Redevelopment Assistance	16,000	8,000	10,000
Enterprise Development .....	.....	4,000	5,000
Regional Councils	150	175	175
Planning Assistance	88	100	100
Flood Plain Management	87	75	75
Subtotal	<u>\$ 19,060</u>	<u>\$ 15,086</u>	<u>\$ 18,086</u>
TOTAL STATE FUNDS	<u>\$ 26,034</u>	<u>\$ 22,871</u>	<u>\$ 25,722</u>
Federal Funds	\$ 78,710	\$ 132,174	\$ 104,283
Other Funds	3,982	5,863	1,729
DEPARTMENT TOTAL	<u>\$ 108,726</u>	<u>\$ 160,908</u>	<u>\$ 131,734</u>
Department of Corrections			
Institutional			
State Correctional Institutions	\$ 140,335	\$ 161,247	\$ 185,801
TOTAL STATE FUNDS	<u>\$ 140,335</u>	<u>\$ 161,247</u>	<u>\$ 185,801</u>
Federal Funds	\$ 181	\$ 210	\$ 210
Other Funds	672	742	765
DEPARTMENT TOTAL	<u>\$ 141,188</u>	<u>\$ 162,199</u>	<u>\$ 186,776</u>
Crime Commission			
General Government			
Crime Commission	\$ 2,093	\$ 2,170	\$ 2,293
TOTAL STATE FUNDS	<u>\$ 2,093</u>	<u>\$ 2,170</u>	<u>\$ 2,293</u>
Federal Funds	\$ 1,264	\$ 1,700	\$ 1,800
DEPARTMENT TOTAL	<u>\$ 3,357</u>	<u>\$ 3,870</u>	<u>\$ 4,093</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Education			
General Government			
General Government Operations	\$ 14,269	\$ 16,580	\$ 16,448
Teacher Preparation .....	.....	.....	500
State Library	2,232	2,526	3,375
Youth Development Centers Education	3,617	3,316	3,376
Correctional Institutions Education	2,429	2,989	3,488
	<u> </u>	<u> </u>	<u> </u>
Total—General Government	\$ 22,547	\$ 25,411	\$ 27,187
Debt Service Requirements			
General State Authority Rentals — State-Aided Institutions	\$ 3,613	\$ 3,718	\$ 3,679
Institutional			
Scranton State School for the Deaf	\$ 2,608	\$ 2,790	\$ 2,887
Scotland School for Veterans' Children	5,511	5,896	6,025
Thaddeus Stevens State School	2,602	2,957	3,036
	<u> </u>	<u> </u>	<u> </u>
Total—Institutional	\$ 10,721	\$ 11,643	\$ 11,948
Grants and Subsidies			
<i>Support of Public Schools</i>			
Equalized Subsidy for Basic Education	\$1,767,800	\$1,893,746	\$1,988,649
Agenda for Excellence .....	.....	24,000	48,000
Excellence in Teaching Awards .....	.....	4,000	10,000
Adult Literacy .....	.....	.....	1,000
Vocational Education	36,260	37,223	45,172
Authority Rentals and Sinking Fund Requirements	137,646	147,683	141,967
Pupil Transportation	206,205	190,000	197,000
Nonpublic Pupil Transportation	7,253	6,543	6,752
Special Education	216,677	234,259	248,856
Early Intervention—Handicapped Children .....	.....	7,400	10,000
Homebound Instruction	625	525	525
Tuition for Orphans and Children Placed in Private Homes	11,715	12,644	13,369
Payments in Lieu of Taxes	50	53	60
Education of Migrant Laborers' Children	147	157	165
Education of the Disadvantaged	1,000	1,000	1,000
Special Education—Approved Private Schools	38,076	40,741	42,778
Higher Education of Blind or Deaf Students	50	50	50
Intermediate Units	9,562	9,944	10,644
School Food Services	10,715	10,844	10,844
School Employees' Social Security	119,300	126,213	137,400
School Employees' Retirement Fund:			
Contingent Reserve and Supplemental Accounts	313,813	380,339	421,706
Pension Increase for Retired Teachers .....	.....	15,446	.....
Former Teachers' Account	1	2	.....
State Schools and Hospitals—Education	16,071	17,000	17,754
Private Residential Rehabilitation Institutions	186	186	.....
School District Payments—Racing .....	.....	3,500	3,500
Education of Indigent Children	100	100	114
	<u> </u>	<u> </u>	<u> </u>
Subtotal—Support of Public Schools	\$2,893,252	\$3,163,598	\$3,357,305

Summary by Department and Appropriation
(continued)

Department of Education (continued)	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants and Subsidies (continued)			
<i>Other Grants and Subsidies:</i>			
JTPA - Matching Funds	\$ 4,900	\$ 6,000	\$ 7,000
Services to Nonpublic Schools	33,277	35,606	37,386
Textbooks for Nonpublic Schools	7,425	7,413	7,413
Student Supplies for Nonpublic Schools	3,750	4,043	3,707
Teen Pregnancy and Parenthood .....	.....	.....	946
Improvement of Library Services	15,997	17,000	18,350
Library Services for Blind and Handicapped	1,364	1,432	1,504
Library Access .....	.....	.....	2,000
Educational Radio and Television Grants	283	300	400
Community Colleges—Capital and Operating	82,792	88,426	94,292
Higher Education of the Disadvantaged	5,112	5,470	5,689
State System of Higher Education (SSHE)	235,053	250,051	260,053
SSHE—Recruitment of Disadvantaged .....	.....	200	200
SSHE—Deferred Maintenance .....	.....	.....	2,500
Conservatory Leadership School	30	30	30
Ethnic Heritage	100	100	100
Pennsylvania School for the Sciences .....	.....	157	175
Governor's School for the Arts	268	279	295
Governor's School for International Studies .....	.....	75	115
Math and Science Instructional Development	300	300	400
Desegregation Compliance — Cheyney	1,500	2,472	1,653
Equal Opportunity Professional Education .....	.....	258	348
Rural Initiatives .....	.....	50	.....
Medical Training	2,500	.....	.....
College of Physicians .....	.....	100	.....
Chairs of Excellence .....	.....	.....	1,000
Psychiatric Education .....	.....	250	250
Subtotal—Other Grants and Subsidies	<u>\$ 394,651</u>	<u>\$ 420,012</u>	<u>\$ 445,806</u>
<i>State-Related Universities:</i>			
Pennsylvania State University—Educational and General	\$ 110,801	\$ 118,557	\$ 123,299
Pennsylvania State University—Research	9,932	10,627	11,052
Pennsylvania State University—Medical Programs	3,160	3,381	3,516
Pennsylvania State University—Agricultural Research	11,820	12,647	13,153
Pennsylvania State University—Agricultural Extension Services	10,002	10,702	11,130
Pennsylvania State University—Recruitment of Disadvantaged	200	200	200
Pennsylvania State University—Soil Survey	100	100	104
Pennsylvania State University—Elizabethtown Hospital	3,328	3,561	3,735
Pennsylvania State University—Agricultural Extension Com- puter Network .....	.....	1,900	700
Pennsylvania State University—Research Coal Slurry .....	.....	500	.....
Pennsylvania State University—Small Farm Project .....	.....	75	.....
Pennsylvania State University—Attendant Care Study .....	.....	50	.....
Pennsylvania State University—Buhl-Henderson Library	25	25	.....
Pennsylvania State University—Avian Flu Research .....	.....	375	.....
Subtotal Pennsylvania State University	<u>\$ 149,368</u>	<u>\$ 162,700</u>	<u>\$ 166,889</u>
University of Pittsburgh—Educational and General	\$ 75,438	\$ 80,819	\$ 84,052
University of Pittsburgh—Medical Programs	4,456	4,768	4,959
University of Pittsburgh—Falk Clinic .....	.....	2,500	.....
University of Pittsburgh—Dental Clinics	752	805	837
University of Pittsburgh—Titusville Campus	598	640	666
University of Pittsburgh—Recruitment of Disadvantaged	200	200	200
Subtotal University of Pittsburgh	<u>\$ 81,444</u>	<u>\$ 89,732</u>	<u>\$ 90,714</u>

**Summary by Department and Appropriation
(continued)**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Department of Education (continued)			
Grants and Subsidies (continued)			
<i>State-Related Universities: (continued)</i>			
Temple University—Educational and General.....	\$ 81,160	\$ 89,000	\$ 92,560
Temple University—Medical Programs	5,932	6,347	6,601
Temple University—Dental Clinics	752	805	837
Temple University—Hospital	2,500	2,500	2,500
Temple University—Recruitment of Disadvantaged	200	200	200
Temple University—Maxillofacial Prosthodontics	50	50	.....
Subtotal Temple University	<u>\$ 90,594</u>	<u>\$ 98,902</u>	<u>\$ 102,698</u>
Lincoln University—Educational and General	\$ 4,612	\$ 5,519	\$ 5,739
Lincoln University—Recruitment of Disadvantaged	200	200	200
Lincoln University—Desegregation	1,000	1,000	1,000
Subtotal Lincoln University	<u>\$ 5,812</u>	<u>\$ 6,719</u>	<u>\$ 6,939</u>
<i>Non-State-Related Universities and Colleges:</i>			
Delaware Valley College of Science and Agriculture	\$ 307	\$ 319	\$ 332
Drexel University	4,242	4,412	4,588
Hahnemann Medical College—Medical Programs	3,673	3,930	4,087
Hahnemann Medical College—Allied Health Programs	175	182	189
Thomas Jefferson University—Medical Programs	4,374	4,680	4,867
Thomas Jefferson University—Allied Health Programs	1,886	1,961	2,039
The Medical College of Pennsylvania—Medical Programs	2,174	2,326	2,419
The Medical College of Pennsylvania—Allied Health Programs	258	268	279
University of Pennsylvania—Instruction	11,728	12,549	13,051
University of Pennsylvania—Dental Clinics	752	805	837
University of Pennsylvania—Medical Programs	3,240	3,467	3,606
University of Pennsylvania—School of Veterinary Medicine	5,644	6,039	6,281
University of Pennsylvania—New Bolton	1,560	2,059	2,141
University of Pennsylvania—Food and Animal Clinics	780	1,436	1,493
Pennsylvania College of Podiatric Medicine	742	794	826
Pennsylvania College of Optometry	905	968	1,007
Philadelphia College of Art	461	479	498
Philadelphia College of Textiles and Science	405	421	438
Philadelphia College of Performing Arts	107	111	115
Philadelphia College of Osteopathic Medicine	3,952	4,229	4,398
Subtotal Non-State-Related Universities and Colleges	<u>\$ 47,365</u>	<u>\$ 51,435</u>	<u>\$ 53,491</u>
<i>Non-State-Related Institutions:</i>			
Berean Training and Industrial School—Maintenance	\$ 600	\$ 647	\$ 649
Berean Training and Industrial School—Rental Payments	100	102	102
Downingtown Industrial and Agricultural School—Maintenance	687	715	744
Downingtown Industrial and Agricultural School—Rental	100	81	81
Johnson School of Technology	148	154	160
Williamson Free School of Mechanical Trades	55	57	59
Subtotal Non-State-Related Institutions	<u>\$ 1,690</u>	<u>\$ 1,756</u>	<u>\$ 1,795</u>
Total—Grants and Subsidies	<u>\$3,664,176</u>	<u>\$3,994,854</u>	<u>\$4,225,637</u>
Total State Funds—General Fund	<u>\$3,701,057</u>	<u>\$4,035,626</u>	<u>\$4,268,451</u>
Federal Funds	\$ 45,597	\$ 54,183	\$ 51,608
Other Funds	1,796	1,859	1,886
Other Funds — Restricted Revenue .....	.....	.....	75,000
DEPARTMENT TOTAL	<u>\$3,748,450</u>	<u>\$4,091,668</u>	<u>4,396,945</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Emergency Management Agency			
General Government			
General Government Operations	\$ 1,675	\$ 1,675	\$ 1,692
Emergency Grid Pilot Program .....	.....	50	.....
Office of Fire Safety	717	728	861
Subtotal	<u>\$ 2,392</u>	<u>\$ 2,453</u>	<u>\$ 2,553</u>
Grants and Subsidies			
Flood and Storm Damage—Allentown	\$ 267	.....	.....
August Flood—Disaster Relief .....	.....	\$ 2,500	.....
Subtotal	<u>\$ 267</u>	<u>\$ 2,500</u>	<u>.....</u>
TOTAL STATE FUNDS	<u>\$ 2,659</u>	<u>\$ 4,953</u>	<u>\$ 2,553</u>
Federal Funds	\$ 1,441	\$ 3,280	\$ 2,524
Other Funds .....	.....	780	100
DEPARTMENT TOTAL	<u>\$ 4,100</u>	<u>\$ 9,013</u>	<u>\$ 5,177</u>
 Department of Environmental Resources			
General Government			
General Government Operations	\$ 6,679	\$ 7,289	\$ 7,702
Electronic Data Processing Support .....	.....	500	900
Economic Revitalization Administration .....	.....	150	155
Office of Resources Management	12,172	13,000	13,946
Chesapeake Bay Agricultural Source Abatement .....	.....	1,000	1,161
Deep Mine Safety	2,719	2,922	3,027
Office of Protection	29,606	31,300	34,414
Hazardous Waste Control	3,000	5,100	7,834
Canonsburg Remedial Action	927	1,143	1,207
Black Fly Control	100	1,000	1,500
Water Quality Testing Laboratory .....	.....	350	308
State Forestry Operations	10,957	11,339	10,402
Gypsy Moth and Other Insect Control	2,201	2,180	2,243
Study of Flora	150	.....	.....
State Parks	26,012	26,848	27,924
Subtotal	<u>\$ 94,523</u>	<u>\$ 104,121</u>	<u>\$ 112,723</u>
Grants and Subsidies			
Flood Control Projects	\$ 195	\$ 220	\$ 220
Storm Water Management Grants .....	.....	250	250
Sewage Facilities Planning Grants	498	500	500
Sewage Facilities Enforcement Grants	1,302	1,650	1,650
Sewage Treatment Plant Operations Grants	16,800	17,100	17,100
Sewage Facilities Construction Grants .....	.....	.....	1,000
Solid Waste Disposal Planning Grants	600	800	1,250
Resource Recovery Grants .....	.....	2,100	3,000
Delaware River Master	41	43	47
Ohio River Basin Commission	15	15	16
Susquehanna River Basin Commission	230	230	235
Interstate Commission on the Potomac River Basin	20	21	22

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Environmental Resources (continued)			
Grants and Subsidies (continued)			
Delaware River Basin Commission	\$ 639	\$ 669	\$ 708
Ohio River Valley Water Sanitation Commission	88	90	90
Small Watershed Projects	32	100	100
Local Soil and Water District Assistants	750	750	850
Interstate Mining Commission	10	10	10
Emergency Mine Subsidence Relief	75	. . . .	. . . .
Annual Fixed Charges — Flood Lands	12	13	13
Annual Fixed Charges — Project 70	6	12	12
Annual Fixed Charges — Forest Lands	776	1,194	1,194
Slippery Rock State College Utilities	300	. . . .	. . . .
Rockview State Correctional Institution Utilities	266	. . . .	. . . .
Huntingdon Correctional Institution Utilities .....	. . . .	. . . .	2,000
Vector Control	485	500	500
Water Supply Project-Beccaria .....	. . . .	185	. . . .
Appalachian States Low-Level Waste Compact .....	. . . .	. . . .	200
Three Mile Island Clean-Up	5,000	5,000	5,000
Morris Arboretum .....	. . . .	200	. . . .
Subtotal	<u>\$ 28,140</u>	<u>\$ 31,652</u>	<u>\$ 35,967</u>
TOTAL STATE FUNDS	<u>\$ 122,663</u>	<u>\$ 135,773</u>	<u>\$ 148,690</u>
Federal Funds	\$ 50,010	\$ 114,220	\$ 145,822
Other Funds	9,849	13,669	14,426
DEPARTMENT TOTAL	<u>\$ 182,522</u>	<u>\$ 263,662</u>	<u>\$ 308,938</u>
 Fish Commission			
Grants and Subsidies			
Atlantic States Marine Fisheries Commission	\$ 4	\$ 4	\$ 5
Transfer to Fish Fund—Free Fishing Licenses .....	. . . .	. . . .	150
DEPARTMENT TOTAL	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 155</u>
 Department of General Services			
General Government			
General Government Operations	\$ 39,586	\$ 41,567	\$ 44,436
Harristown Rental Charges	7,751	7,837	7,951
Disadvantaged Business Enterprise	44	100	100
Capitol Dome Repair .....	. . . .	500	. . . .
Utility Costs	7,457	8,103	8,530
Harristown Utility and Municipal Charges	5,160	5,469	5,700
Printing and Distribution of the Pennsylvania Manual .....	. . . .	165	. . . .
Subtotal	<u>\$ 59,998</u>	<u>\$ 63,095</u>	<u>\$ 66,717</u>

**Summary by Department and Appropriation
(continued)**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Department of General Services (continued)			
Debt Service Requirements			
General State Authority Rentals	\$ 43,331	\$ 43,189	\$ 42,352
Grants and Subsidies			
Capitol Fire Protection	\$ 250	\$ 250	\$ 250
Tort Claims Payments	2,000	3,000	3,000
Subtotal	<u>\$ 2,250</u>	<u>\$ 3,250</u>	<u>\$ 3,250</u>
Capital Improvements			
Energy Conservation Projects .....	.....	\$ 1,000	\$ 3,000
TOTAL STATE FUNDS	<u>\$ 105,579</u>	<u>\$ 111,180</u>	<u>\$ 115,319</u>
Federal Funds	\$ 75	.....	.....
Other Funds	13,617	\$ 13,983	\$ 15,855
DEPARTMENT TOTAL	<u>\$ 119,271</u>	<u>\$ 125,163</u>	<u>\$ 131,174</u>
Department of Health			
General Government			
General Government Operations	\$ 10,811	\$ 10,886	\$ 11,271
TMI — Health Studies	299	340	547
Quality Assurance	3,222	3,520	3,638
Vital Statistics	3,861	3,953	4,586
State Laboratory	2,537	2,840	2,933
State Health Care Centers	12,965	13,557	14,024
Vietnam Herbicides Information Commission	134	150	230
Diabetes Task Force	201	217	301
Cancer Registry	471	500	600
Arthritis Task Force .....	.....	50	50
Subtotal	<u>\$ 34,501</u>	<u>\$ 36,013</u>	<u>\$ 38,180</u>
Grants and Subsidies			
School Health Examinations	\$ 18,500	\$ 18,700	\$ 18,700
Local Health Departments	18,165	18,020	18,380
Local Health Departments — Environmental	3,291	3,291	3,255
Maternal and Child Health	772	803	819
Emergency Health Services	1,704	1,844	1,881
Hemophilia Services	1,384	1,384	1,412
Sickle Cell Anemia	700	728	743
Sickle Cell Anemia — Summer Camps .....	.....	25	.....
Cooley's Anemia	194	212	216
Renal Disease	5,166	7,300	9,295
Home Ventilators	371	386	394
Coalworker's Pneumoconiosis Services	534	632	645
Spina Bifida	750	750	765
Keystone State Games	50	100	100

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Health (continued)			
Grants and Subsidies (continued)			
Adult Cystic Fibrosis	\$ 172	\$ 194	\$ 198
Screening and Treatment — Venereal Disease	378	394	402
Screening and Treatment — Tuberculosis	571	620	632
Assistance to Drug and Alcohol Abuse Programs	24,414	26,918	28,918
Cancer Control, Prevention and Research.....	538	2,000	3,000
The Institute for Cancer Research, Fox Chase, Philadelphia ...	418	435	435
Pittsburgh Cancer Institute .....	.....	250	.....
The Wistar Institute — Research, Philadelphia	200	208	208
Lupus Disease — Research	80	80	80
Cardiovascular Studies — University of Pennsylvania	60	62	62
Cardiovascular Studies — St. Francis Hospital, Pittsburgh.....	60	62	62
Central Pennsylvania Oncology Group	100	104	104
Burn Foundation of Greater Delaware Valley	155	161	161
Sunshine Foundation	75	25	.....
United Neighborhood Facilities Health Care — Erie	150	150	.....
Cerebral Palsy — St. Christopher's Hospital, Philadelphia	575	598	598
Cleft Palate Clinic — Lancaster	50	52	52
Cleft Palate Clinic — Pittsburgh	50	52	52
Tay Sachs Disease — Jefferson Medical College	50	52	52
Subtotal	<u>\$ 79,677</u>	<u>\$ 86,592</u>	<u>\$ 91,621</u>
TOTAL STATE FUNDS	<u><u>\$ 114,178</u></u>	<u><u>\$ 122,605</u></u>	<u><u>\$ 129,801</u></u>
Federal Funds	\$ 97,150	\$ 109,942	\$ 105,379
Other Funds	14,091	16,183	16,035
DEPARTMENT TOTAL	<u><u>\$ 225,419</u></u>	<u><u>\$ 248,730</u></u>	<u><u>\$ 251,215</u></u>
 Higher Education Assistance Agency			
Grants and Subsidies			
Grants to Full Time Students	\$ 80,147	\$ 85,757	\$ 92,000
Grants to Part Time Students .....	.....	.....	8,000
Merit Scholarships .....	.....	.....	1,000
Student Aid Funds Matching	2,120	2,268	3,090
Administration	250	225	230
Institutional Assistance Grants	16,016	17,137	17,822
Computer Training .....	.....	1,800	1,872
Computer Purchases .....	.....	3,200	3,328
DEPARTMENT TOTAL	<u><u>\$ 98,533</u></u>	<u><u>\$ 110,387</u></u>	<u><u>\$ 127,342</u></u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1982-83 Actual	1983-84 Available	1984-85 Budget
Historical and Museum Commission			
General Government			
General Government Operations	\$ 9,050	\$ 9,243	\$ 10,019
Maintenance Program .....	.....	500	500
Legislative Oral History .....	.....	150	.....
Flag Conservation .....	.....	100	.....
Subtotal	<u>\$ 9,050</u>	<u>\$ 9,993</u>	<u>\$ 10,519</u>
Grants and Subsidies			
Museum Assistance	\$ 1,325	\$ 1,404	\$ 2,200
Local History Grants .....	.....	30	.....
Subtotal	<u>\$ 1,325</u>	<u>\$ 1,434</u>	<u>\$ 2,200</u>
TOTAL STATE FUNDS	<u>\$ 10,375</u>	<u>\$ 11,427</u>	<u>\$ 12,719</u>
Federal Funds	\$ 473	\$ 674	\$ 450
Other Funds	510	355	357
DEPARTMENT TOTAL	<u>\$ 11,358</u>	<u>\$ 12,456</u>	<u>\$ 13,526</u>
Housing Finance Agency			
Grants and Subsidies			
Transfer to PHFA—Homeowners Emergency Assistance	\$ 5,000	\$ 25,750	\$ 25,850
DEPARTMENT TOTAL	<u>\$ 5,000</u>	<u>\$ 25,750</u>	<u>\$ 25,850</u>
Insurance Department			
General Government			
General Government Operations	\$ 7,067	\$ 7,268	\$ 7,598
TOTAL STATE FUNDS	<u>\$ 7,067</u>	<u>\$ 7,268</u>	<u>\$ 7,598</u>
Other Funds	\$ 335	\$ 720	\$ 745
DEPARTMENT TOTAL	<u>\$ 7,402</u>	<u>\$ 7,988</u>	<u>\$ 8,343</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Labor and Industry			
General Government			
General Government Operations	\$ 13,171	\$ 16,517	\$ 15,893
Debt Service Requirements			
Unemployment Compensation Interest	\$ 16,141	\$ 17,000	.....
Grants and Subsidies			
Occupational Disease Payments	\$ 9,541	\$ 9,390	\$ 8,374
Transfer to Vocational Rehabilitation Fund	10,400	11,000	14,215
Workmen's Compensation Payments	1,107	1,129	1,033
Transfer to Office of Employment Security	1,100	1,100	1,100
Teenage Pregnancy and Parenthood .....	.....	.....	1,250
Job Training for Welfare Recipients .....	.....	.....	1,000
Job Training Partnership	675	6,088	2,247
Subtotal	<u>\$ 22,823</u>	<u>\$ 28,707</u>	<u>\$ 29,219</u>
TOTAL STATE FUNDS	<u>\$ 52,135</u>	<u>\$ 62,224</u>	<u>\$ 45,112</u>
Federal Funds	\$ 132,515	\$ 205,034	\$ 189,386
DEPARTMENT TOTAL	<u>\$ 184,650</u>	<u>\$ 267,258</u>	<u>\$ 234,498</u>
Department of Military Affairs			
General Government			
General Government Operations	\$ 10,780	\$ 10,598	\$ 11,112
Feasibility Study — Third Veterans Home	75	.....	.....
American Battle Monuments	3	33	3
Armory Maintenance and Repair	497	500	750
Subtotal	<u>\$ 11,355</u>	<u>\$ 11,131</u>	<u>\$ 11,865</u>
Institutional			
Erie Soldiers and Sailors Home	\$ 2,360	\$ 2,632	\$ 2,935
Hollidaysburg Veterans Home	6,846	8,184	8,474
Subtotal	<u>\$ 9,206</u>	<u>\$ 10,816</u>	<u>\$ 11,409</u>
Grants and Subsidies			
Education of Veterans Children	\$ 39	\$ 75	\$ 75
Education — National Guard	305	295	305
Veterans Assistance	1,150	1,265	1,328
Blind Veterans Pension	186	186	186
National Guard Pension	20	20	20
Subtotal	<u>\$ 1,700</u>	<u>\$ 1,841</u>	<u>\$ 1,914</u>
TOTAL STATE FUNDS	<u>\$ 22,261</u>	<u>\$ 23,788</u>	<u>\$ 25,188</u>
Federal Funds	\$ 2,051	\$ 3,165	\$ 2,740
Other Funds	3,435	3,402	3,604
DEPARTMENT TOTAL	<u>\$ 27,747</u>	<u>\$ 30,355</u>	<u>\$ 31,532</u>

**Summary by Department and Appropriation
(continued)**

	1983-85 Actual	(Dollar Amounts in Thousands) 1985-85 Available	1985-86 Budget
Milk Marketing Board			
General Government			
Transfer to Milk Marketing Board	\$ 950	\$ 950	\$ 950
Underpayments to Dairy Farmers .....	.....	2,650	.....
DEPARTMENT TOTAL	<u>\$ 950</u>	<u>\$ 3,600</u>	<u>\$ 950</u>
Board of Probation and Parole			
General Government			
General Government Operations	\$ 17,586	\$ 18,711	\$ 19,703
Grants and Subsidies			
Improvement of Adult Probation Services	\$ 3,085	\$ 3,240	\$ 3,550
TOTAL STATE FUNDS	<u>\$ 20,671</u>	<u>\$ 21,951</u>	<u>\$ 23,253</u>
Federal Funds	\$ 21	\$ 18	.....
DEPARTMENT TOTAL	<u>\$ 20,692</u>	<u>\$ 21,969</u>	<u>\$ 23,253</u>
Public Television Network			
General Government			
Public Television Network — General Government Operations .	\$ 2,501	\$ 3,195	\$ 2,781
Public Television Network — Public Television Station Grants .	5,123	5,805	7,650
DEPARTMENT TOTAL	<u>\$ 7,624</u>	<u>\$ 9,000</u>	<u>\$ 10,431</u>
Public Utility Commission			
General Government			
Federal Funds	\$ 275	\$ 289	\$ 289
Other Funds—Restricted Revenue	20,694	22,733	23,905
DEPARTMENT TOTAL	<u>\$ 20,969</u>	<u>\$ 23,022</u>	<u>\$ 24,194</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Public Welfare			
General Government			
General Government Operations	\$ 19,200	\$ 18,300	\$ 18,695
Monitoring Community Residential Contracts	80	100	100
Information Systems	17,497	23,000	26,089
County Assistance Offices	135,488	145,000	153,347
County Administration — Statewide	24,500	25,725	27,003
Program Accountability	6,633	7,633	7,464
Pennsylvania Employment Program	5,689	6,109	6,660
Services for the Visually Handicapped	2,523	5,535	5,577
Subtotal	<u>\$ 211,610</u>	<u>\$ 231,402</u>	<u>\$ 244,935</u>
Debt Service Requirement			
General State Authority Rentals — State General Hospitals .....	.....	\$ 5,333	.....
Institutional			
Youth Development Institutions and Forestry Camps	\$ 28,682	\$ 26,861	\$ 27,365
State General Hospitals	1,200	15,629	6,097
State Mental Hospitals	288,437	305,881	311,711
State Centers for the Mentally Retarded	130,194	122,661	105,446
Subtotal	<u>\$ 448,513</u>	<u>\$ 471,032</u>	<u>\$ 450,619</u>
Grants and Subsidies			
Cash Grants	\$ 558,310	\$ 559,222	\$ 563,220
Public Assistance — Transportation Block Grant	7,000	13,505	14,081
Medical Assistance — Outpatient	211,472	240,170	236,053
Medical Assistance — Inpatient	449,839	452,566	416,883
Medical Assistance — Capitation Program	3,460	7,417	59,603
Long-Term Care Facilities	135,588	122,377	135,570
Supplemental Security Income	62,250	45,808	50,317
Community Mental Health Services	92,488	98,035	108,335
Eastern Pennsylvania Psychiatric Institute	6,394	6,651	6,522
Community Based Services — Mentally Retarded	60,111	48,833	59,426
Community Residential Services — Mentally Retarded	109,371	113,519	124,560
Philadelphia Association for Retarded Citizens	200	208	208
Intermediate Care Facilities — Mentally Retarded	24,581	28,515	35,015
Early Intervention .....	.....	15,100	15,400
Beacon Lodge Camp — Blind Services	30	35	36
Residential Homes for the Blind	30	.....	.....
County Child Welfare Programs	133,644	118,644	110,816
Child Abuse .....	.....	.....	2,760
Foster Care .....	.....	.....	500
Day Care Services	16,660	17,000	20,000
Arsenal Family and Children's Center — Pittsburgh	100	104	106
Home for Crippled Children — Pittsburgh	500	520	530
Childrens Heart Hospital — Philadelphia	1,190	1,238	1,263
Western Psychiatric Institute and Clinic	5,900	6,136	6,522
Adult Services Block Grant	1,780	1,856	.....
Domestic Violence and Rape Crisis	1,810	1,882	2,338
Legal Services .....	.....	1,000	.....
Human Services Development Fund .....	.....	.....	2,000
Subtotal	<u>\$1,882,708</u>	<u>\$1,900,341</u>	<u>\$1,972,064</u>
TOTAL STATE FUNDS	<u>\$2,542,831</u>	<u>\$2,608,108</u>	<u>\$2,667,618</u>
Federal Funds	\$1,979,421	\$2,216,695	\$2,204,554
Other Funds	139,965	155,320	140,346
DEPARTMENT TOTAL	<u>\$4,662,217</u>	<u>\$4,980,123</u>	<u>\$5,012,518</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Revenue			
General Government			
General Government Operations	\$ 63,760	\$ 65,260	\$ 67,885
Commissions — Inheritance and Realty Transfer Tax Collections	1,700	1,700	1,700
Subtotal	<u>\$ 65,460</u>	<u>\$ 66,960</u>	<u>\$ 69,585</u>
Grants and Subsidies			
Distribution of Public Utility Realty Tax	\$ 70,026	\$ 78,619	\$ 82,689
TOTAL STATE FUNDS	<u>\$ 135,486</u>	<u>\$ 145,579</u>	<u>\$ 152,274</u>
Other Funds	\$ 7,416	\$ 8,281	\$ 7,697
DEPARTMENT TOTAL	<u>\$ 142,902</u>	<u>\$ 153,860</u>	<u>\$ 159,971</u>
 Securities Commission			
General Government			
General Government Operations	\$ 1,691	\$ 1,949	\$ 2,154
DEPARTMENT TOTAL	<u>\$ 1,691</u>	<u>\$ 1,949</u>	<u>\$ 2,154</u>
 Department of State			
General Government			
General Government Operations	\$ 2,993	\$ 3,075	\$ 3,274
Publishing Constitutional Amendments .....	.....	60	60
Electoral College Expenses .....	.....	6	.....
Subtotal	<u>\$ 2,993</u>	<u>\$ 3,141</u>	<u>\$ 3,334</u>
Grants and Subsidies			
Voting of Citizens in Military Service	\$ 8	\$ 8	\$ 8
Voter Registration by Mail	400	600	350
County Election Expenses	20	.....	.....
Subtotal	<u>\$ 428</u>	<u>\$ 608</u>	<u>\$ 358</u>
TOTAL STATE FUNDS	<u>\$ 3,421</u>	<u>\$ 3,749</u>	<u>\$ 3,692</u>
Other Funds	\$ 9,217	\$ 11,105	\$ 10,621
DEPARTMENT TOTAL	<u>\$ 12,638</u>	<u>\$ 14,854</u>	<u>\$ 14,313</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Employee's Retirement System			
Grants and Subsidies			
National Guard — Employer Contribution	\$ 1,157	\$ 1,379	\$ 1,403
Pension Increase for Annuitants .....	.....	6,500	.....
DEPARTMENT TOTAL	<u>\$ 1,157</u>	<u>\$ 7,879</u>	<u>\$ 1,403</u>
State Police			
General Government			
General Government Operations	\$ 54,234	\$ 58,000	\$ 65,600
Municipal Police Training	1,140	3,728	2,247
In-Service Training of Municipal Police	113	.....	.....
TOTAL STATE FUNDS	<u>\$ 55,487</u>	<u>\$ 61,728</u>	<u>\$ 67,847</u>
Federal Funds	\$ 1,451	\$ 2,836	\$ 1,570
Other Funds	9,959	10,400	11,294
DEPARTMENT TOTAL	<u>\$ 66,897</u>	<u>\$ 74,964</u>	<u>\$ 80,711</u>
Tax Equalization Board			
General Government			
General Government Operations	\$ 896	\$ 941	\$ 974
DEPARTMENT TOTAL	<u>\$ 896</u>	<u>\$ 941</u>	<u>\$ 974</u>
Department of Transportation			
General Government			
Mass Transportation Operations	\$ 1,000	\$ 1,060	\$ 1,218
Comprehensive Rail Study .....	.....	250	250
Ridership Verification .....	.....	.....	130
Transfer to Motor License Fund — Vehicle Sales Tax Collection	1,432	1,432	1,461
Pennsylvania Coordinate System	153	100	159
High Speed Intercity Rail Passenger Commission .....	.....	1,600	1,100
Indiantown Gap National Cemetery .....	.....	8	.....
Subtotal	<u>\$ 2,585</u>	<u>\$ 4,450</u>	<u>\$ 4,318</u>
Grants and Subsidies			
Mass Transportation Assistance	\$ 161,288	\$ 166,531	\$ 174,524
Rural and Intercity Rail and Bus Transportation	3,472	5,677	5,500
Freight Rail Assistance	3,488	4,389	4,594
Accelerated Rail Maintenance .....	.....	40	.....
Civil Air Patrol	100	200	100
Port of Philadelphia	3,000	3,000	1,000
Port of Erie	1,650	1,125	375
Port of Pittsburgh	1,750	750	250
Subtotal	<u>\$ 174,748</u>	<u>\$ 181,712</u>	<u>\$ 186,343</u>
TOTAL STATE FUNDS	<u>\$ 177,333</u>	<u>\$ 186,162</u>	<u>\$ 190,661</u>
Federal Funds	\$ 55,371	\$ 41,424	\$ 8,648
Other Funds	528	1,216	655
DEPARTMENT TOTAL	<u>\$ 233,232</u>	<u>\$ 228,802</u>	<u>\$ 199,964</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Legislature			
General Government			
Senate	\$ 21,185	\$ 23,813	\$ 25,003
House of Representatives	43,808	52,324	57,368
Legislative Reference Bureau	3,060	3,244	3,183
Legislative Budget and Finance Committee	1,800	1,257	1,282
Legislative Data Processing	1,428	1,650	2,000
Legislative Miscellaneous and Commissions	5,041	5,900	6,102
TOTAL STATE FUNDS	<u>\$ 76,322</u>	<u>\$ 88,188</u>	<u>\$ 94,938</u>
Other Funds	\$ 5	\$ 5	\$ 5
DEPARTMENT TOTAL	<u>\$ 76,327</u>	<u>\$ 88,193</u>	<u>\$ 94,943</u>
Judiciary			
General Government			
Supreme Court	\$ 4,044	\$ 4,226	\$ 4,594
Civil Rules Procedural Committee	188	189	196
Criminal Rules Procedural Committee	189	164	184
State Board of Law Examiners	207	235	247
Judicial Inquiry and Review Board	306	423	505
Court Administrator	2,651	2,765	3,099
District Justice Education	316	297	307
Commission on Sentencing	211	229	237
Superior Court	7,340	8,188	8,526
Commonwealth Court	3,565	4,205	4,480
Courts of Common Pleas	24,304	25,220	26,845
Common Pleas Senior Judges	815	1,023	1,129
Common Pleas — Judicial Education	199	319	325
Community Courts — District Justices of the Peace	19,675	20,954	21,735
Philadelphia Traffic Court	242	252	284
Philadelphia Municipal Court	1,605	1,759	2,018
Law Clerks	182	182	182
Subtotal	<u>\$ 66,039</u>	<u>\$ 70,630</u>	<u>\$ 74,893</u>
Grants and Subsidies			
Reimbursement of County Court Expenses	\$ 29,480	\$ 28,980	\$ 31,140
Juror Cost Reimbursement	1,669	1,669	1,669
Subtotal	<u>\$ 31,149</u>	<u>\$ 30,649</u>	<u>\$ 32,809</u>
TOTAL STATE FUNDS	<u>\$ 97,188</u>	<u>\$ 101,279</u>	<u>\$ 107,702</u>
Federal Funds	\$ 1		
Other Funds	1,146	\$ 823	\$ 878
DEPARTMENT TOTAL	<u>\$ 98,335</u>	<u>\$ 102,102</u>	<u>\$ 108,580</u>

**Summary by Department and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
General Fund Total — All Funds			
State Funds	\$ 7,991,122	\$ 8,617,030	\$ 9,039,730
Federal Funds	2,465,610	2,915,069	2,835,355
Other Funds	284,028	317,619	302,818
 TOTAL	<u>\$10,740,760</u>	<u>\$11,849,718</u>	<u>\$12,177,903</u>

GENERAL FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
TAX REVENUE							
Corporation Taxes							
Corporate Net Income	\$ 854,982	\$ 909,985	\$ 940,267	\$ 970,000	\$ 1,011,150	\$ 1,061,700	\$ 1,114,800
Capital Stock and Franchise	388,838	414,500	443,100	476,600	512,600	551,400	593,000
Selective Business:							
Utilities Gross Receipts	511,126	559,281	585,000	635,000	682,600	733,800	788,800
Public Utility Realty	173,725	138,500	149,800	163,200	178,000	194,000	211,500
Insurance Premiums	110,550	115,600	122,200	129,500	137,300	145,500	154,200
Financial Institutions	72,848	66,400	72,800	76,900	81,300	85,900	90,800
Other	8,548	7,200	7,200	7,200	7,200	7,200	7,200
Total—Corporation Taxes	\$ 2,120,617	\$ 2,221,466	\$ 2,320,367	\$ 2,458,400	\$ 2,610,150	\$ 2,779,500	\$ 2,960,300
Consumption Taxes							
Sales and Use	\$ 2,720,628	\$ 2,978,915	\$ 3,133,406	\$ 3,341,258	\$ 3,540,500	\$ 3,739,900	\$ 3,967,700
Cigarette	242,717	240,000	239,000	238,000	237,000	236,000	235,000
Malt Beverage	27,023	27,200	27,900	28,600	27,960	28,240	28,450
Liquor	105,311	111,634	117,541	120,428	122,172	123,955	125,778
Total—Consumption Taxes	\$ 3,095,679	\$ 3,357,749	\$ 3,517,847	\$ 3,728,286	\$ 3,927,632	\$ 4,128,095	\$ 4,356,928
Other Taxes							
Personal Income Tax	\$ 2,581,584	\$ 2,584,157	\$ 2,732,909	\$ 2,942,400	\$ 3,157,500	\$ 3,387,200	\$ 3,631,500
Realty Transfer	106,993	119,800	103,700	112,600	135,100	152,300	161,500
Inheritance	282,217	270,000	275,400	280,900	286,500	292,250	298,100
Minor and Repealed	724	700	700	700	700	700	700
Total—Other Taxes	\$ 2,971,518	\$ 2,974,657	\$ 3,112,709	\$ 3,336,600	\$ 3,579,800	\$ 3,832,450	\$ 4,091,800
TOTAL TAX REVENUE	\$ 8,187,814	\$ 8,543,872	\$ 8,950,923	\$ 9,523,286	\$10,117,582	\$10,740,045	\$11,409,028
NONTAX REVENUE							
Liquor Store Profits	\$ 35,000	\$ 38,000	\$ 33,000	\$ 29,000	\$ 24,000	\$ 28,000	\$ 22,000
Licenses, Fees and Miscellaneous:							
Licenses and Fees	28,402	34,420	30,437	30,400	30,400	30,400	30,400
Miscellaneous	102,293	107,628	112,860	122,601	115,339	115,068	114,786
Fines, Penalties and Interest:							
On Taxes	17,397	15,600	15,600	15,600	15,600	15,600	15,600
Other	567	550	550	550	550	550	550
TOTAL NONTAX REVENUES	\$ 183,659	\$ 196,198	\$ 192,447	\$ 198,151	\$ 185,889	\$ 189,618	\$ 183,336
GENERAL FUND TOTAL	\$ 8,371,473	\$ 8,740,070	\$ 9,143,370	\$ 9,721,437	\$10,303,471	\$10,929,663	\$11,592,364

ADJUSTMENTS TO REVENUE ESTIMATE

On June 28, 1984, an official estimate for the 1984-85 fiscal year of \$8,560,900,000 was certified.

Revisions to that estimate detailed below reflect actual revenue collections through the first six months of the fiscal year and projected collections for the last half of the fiscal year based on current expectations for the economy and revenue trends.

	(Dollar Amounts in Thousands)		
	1984-85 Official Estimate	Adjustments	1984-85 Revised Estimate
TAX REVENUE			
Corporation Taxes			
Corporate Net Income	\$ 810,000	\$ 99,985	\$ 909,985
Capital Stock and Franchise	407,500	7,000	414,500
Selective Business:			
Utilities Gross Receipts	548,400	10,881	559,281
Public Utility Realty	138,500	.....	138,500
Insurance Premiums	112,300	3,300	115,600
Financial Institutions	68,000	-1,600	66,400
Other	7,200	.....	7,200
Total—Corporation Taxes	<u>\$2,091,900</u>	<u>\$ 119,566</u>	<u>\$2,211,466</u>
Consumption Taxes			
Sales and Use	\$2,916,700	\$ 62,215	\$2,978,915
Cigarette	240,000	.....	240,000
Malt Beverage	27,200	.....	27,200
Liquor	108,800	2,834	111,634
Total—Consumption Taxes	<u>\$3,292,700</u>	<u>\$ 65,049</u>	<u>\$3,357,749</u>
Other Taxes			
Personal Income Tax	\$2,564,400	\$ 19,757	\$2,584,157
Realty Transfer	100,000	19,800	119,800
Inheritance	314,100	-44,100	270,000
Minor and Repealed	700	.....	700
Total—Other Taxes	<u>\$2,975,200</u>	<u>\$ -4,543</u>	<u>\$2,974,657</u>
TOTAL TAX REVENUE	<u>\$8,363,800</u>	<u>\$ 180,072</u>	<u>\$8,543,872</u>
NONTAX REVENUE			
Liquor Store Profits	\$ 38,000	.....	\$ 38,000
Licenses, Fees and Miscellaneous:			
Licenses and Fees	35,600	\$ -1,180	34,420
Miscellaneous	105,900	1,728	107,628
Fines, Penalties and Interest:			
On Taxes	17,000	-1,400	15,600
Other	600	- 50	550
TOTAL NONTAX REVENUES	<u>\$ 197,100</u>	<u>\$ -902</u>	<u>196,198</u>
GENERAL FUND TOTAL	<u>\$8,560,900</u>	<u>\$ 179,170</u>	<u>\$8,740,070</u>

GENERAL FUND REVENUE SOURCES

Corporate Net Income Tax

(Dollar Amounts in Thousands)

	Actual		Estimated
1978-79	\$ 849,428	1984-85	\$ 909,985
1979-80	856,343	1985-86	940,267
1980-81	814,679	1986-87	970,000
1981-82	856,571	1987-88	1,011,150
1982-83	818,578	1988-89	1,061,700
1983-84	854,982	1989-90	1,114,800

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

Exclusions and Deductions: Net income earned by the following organizations is exempt from this tax: Building and loan associations, banks, savings institutions, trust companies, insurance and surety companies, non-profit corporations without authority to issue capital stock, and Pennsylvania Subchapter S corporations. Deductions allowed from federal taxable income for computing Pennsylvania taxable income include corporate dividends received, interest on U.S. government securities and Pennsylvania net operating losses carried forward from prior years. The increased depreciation deductions allowed by the accelerated cost recovery system ("ACRS") permitted for Federal taxes were not allowed to be deducted from taxable income for tax years 1981 or 1982. In tax year 1983, corporations may deduct one-half of the increased depreciation allowance resulting from ACRS for that year and in tax year 1984 all of the increased allowance for that year from their state tax base. Beginning with the 1984 tax year and each tax year thereafter, corporations may recover one-fourth of the increased depreciation allowances for tax years 1981, 1982 and 1983 not previously recovered, until all ACRS depreciation has been recovered.

Credits: Credits allowed against the tax include investments in neighborhood assistance, job training, community service, and crime prevention programs. The credit may be equal up to 70 percent of the amount invested with a \$250,000 maximum credit for any taxpayer and a limit of \$8,750,000 in any one fiscal year for all taxpayers.

Recent Tax Rates: January 1, 1984 to current: 9.5 percent.
 January 1, 1977 to December 31, 1983: 10.5 percent.

Payment: A tentative tax return for the current tax year must be filed within 105 days of the tax year together with a tentative tax payment of 90 percent, based on the second previous year's liability or an estimate of the current year liability. An optional four payment installment system for the 90 percent tentative payment is available providing for tentative payments in the fourth, sixth, ninth and twelfth month of the tax year. The final balance of tax due, if any, must be paid with the annual return due 105 days after the end of the tax year.

Recent Changes: Beginning in tax year 1984, qualified Subchapter S corporations may elect to be taxed under the provisions of Act No. 1983-90 which exempts such corporations from the corporate net income tax while requiring that the shareholders pay personal income tax on their proportionate share of the business profits.

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

GENERAL FUND REVENUE SOURCES

Capital Stock and Franchise Taxes

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79\$ 260,488	1984-85\$ 414,500
1979-80 276,494	1985-86 443,100
1980-81 330,427	1986-87 476,600
1981-82 341,639	1987-88 512,600
1982-83 363,520	1988-89 551,400
1983-84 388,838	1989-90 593,000

Tax Base: The taxes are levied on the capital stock value of domestic and foreign business corporations doing business or having property or having property or capital employed in the State on that portion of the capital stock value allocable to Pennsylvania under a statutory apportionment formula.

Exclusions and Deductions: The capital stock value of the following organizations are exempt from this tax: Non-profit corporations, agricultural co-ops without capital stock and not conducted for profit, banks and savings institutions, title insurance or trust companies, building and loan associations, insurance companies, family farm corporations, limited partnerships formed under the Uniform Limited Partnership Act, Massachusetts or business trusts, law trusts or real estate investment trusts, agricultural credit associations, and credit unions. Assets used in manufacturing, processing, research and development, and pollution control by all corporations are also exempt.

Recent Tax Rates: 10 mills on each dollar of taxable stock with a minimum tax payment of \$75 for both taxes.

Payment: A tentative return for both taxes for the current tax year must be filed within the first 105 days of the tax year. A payment of 90 percent of the estimated tax liability, based on the second preceeding year, is to be paid with the tentative return. The final balance of tax due, if any, must be paid with the annual return due 105 days after the end of the tax year.

New Events: Act No. 1983-89 effective for the 1984 tax year, established a formula for computation of the tax due, replacing the previous requirement to ascertain the actual value of the corporation's capital stock.

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

GENERAL FUND REVENUE SOURCES

Utilities Gross Receipts Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 343,535	1984-85	\$ 559,281
1979-80	380,250	1985-86	585,000
1980-81	432,324	1986-87	635,000
1981-82	501,536	1987-88	682,600
1982-83	503,648	1988-89	733,800
1983-84	511,126	1989-90	788,800

Tax Base: This tax is levied on the gross receipts from business transacted within Pennsylvania by specified utilities owned, operated or leased by corporations, associations or individuals.

Exclusion and Deductions: Gross receipts of municipally owned or operated public utilities from the furnishing of a public utility service within the limits of the municipality are exempt from the tax.

Credits: Act No. 1980-24, provides a tax credit for expenditures by railroads for maintenance and improvement of rights-of-way. The credit is to be applied to the succeeding tax year and is effective only for tax years 1981 through 1986.

Recent Tax Rates: The tax rate is 45 mills for all utilities except motor transportation companies which are taxed at the rate of eight mills.

Payments: A tentative return for a current tax year must be filed within 105 days of the beginning of the tax year. A payment of 90 percent of the estimated tax liability is to be paid with the tentative return. The final balance of tax due, if any, must be paid with the annual return, which is due and payable by April 15 following the close of the tax year along with the final tax return for that year.

References: Purdon's Title 72 P.S. §8101—§8102; 71 P.S. §2183—§2194.

GENERAL FUND REVENUE SOURCES

Public Utility Realty Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 41,217	1984-85	\$ 138,500
1979-80	175,828	1985-86	149,800
1980-81	93,321	1986-87	163,200
1981-82	104,156	1987-88	178,000
1982-83	111,564	1988-89	194,000
1983-84	173,725	1989-90	211,500

Tax Base: This tax is levied on the state taxable value of the real property owned by utilities or other entity (1) furnishing utility service and (2) regulated by the Pennsylvania Public Utility Commission or similar regulatory body. The state taxable value is defined as the cost of utility realty, less reserves for depreciation or depletion as shown by the books of account of the utility.

Exclusions and Deductions: Excluded from utility realty for purposes of this tax are the following: (1) easement, (2) railroad rights-of-way, (3) machinery, equipment, and similar items, and (4) realty subject to local real estate taxation under any law effect on April 23, 1968. Utilities furnishing public utility sewage services and any municipality or municipal authority furnishing any public utility service, are exempt from the tax. Hydroelectric facilities are exempt for a period of ten years if placed into service after July 1, 1983. The depreciation deduction is book reserve or 50 percent of the book cost, which ever is greater.

Recent Tax Rates: 30 mills on each dollar of state taxable value.

Payment: Payment of the tax and a report showing the amount and method of computing state taxable value as at the end of the preceeding calendar year is required on June 1 of each year. On or before April 15, every public utility shall report tentative tax liability for the current tax year equal to 90 percent of the tax liability of the immediate prior year, and pay 25 percent of such amount on April 15, June 15, September 15 and December 15 of each year. The balance, if any, will be paid on April 15 after the tax year.

Reference: Purdon's Title 72 P.S. §8101-A—§8108-A.

GENERAL FUND REVENUE SOURCES

Insurance Premiums Tax

(Dollar Amounts in Thousands)

Actual		Estimated
1978-79	\$ 92,535	1984-85
1979-80	96,845	1985-86
1980-81	98,112	1986-87
1981-82	104,057	1987-88
1982-83	103,168	1988-89
1983-84	110,550	1989-90
		\$ 115,600
		122,200
		129,500
		137,300
		145,500
		154,200

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

Exclusions and Deductions: Companies that are purely mutual beneficial associations and non-profit hospital and medical associations are exempt.

Recent Tax Rates: The rate is 2 percent of the gross premiums. The rate may be higher on taxable companies incorporated in other states where that state imposes a higher tax burden upon Pennsylvania companies doing insurance business in that state. Marine insurance companies pay a 5 percent tax on underwriting profits attributable to Pennsylvania in lieu of the gross premiums tax.

Payment: Companies are required to transmit tentative reports annually together with a tentative payment of the current year's tax computed by applying the current rate of tax to 90 percent of the tax base for the immediate prior year. Alternatively, the taxpayer may elect to estimate the tentative tax payment at an amount not less than 90 percent of the tax as finally reported. The reports and payments must be submitted by April 15 of each year while the remaining amount due must be paid by April 15 of the following year.

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

GENERAL FUND REVENUE SOURCES

Financial Institutions Taxes

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 75,996	1984-85	\$ 66,400
1979-80	62,426	1985-86	72,800
1980-81	42,555	1986-87	76,900
1981-82	34,995	1987-88	81,300
1982-83	50,706	1988-89	85,900
1983-84	72,848	1989-90	90,800

Tax Base: This category includes taxes levied on the value of the capital stock of banks, private banks, trust and title insurance companies, savings institutions with capital stock and mutual thrift institutions.

Exclusions and Deductions: The value of the capital stock is adjusted to exclude the value of United States obligations in the same proportion that the book value of those obligations bears to total assets. Act No. 1982-184 enacted provisions allowing mutual thrift institutions to carry forward net operating losses up to a maximum of three years and deduct them from future year's tax liabilities. This provision was phased-in over a three-year period beginning in 1981.

Credits: Credits against the tax include investment in neighborhood assistance, job training, community service, and crime prevention programs.

Recent Tax Rates: The tax rate for the Bank Shares Tax and Title Insurance and Trust Companies Shares Tax is 1.075 percent on the dollar value of each share of capital stock. Before January 1, 1984 the rate for both taxes was 15 mills on the actual value of capital stock shares. A rate of 11.5 percent is levied on net earnings or income of mutual thrift institutions and savings institutions with capital stock under the Mutual Thrift Institutions Tax.

Payment: Taxes on bank shares are subject to a tentative payment requirement. An 80 percent tentative payment of the tax for a tax year is due by April 15 of that year. The balance is due by April 15 of the following year. Payment of the Mutual Thrift Institution Tax is similar, except a 90 percent tentative payment of the tax is required .

Recent Changes: The financial institutions taxes were amended in December 1983 in response to the Pennsylvania Supreme Court's decision in *Dale National Bank v. Commonwealth* that held United States obligations were improperly taken into account in the computation of the Banks Shares Tax.

- References:** Purdon's Title 72 P.S. §7701—§7702. Bank Shares Act
Purdon's Title 72 P.S. §8501—§8505. Mutual Thrift Institution Act
Purdon's Title 72 P.S. §7801—§7806. Title Insurance and Trust Companies Share Act

GENERAL FUND REVENUE SOURCES

Other Selective Business Taxes

(Dollar Amounts in Thousands)

	Actual		Estimated
1978-79	\$ 5,677	1984-85	\$ 7,200
1979-80	6,839	1985-86	7,200
1980-81	7,204	1986-87	7,200
1981-82	8,075	1987-88	7,200
1982-83	8,830	1988-89	7,200
1983-84	8,548	1989-90	7,200

Tax Base: Other selective business taxes include: Domestic Excise Tax—Act of July 25, 1953, P.L. 564 (repealed by Act No. 182 of July 12, 1972, effective September 10, 1972); Corporation Excise Tax -Foreign -Act of July 25, 1953, P.L. 560 (declared unconstitutional by the Supreme Court of Pennsylvania on July 6, 1976); Loans Tax Domestic and Foreign -Act of June 22, 1935, P.L. 414 as amended; Electric Cooperative Corporation Tax -Act of June 21, 1937, P.L. 1969; Agricultural Cooperative Associations Corporate Net Income Tax -Act of May 23, 1945, P.L. 893; Gross Receipts—Private Banks, Act of May 16, 1961, P.L. 708 as amended; and Corporation Income Tax -Act of August 24, 1951, P.L. 1417 as amended (repealed for years ending on or after January 1, 1981 by the Act of December 21, 1981, P.L. 482, No. 141).

Recent Tax Rates: Loans Tax—Domestic and Foreign, Act of June 22, 1935, P.L. 414, rate is 4 mills on the dollar. The rate for the Agricultural Cooperative Associations Corporate Net Income Tax is 4 percent. The tax rate for the Gross Receipts—Private Banks Tax is 1 percent of gross receipts for a calendar.

References: Purdon's Title 72 P.S. §3250—§3250-14—Loans Tax—Domestic and Foreign.
Purdon's Title 72 P.S. §3420-21—§3420-28—Agricultural Cooperative Associations.
Purdon's Title 72 P.S. §2221—§2223—Gross Receipts—Private Banks.

GENERAL FUND REVENUE SOURCES

Sales and Use Tax

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79	1984-85
\$1,895,499	\$2,978,915
1979-80	1985-86
1,995,829	3,133,406
1980-81	1986-87
2,086,166	3,341,258
1981-82	1987-88
2,229,436	3,540,500
1982-83	1988-89
2,365,061	3,739,900
1983-84	1989-90
2,720,628	3,967,700

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.

Exclusions and Deductions: A number of specific items are excluded from the sales and use tax. Among the most important items excluded are: Most wearing apparel, except such items as accessories, formal wear, clothing worn strictly for sports activities, etc., take-home food, prescription or non-prescription medicines and drugs, prescription eyeglasses, medical supplies, residential use of steam, gas, fuel oil and electricity, water and motor fuels. Also excluded from the tax are items sold to the United States, to the Commonwealth or its political subdivisions. Sales to charitable organizations, non-profit educational institutions, volunteer firemen's organizations and religious organizations are excluded to the extent the items are used in furtherance of the purpose of the organization. Items directly used in manufacturing, processing, farming, dairying or utility service are exempt. Material used in the construction of foundations for machinery and equipment which is exempt from the tax are also exempt from tax.

Credit: A credit against the tax on an item or service taxable in the Commonwealth for use outside the Commonwealth shall be granted equal to the tax paid to another state by reason of the imposition by such other state of a tax similar to this tax. However, no credit will be granted if such other state does not grant similar tax relief.

Rate: 6 percent of retail price for Sales and Use Tax and 6 percent of rent for Hotel Occupancy Tax.

Payment: Every person maintaining a place of business in Pennsylvania who sells or leases taxable tangible personal property or services must apply for a sales tax license and collect and remit the tax. Vendors who collect \$600 or more in the third calendar quarter of the first year of operation are required to remit collections monthly by the 20th day of the following month. Vendors collecting more than \$75 in the third calendar quarter but less than \$600 for the same calendar quarter report quarterly and transmit collections within 20 days of the end of the collection quarter. Acceleration of the second calendar quarter collections requires the vendor to file a single return for the months of April and May on or before the 15th day of June, and a single return for month of June by the 20th of July. Vendors collecting less than \$75 annually are required to remit on a semi-annual basis by February 20 and August 20, or in certain instances are required to remit an annual return by January 15. Sales tax on motor vehicles is collected when application for a certification of title is made.

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

GENERAL FUND REVENUE SOURCES

Cigarette Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 250,525	1984-85	\$ 240,000
1979-80	252,423	1985-86	239,000
1980-81	254,661	1986-87	238,000
1981-82	254,922	1987-88	237,000
1982-83	250,733	1988-89	236,000
1983-84	242,717	1989-90	235,000

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

Exclusions and Deductions: No tax is levied on the possession or sale of cigarettes which this Commonwealth is prohibited from taxing under the Constitution or statutes of the United States.

Recent Tax Rates: The rate is 9/10 of a cent per cigarette.

Payment: The tax is levied on the ultimate consumer, but usually, is collected by sale of stamps to dealers who affix these to each package.

Reference: Purdon's Title 72 P.S. §8201—§8297.

GENERAL FUND REVENUE SOURCES

Malt Beverage Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 27,388	1984-85	\$ 27,200
1979-80	27,768	1985-86	27,900
1980-81	27,628	1986-87	28,600
1981-82	28,397	1987-88	27,960
1982-83	27,904	1988-89	28,240
1983-84	27,023	1989-90	28,450

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.

Credits: See New Events.

Recent Tax Rates: The tax rate is $\frac{2}{3}$ ¢ per half pint of 8 fluid ounces or fraction thereof, and in larger quantities at the rate of one cent (1¢) per pint of 16 fluid ounces or fraction thereof.

Payment: Manufacturers, distributors and importers are required to file with and pay taxes owed to the Department of Revenue by the 15th of every month.

New Events: Act No. 82, enacted May 9, 1974 amended the Malt Beverage Law providing a tax credit for domestic manufacturers of malt or brewed beverages. The credit is for “qualifying capital expenditures” and may not exceed the amount of the expenditures or \$100,000 a year. The act was effective for the period January 1, 1974 to December 31, 1976, but has been extended to December 31, 1985.

Reference: Purdon’s Title 47 P.S. §103—§120.3.

GENERAL FUND REVENUE SOURCES

Liquor Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 89,794	1984-85	\$ 111,634
1979-80	93,201	1985-86	117,541
1980-81	97,178	1986-87	120,428
1981-82	113,736	1987-88	122,172
1982-83	107,467	1988-89	123,955
1983-84	105,311	1989-90	125,778

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

Recent Tax Rates: As of January 1, 1968, the rate is 18 percent of the net retail purchase price.

Payment: Tax is collected by the Liquor Control Board and is credited to the General Fund.

Reference: Purdon's Title 47 P.S. §794 *et seq.*

GENERAL FUND REVENUE SOURCES

Personal Income Tax

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79	\$1,572,006
1979-80	1,693,997
1980-81	1,911,581
1981-82	2,011,990
1982-83	2,078,995
1983-84	2,581,584
1984-85	\$2,584,157
1985-86	2,732,909
1986-87	2,942,400
1987-88	3,157,500
1988-89	3,387,200
1989-90	3,631,500

Tax Base: The tax is paid by all residents, resident trust and estates and taxable income attributable to Pennsylvania for non-residents and non-residents estates and trusts on eight separate classes of income: (1) compensation, (2) net profits, (3) interest, (4) dividends, (5) income from the disposition of property, (6) net gains from rents, royalties, patents and copyrights, (7) gambling and lottery winnings, and (8) income from estates and trusts. 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.

Exclusions and Deductions: Income not falling into one of the enumerated classes is not taxable. A full or partial exemption from the tax or a refund of taxes paid is provided for taxpayers who are eligible under standards of poverty defined in Act No. 32 of 1974.

Credits: Credit against the tax is allowed for gross or net income taxes paid to other states by Pennsylvania residents and tax payments made under the previous law.

Recent Tax Rates: July 1, 1984 to present—2.35 percent.
 January 1, 1983 to June 30, 1984—2.45 percent.
 January 1, 1978 to December 31, 1982—2.2 percent.

Payment: Withholding of the tax is required by employers from all persons liable for the tax with the size of collections determining the frequency for remittance to the Commonwealth by employers. For those individuals with taxable incomes over \$1,000, other than wages subject to withholding, a declaration and payment of the estimated tax is required similar to those mandated by Federal law. Payments may be made annually on April 15 for calendar year taxpayers, twice yearly, three times yearly, or four times yearly. There are special declaration and estimated tax provisions provided for farm income. Final returns and remittance of any tax due for a tax year are to be filed on or before the date when the taxpayer's Federal income tax return is due. Application for refund must be filed within three years from the time the return is required to be filed.

Recent Changes: Beginning in tax year 1984, qualified Subchapter S corporations may elect to receive Pennsylvania Subchapter S corporation treatment. This provision of Act No. 90 of 1983 exempts Pennsylvania Subchapter S corporations from the Corporate Net Income Tax, while requiring that the shareholders pay Personal Income Tax on their proportionate share of the business profits.

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

GENERAL FUND REVENUE SOURCES

Realty Transfer Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 93,900	1984-85	\$ 119,800
1979-80	84,086	1985-86	103,700
1980-81	76,518	1986-87	112,600
1981-82	67,848	1987-88	135,100
1982-83	82,815	1988-89	152,300
1983-84	106,993	1989-90	161,500

Tax Base: The tax is levied on the value property transferred through the medium of a deed, instrument or other writing.

Recent Tax Rates: Rate of 1 percent of the value of property transferred through the medium of a deed, instrument or other writing.

Payments: The tax is paid through the purchase of stamps which are affixed to the legal document presented for recording. The tax is collected by the county recorder of deeds and transmitted periodically to the Commonwealth.

References: Purdon's Title 72 P.S. §8101-C — 8111-C.

GENERAL FUND REVENUE SOURCES

Inheritance Tax

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 172,817	1984-85	\$ 270,000
1979-80	173,219	1985-86	275,400
1980-81	196,268	1986-87	280,900
1981-82	218,399	1987-88	286,500
1982-83	250,599	1988-89	292,250
1983-84	282,217	1989-90	298,100

Tax Base: The Inheritance Tax is levied on the clear value of property transferred to beneficiaries of a deceased person. The value of the transfer is established on the date of the decedent's death. The Estate Tax is levied on the amount equal to the Federal Estate Tax Credit on estates situated in Pennsylvania and applies to residents and non-residents.

Exclusions and Deductions: Transfers to the U.S. Government, the Commonwealth, charities or eleemosynary societies are exempt from this tax. Property passing to lineal beneficiaries may qualify for a \$2,000 family exemption.

Recent Tax Rate: Lineal beneficiaries are taxed at the rate of 6 percent and collateral beneficiaries are taxed at 15 percent. The Estate Tax is equal to the amount of Federal Estate Tax credit.

Payment: The tax is due and payable upon the death of the decedent, but does not become delinquent until nine months after the date of death. The Register of Wills of the County in which the resident decedent died or non-resident owned property is the collection agent for the Commonwealth.

Reference: Purdon's Title 72 Pa. C.S.A. §1701-§1796.

GENERAL FUND REVENUE SOURCES

Minor and Repealed Taxes

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 690	1984-85	\$ 700
1979-80	655	1985-86	700
1980-81	606	1986-87	700
1981-82	586	1987-88	700
1982-83	613	1988-89	700
1983-84	724	1989-90	700

Minor Taxes Include: Tax on Legal Documents -Act of April 6, 1830, P.L. 272 (Purdon's Title 72 P.S. 3172) and the Spiritons and Vinous Liquors Tax -Acts of December 5, 1933, P.L. 38 (special session) and December 22, 1933, P.L. 91 (special session) (Purdon's Title 47 P.S. 745).

Repealed and Expired Taxes Include: Consumers Sales Tax—Act of July 13, 1953, P.L. 389—Expired August 31, 1955, Anthracite Coal Tax -Act of May 11, 1921, P.L. 479—Expired 1931, Stock Transfer Tax, Repealed by Act of July 10, 1957, P.L. 671, Documentary Stamp Tax -Act of May 16, 1935, P.L. 203—Expired 1937, Soft Drink Tax—Act of May 14, 1947, P.L. 249—Expired May 31, 1951, Personal Property Tax —Act of June 22, 1935, P.L. 414—Expired 1943, Building and Loan Association Stock Tax—Act of June 22, 1897, P.L. 178, Repealed by Act of March 15, 1937, P.L. 62, Mercantile License Tax System—Act of May 2, 1899, P.L. 184, Repealed by Act of May 7, 1943, P.L. 237 (effective January 1, 1944).

GENERAL FUND REVENUE SOURCES

Liquor Store Profits

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79.....	\$ 25,000	1984-85.....	\$ 38,000
1979-80.....	30,000	1985-86.....	33,000
1980-81.....	66,688	1986-87.....	29,000
1981-82.....	40,000	1987-88.....	24,000
1982-83.....	50,000	1988-89.....	28,000
1983-84.....	35,000	1989-90.....	22,000

Liquor Store Profits represent the amount of profit from the operation of State liquor stores less deductions for reserve and inventory. This amount is transferred to the General Fund from the State Stores Fund to be used for general appropriation purposes as provided by Act No. 412-1/2 of July 18, 1935, P.L. 1316.

The 1980-81 amount includes revenues resulting from revisions to discounts granted to certain purchasers, increased handling charges imposed and a drawdown of accumulated surplus in the State Stores Fund.

GENERAL FUND REVENUE SOURCES

Licenses, Fees, and Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 103,853	1984-85	\$ 142,048
1979-80	125,537	1985-86	143,297
1980-81	177,216	1986-87	153,001
1981-82	165,648	1987-88	145,739
1982-83	171,408	1988-89	145,468
1983-84	130,695	1989-90	145,186

Licenses and fees includes collections by Commonwealth agencies which 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. Certain licenses and fees are required in a multitude of laws designed to protect the public from indiscriminate and unsafe practices.

Miscellaneous revenues includes 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 used only for a specific purpose. The largest source is earnings on securities and deposits. Other major sources are transfers from special funds, escheats and district justice costs. Act No. 204 enacted July 15, 1976, the "Magisterial District Reform Act", provides that costs and expenses incidental to district officers shall be paid by the county where located. Costs are to be collected by district justices and paid to the Commonwealth monthly.

GENERAL FUND REVENUE SOURCES

Fines, Penalties and Interest

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 7,850	1984-85	\$ 16,150
1979-80	7,882	1985-86	16,150
1980-81	13,365	1986-87	16,150
1981-82	20,619	1987-88	16,150
1982-83	17,199	1988-89	16,150
1983-84	17,964	1989-90	16,150

This revenue source includes all penalties and interest collected in the enforcement of tax regulations. The largest portion is from corporation taxes, penalties and interest.

Also included are fines and penalties other than those used to enforce tax regulations and those 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 department are an integral part of enforcement of the laws providing for licenses and fees.

GENERAL FUND REVENUE DETAIL

The following is a detailed list of all General Fund revenues available for general appropriation. This listing does not include special restricted receipts and receipts augmenting appropriations or Federal Funds.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
TAX REVENUE			
Corporate Net Income Tax	\$ 854,982	\$ 909,985	\$ 940,267
Capital Stock and Franchise Taxes			
Capital Stock Taxes—Domestic	\$ 220,908	\$ 235,487	\$ 251,736
Franchise Taxes—Foreign	167,930	179,013	191,364
Subtotal	\$ 388,838	\$ 414,500	\$ 443,100
Utilities Gross Receipts			
Telephone and Telegraph	\$ 109,187	\$ 119,474	\$ 124,968
Electric, Hydroelectric and Water Power	281,091	307,574	321,718
Motor Transportation	985	1,078	1,127
Transportation	2,300	2,517	2,632
Gas	117,563	128,638	134,555
Subtotal	\$ 511,126	\$ 559,281	\$ 585,000
Public Utility Realty Tax	\$ 173,725	\$ 138,500	\$ 149,800
Insurance Premiums Tax			
Domestic Casualty	\$ 15,879	\$ 16,604	\$ 17,552
Domestic Marine	10	10	11
Domestic Fire	13,399	14,011	14,811
Domestic Life and Previously Exempted Lines	6,937	7,254	7,668
Unauthorized Insurance	422	441	466
Foreign Life	66,463	69,499	73,467
Foreign Excess Casualty	2,864	2,995	3,166
Foreign Marine	2	2	2
Foreign Excess Fire	1,184	1,238	1,309
Excess Insurance Brokers	2,601	2,720	2,875
Title Insurance	789	826	873
Subtotal	\$ 110,550	\$ 115,600	\$ 122,200
Financial Institutions Taxes			
Trust Companies	\$ 11,202	\$ 10,210	\$ 11,195
State Banks	13,806	12,584	13,797
National Banks	41,465	37,795	41,438
State Mutual Thrift Institutions	5,305	4,835	5,302
Federal Mutual Thrift Institutions	1,070	976	1,068
Subtotal	\$ 72,848	\$ 66,400	\$ 72,800

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Other Selective Business Taxes			
Excise—Foreign .....	*	.....	.....
Corporate Loans—Domestic	\$ 6,129	\$ 5,162	\$ 5,162
Corporate Loans—Foreign	732	617	617
Tax on Electric Cooperative Corporations	13	11	11
Corporate Net Income Tax on Agricultural Cooperative Associations	93	78	78
Corporation Income	105	88	88
Gross Receipts—Private Bankers	147	124	124
Department of Justice Collections	1,329	1,120	1,120
Subtotal	<u>\$ 8,548</u>	<u>\$ 7,200</u>	<u>\$ 7,200</u>
Sales and Use Tax	<u>\$2,720,628</u>	<u>\$2,978,915</u>	<u>\$3,133,406</u>
Cigarette Tax	<u>\$ 242,717</u>	<u>\$ 240,000</u>	<u>\$ 239,000</u>
Malt Beverage Tax	<u>\$ 27,023</u>	<u>\$ 27,200</u>	<u>\$ 27,900</u>
Liquor Tax	<u>\$ 105,311</u>	<u>\$ 111,634</u>	<u>\$ 117,541</u>
Personal Income Tax	<u>\$2,581,584</u>	<u>\$2,584,157</u>	<u>\$2,732,909</u>
Realty Transfer Tax	<u>\$ 106,993</u>	<u>\$ 119,800</u>	<u>\$ 103,700</u>
Inheritance Tax			
Resident Transfer Inheritance and Estate Tax	\$ 280,625	\$ 268,477	\$ 273,846
Nonresident Transfer Inheritance and Estate Tax	1,592	1,523	1,554
Subtotal	<u>\$ 282,217</u>	<u>\$ 270,000</u>	<u>\$ 275,400</u>
Minor and Repealed Taxes			
Tax on Writs, Wills and Deeds	\$ 692	\$ 669	\$ 669
Distilled Spirits	1	1	1
Rectified Spirits	1	1	1
Wines	30	29	29
Subtotal	<u>\$ 724</u>	<u>\$ 700</u>	<u>\$ 700</u>
TOTAL TAX REVENUE	<u>\$8,187,814</u>	<u>\$8,543,872</u>	<u>\$8,950,923</u>
NONTAX REVENUES			
Liquor Store Profits	<u>\$ 35,000</u>	<u>\$ 38,000</u>	<u>\$ 33,000</u>

* Less than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Licenses, Fees and Miscellaneous			
Governor's Office			
MISCELLANEOUS REVENUE			
Miscellaneous .....	\$ *	.....	.....
Subtotal .....	\$ *	.....	.....
Executive Office			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 10	\$ 10	\$ 10
Crime Victim's Award Restitution	15	15	15
Crime Conviction — Imposed Costs	2,024	1,967	1,967
Refunds of Expenditures Not Credited to Appropriation	8	8	8
Subtotal	\$ 2,057	\$ 2,000	\$ 2,000
Lieutenant Governor's Office			
LICENSES AND FEES			
Board of Pardon Fees	\$ 1	\$ 1	\$ 1
Board of Pardon Filing Fees	2	4	4
Board of Pardon Copying Fees	*	*	*
MISCELLANEOUS REVENUE			
Refund of Expenditures Not Credited to Appropriations .....	*	.....	.....
Subtotal	\$ 3	\$ 5	\$ 5
Auditor General			
LICENSES AND FEES			
Filing Fees	\$ 4	\$ 5	\$ 6
Subtotal	\$ 4	\$ 5	\$ 6
Attorney General			
MISCELLANEOUS REVENUE			
Antitrust Case Payments	\$ 5	.....	\$ 1,000
Assessed Civil Penalties Payments	214	\$ 215	220
Miscellaneous	-1	.....	.....
Refund of Expenditures Not Credited to Appropriations	3	3	3
Subtotal	\$ 221	\$ 218	\$ 1,223
Treasury Department			
MISCELLANEOUS REVENUE			
Interest on Securities	\$ 50,818	\$ 57,946	\$ 62,837
Interest on Deposits	-107	4,300	4,300
Allocation of Treasury Cost	1,757	1,800	1,800
Premium on Sale of Securities	6	50	50
Interest on Securities—Liquor License Fund	168	200	200
Redeposit of Checks	572	1,000	1,000
Refund of Expenditures Not Credited to Appropriations	*	*	*
Miscellaneous	1,129	300	300
Accrued Interest Purchases	2	.....	.....
Subtotal	\$ 54,345	\$ 65,596	\$ 70,487

* Less than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Estimated	Budget
Department of Aging			
MISCELLANEOUS REVENUE			
Refund of Expenditures Not Credited to Appropriations.....	\$ 5	\$ 1	\$ 1
Total	\$ 5	\$ 1	\$ 1
 Department of Agriculture			
LICENSES AND FEES			
Carbonated Beverage License.....	\$ 22	\$ 25	\$ 24
Egg Certification Fees	28	25	29
Cold Storage Warehouse Licenses	5	4	4
Egg Opening Licenses	*	*	*
Seed Testing and Certification Fees	71	68	69
Bakery Licenses	46	42	45
Ice Cream Licenses	44	42	43
Domestic Animal Dealers Licenses	7	8	8
Abattoir Licenses	1	10	10
Rendering Plant Licenses	1	1	1
Horse Slaughtering Licenses	*	*	*
Approved Inspector's Certificate and Registration Fees	8	8	8
Garbage Feeders Licenses	1	1	1
Poultry Technician Licenses	*	*	*
Miscellaneous Licenses and Fees	18	46	55
Farm Product Inspection Fees	20	11	11
Veterinarian Diagnostic Lab Fees	146	145	145
Public Weighmaster's Liquid Fuels Licenses	44	46	47
Public Weighmaster's Solid Fuels Licenses	33	38	38
Livestock Branding Fees	*	*	*
Pesticide Dealers License and Fees	10	11	13
Pesticide Application License and Fees	87	75	84
Pesticide Registration Fees	83	69	70
 MISCELLANEOUS REVENUE			
Sale of Surplus Products.....	*	1	1
Miscellaneous	5	*	*
Refund of Expenditures Not Credited to Appropriations.....	2	1	1
Sale of Dressed Meats — MAEC	11	11	11
Subtotal	\$ 693	\$ 688	\$ 718
 Civil Service Commission			
MISCELLANEOUS REVENUE			
Refund of Expenditures Not Credited to Appropriations.....	*	.....	.....
Miscellaneous .....	.....	*	*
Subtotal	*	*	*
 Department of Commerce			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 3	.....	.....
Refund of Expenditures Not Credited to Appropriations.....	3	\$ 6	\$ 10
Nursing Home Loans — Repayments	4,549	4,200	5,000
Subtotal	\$ 4,555	\$ 4,206	\$ 5,010

* Less than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Department of Community Affairs			
LICENSES AND FEES			
Municipal Indebtedness Fees	\$ 45	\$ 45	\$ 50
MISCELLANEOUS REVENUE			
Miscellaneous	23	98	25
Refunds of Expenditures Not Credited to Appropriations	35	2	35
Subtotal	\$ 103	\$ 145	\$ 110
Department of Corrections			
MISCELLANEOUS REVENUE			
Antitrust Case Payments	\$ 1	\$ 1	\$ 1
Miscellaneous	1	1	1
Refunds of Expenditures Not Credited to Appropriations	48	43	43
Subtotal	\$ 50	\$ 45	\$ 45
Crime Commission			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 5	\$ 1	\$ 1
Subtotal	\$ 5	\$ 1	\$ 1
Department of Education			
LICENSES AND FEES			
Secondary Education Evaluation Fees	\$ 108	\$ 88	\$ 90
Private Trade School License Fees	40	57	60
Business School License Fees	64	51	48
Correspondence School License Fees	14	11	8
Private Academic School License Fees	56	37	37
Private Driver Training School Fees	23	22	22
Teachers Certification Fees	312	298	292
Teachers Certification Fees — Private Academy	11	14	14
PDE — Fees Transcripts/Closed Private Schools .....	*	.....	.....
MISCELLANEOUS			
Miscellaneous	2	*	.....
Refunds to Expenditures Not Credited to Appropriations	-2	.....	.....
Subtotal	\$ 628	\$ 578	\$ 571
Emergency Management Agency			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations .....	\$ *	.....	.....
Subtotal .....	\$ *	.....	.....
Department of Environmental Resources			
LICENSES AND FEES			
Bathing Place Licenses	\$ 1	\$ 1	\$ 1
Sewage and Industrial Waste Permit Fees	278	278	278
Restaurant Licenses	532	550	550
Miscellaneous Licenses and Fees	35	42	26
Registration Fees for Organized Camps	5	4	4
Explosive Storage Permit Fees	127	150	150
Blasters' Examination and Licensing Fees	47	60	50
Examination and Certificate Fees	15	15	15
Bituminous Miners' Examination and Certificate Fees	1	1	1
Bituminous Shot Firers and Machine Runners Examination and Certificates	1	1	1
Anthracite Miners' Examination and Certificate Fees	*	*	*
Water Power and Supply Permit Fees	69	71	72

*Less Than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Estimated	Budget
Department of Environmental Resources (continued)			
LICENSES AND FEES (continued)			
Dams and Encroachment Fees	\$ 109	\$ 110	\$ 115
Water Bacteriological Examinations	59	60	60
Sewage Enforcement Examination Fees	2	2	2
Sewage Enforcement-Certificate Copy Fees	1	1	1
Natural Gas Well Classification Permit	171	.....	.....
Hazardous Waste Treatment Storage or Disposal	147	100	100
Hazardous Waste Transporter Licenses Application Fees	65	15	40
 MISCELLANEOUS REVENUE			
Minerals Sales	325	425	450
Camp Leases	194	195	200
Water Leases	7	7	10
Rights-of-Way	136	109	115
Recovered Damages	3	.....	.....
Housing Rents	13	13	15
Ground Rents	24	24	25
Royalties for Recovery of Materials-Schuylkill River	49	50	55
Miscellaneous	52	21	22
Surface Subsidence Assistance Loans—Principal Amounts	6	6	6
Refunds of Expenditures Not Credited to Appropriations	118	.....	.....
Payment to Occupy Submerged Lands	16	18	18
Subtotal	<u>\$ 2,608</u>	<u>\$ 2,329</u>	<u>\$ 2,382</u>
 Department of General Services			
MISCELLANEOUS REVENUE			
Sale of State Property	\$ 1,275	\$ 1,000	\$ 500
Sale of Publications	75	65	75
Sale of Unserviceable Property	282	250	250
Rental of State Property	165	175	160
Recovery on Insurance and Surety Bonds	*	*	*
Mileage of State Automobiles	436	550	500
Contract Forfeitures and Damages	*	2	1
Allocation of Property Costs	3,959	4,500	4,500
Real Estate Services	85	80	80
Miscellaneous	1,603	500	500
Refunds of Expenditures Not Credited to Appropriations	41	75	40
Subtotal	<u>\$ 7,921</u>	<u>\$ 7,197</u>	<u>\$ 6,606</u>
 Department of Health			
LICENSES AND FEES			
Vital Statistics Fees	\$ 1,965	\$ 1,965	\$ 1,965
Registration Fees-Drugs Devices and Cosmetics Act	351	351	351
Profit Making Hospital Licenses	18	18	18
Nursing Home Licenses	232	232	232
Life Safety Code Disposition Fees	201	201	201
Birth Center Licensure Fees	*	*	*
 MISCELLANEOUS REVENUE			
Miscellaneous	368	367	367
Refunds of Expenditures Not Credited to Appropriations	14	14	14
Subtotal	<u>\$ 3,149</u>	<u>\$ 3,148</u>	<u>\$ 3,148</u>
 Historical and Museum Commission			
MISCELLANEOUS REVENUE			
Miscellaneous	*	\$ 5	\$ 5
Refunds of Expenditures Not Credited to Appropriations .....	.....	1	1
Subtotal	<u>*</u>	<u>\$ 6</u>	<u>\$ 6</u>

* Less than \$500

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Insurance Department			
LICENSES AND FEES			
Agents' Licenses	\$ 5,413	\$ 9,216	\$ 4,797
Brokers' Licenses	270	777	124
Examination Fees and Expenses	972	1,000	1,000
Valuation of Policies Fees	840	900	900
Miscellaneous Fees	4	6	6
Miscellaneous Licenses	19	25	25
Physical Damage Appraiser Licenses	44	45	45
Division of Companies Certification — Certificates' and Filing Fees	361	365	365
Agents and Brokers' Certification Fees	187	184	184
MISCELLANEOUS REVENUE			
Miscellaneous	11	11	11
Refunds of Expenditures Not Credited to Appropriations	3	.....	.....
Subtotal	<u>\$ 8,124</u>	<u>\$ 12,529</u>	<u>\$ 7,457</u>
Labor and Industry			
LICENSES AND FEES			
Bedding and Upholstery Fees	\$ 266	\$ 274	\$ 280
Boiler Inspection Fees	811	830	850
Elevator Inspection Fees	754	800	820
Employment Agents' Licenses	49	49	49
Projectionists' Examination and License Fees	9	9	8
Approval of Elevator Plan Fees	62	63	65
Industrial Homework Permit Fees .....	.	.	.
Employment Agents' Registration Fees	9	10	10
Liquified Petroleum Gas Registration Fees	106	112	120
Stuffed Toys Manufacturers Registration Fees	18	19	20
Approval of Building Plan Fees	2,064	2,080	2,100
MISCELLANEOUS REVENUE			
Miscellaneous	15	12	12
Refunds of Expenditures Not Credited to Appropriations	50	150	150
Indirect Costs Reimbursements — BVR	237	.....	.....
Indirect Costs Reimbursements — CETA — Balance of State ..	82	.....	.....
Indirect Costs Reimbursements — Other	695	.....	.....
Subtotal	<u>\$ 5,227</u>	<u>\$ 4,408</u>	<u>\$ 4,484</u>
Department of Military Affairs			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 1	\$ 2	\$ 2
Refunds of Expenditures Not Credited to Appropriations	36	53	53
Subtotal	<u>\$ 37</u>	<u>\$ 55</u>	<u>\$ 55</u>

*Less than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Board of Probation and Parole			
MISCELLANEOUS REVENUE			
Miscellaneous	*	*	*
Refunds of Expenditures Not Credited to Appropriations	\$ 12	\$ 10	\$ 10
Subtotal	<u>\$ 12</u>	<u>\$ 10</u>	<u>\$ 10</u>
Public Utility Commission			
LICENSES AND FEES			
General Assessment Fees		*	*
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations		3	*
Subtotal		<u>\$ 3</u>	<u>*</u>
Department of Public Welfare			
LICENSES AND FEES			
Private Mental Hospital Licenses	\$ 10	\$ 12	\$ 12
MISCELLANEOUS REVENUE			
Miscellaneous	103	100	110
Refunds of Expenditures Not Credited to Appropriations	15	1,450	30
Subtotal	<u>\$ 128</u>	<u>\$ 1,562</u>	<u>\$ 152</u>
Department of Revenue			
LICENSES AND FEES			
Cigarette Permit Fees	\$ 680	\$ 575	\$ 569
Certificate and Copy Fees	30	25	25
Dog Licenses	*	*	
Domestic Violence and Rape Crisis Program Fees	1,671	1,434	1,435
MISCELLANEOUS REVENUE			
Abandoned Property — Financial Institutions Deposits	12,429	7,375	7,375
Abandoned Property — Other Holder Deposits	8,110	4,820	4,820
Abandoned Property — Claim Payments	-8,203	-4,870	-4,870
Abandoned Property — Administration Cost			
Reimbursements	-389	-325	-325
Waterway Obstruction Rents	*	*	*
Miscellaneous	145	50	50
Refunds of Expenditures Not Credited to Appropriations	129	138	159
District Justice Cost	9,592	9,400	9,400
Distribution Due Absentee	208	200	200
Subtotal	<u>\$ 24,402</u>	<u>\$ 18,822</u>	<u>\$ 18,838</u>
Pennsylvania Securities Commission			
LICENSES AND FEES			
Section 205 — Security Registration and Amendment	\$ 495	\$ 475	\$ 500
Section 206 — Security Registration and Amendment Fees	220	78	50
Mutual Funds and Investment Company Section			
2031-205-205-206	642	2,000	2,000
Brokers/Dealers Registration Fees — Initial	42	52	63
Brokers/Dealers Registration Fees — Renewal	112	150	175
Brokers/Dealers Registration Fees — Pa. Office — Initial	7	10	13
Brokers/Dealers Registration Fees — Pa. Office — Renewal	24	28	31
Amendments to Broker/Dealer Filings Section 304	11		
Securities Agents Filing Fees — Initial	316	473	662
Securities Agents Filing Fees — Renewal	641	900	1,170
Securities Agents Filing Fees — Transfer	45	60	78

* Less than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Pennsylvania Securities Commission (continued)			
LICENSES AND FEES (continued)			
Amendments to Security Agents Filings — Section 304	\$ 13	.....	.....
Investment Advisors Filing Fees — Initial	5	\$ 9	\$ 12
Investment Advisors Filing Fees — Renewal	17	22	27
Amendment to Investment Advisor's Filings — Section 304	1	.....	.....
Section 202G Security Exemption Fees	1	1	1
Section 2031 and 203(0)II Section Exemption Fees	16	15	20
Section 203(D) Security Exemption Fees	438	450	500
Section 203(N) Security Exemption Fees	2	2	2
Section 203(P) Security Exemption Fees	2	2	2
Takeover Disclosure Filing Fees Section IV Registration	15	5	5
Costs — Examination, Auditing, Investigation, Prosecution — Except Takeover Costs	35	35	35
MISCELLANEOUS REVENUE			
Miscellaneous	2	3	4
Refunds of Expenditures Not Credited to Appropriations .....	*	.....	.....
Subtotal	<u>\$ 3,102</u>	<u>\$ 4,740</u>	<u>\$ 5,350</u>
Department of State			
LICENSES AND FEES			
Commission and Filing — Corporation Bureau	\$ 4,345	\$ 4,920	\$ 5,250
Recorder of Deeds Fees	30	29	30
Notary Public Commission Fees	386	386	386
Commissions and Filing Fees — Bureau of Elections	105	6	50
MISCELLANEOUS REVENUE			
Miscellaneous .....	*	.....	.....
Subtotal	<u>\$ 4,866</u>	<u>\$ 5,341</u>	<u>\$ 5,716</u>
State Police			
MISCELLANEOUS REVENUE			
Miscellaneous	\$ 169	\$ 165	\$ 165
Reimbursement for Lost Property	1	1	1
Refunds of Expenditures Not Credited to Appropriations	168	110	110
Subtotal	<u>\$ 338</u>	<u>\$ 276</u>	<u>\$ 276</u>
Department of Transportation			
MISCELLANEOUS REVENUE			
VW Rail Spur Lease Recovery	\$ 115	\$ 100	\$ 100
Refunds of Expenditures Not Credited to Appropriations	287	250	250
Subtotal	<u>\$ 402</u>	<u>\$ 350</u>	<u>\$ 350</u>
Ethics Commission			
MISCELLANEOUS			
Miscellaneous .....	*	.....	.....
Subtotal	<u>\$ *</u>	<u>.....</u>	<u>.....</u>

*Less than \$500.

GENERAL FUND REVENUE DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Commonwealth Court			
MISCELLANEOUS REVENUE			
Refunds of Expenditures Not Credited to Appropriations	\$ 1	.....	.....
Subtotal	<u>\$ 1</u>	<u>.....</u>	<u>.....</u>
Other			
MISCELLANEOUS REVENUE			
Conscience Money	\$ 5	\$ 2	\$ 2
Transfer from State Racing Fund	7,095	9,782	8,288
Transfer State Insurance Fund	608	.....	.....
Subtotal	<u>\$ 7,708</u>	<u>\$ 9,784</u>	<u>\$ 8,290</u>
TOTAL LICENSES, FEES AND MISCELLANEOUS	<u>\$ 130,695</u>	<u>\$ 142,048</u>	<u>\$ 143,297</u>
Fines, Penalties and Interest on Taxes			
Penalties on Excise Taxes — Corporations	\$ 476	\$ 427	\$ 427
Interest on Excise Taxes — Corporation (Department of Revenue)	8,102	7,265	7,265
Corporation Net Income Tax	8,791	7,883	7,883
Realty Transfer Tax	28	25	25
Other Fines and Penalties			
Department of Agriculture			
General Food Fines	\$ 6	\$ 3	\$ 3
Pesticide Fines and Penalties	3	1	1
Egg Fines	*	1	1
Marketing Law Fines	1	5	5
Miscellaneous	7	1	1
Horse Racing Fines and Penalties	56	65	53
Harness Racing Fines and Penalties	29	45	30
Department of Environmental Resources			
Miscellaneous Fines	31	20	22
Department of General Services			
Traffic Violations	24	35	35
Department of Insurance			
Miscellaneous Fines	230	200	200
Department of Labor and Industry			
Miscellaneous Fines	15	10	10
Minor Labor Law Fines	*	2	2
Boiler Inspection Fines .....	.....	*	*
Public Utility Commission			
Violation of Order Fines	157	150	175
Department of Revenue			
Malt Liquor Fines and Penalties	4	3	3
Miscellaneous Fines	*	*	*
Spiritous and Vinous Liquor Fines and Penalties	*	*	*
Motor Law Fines Prior to July 1, 1976	4	9	9
TOTAL FINES, PENALTIES AND INTEREST	<u>\$ 17,964</u>	<u>\$ 16,150</u>	<u>\$ 16,150</u>
TOTAL NONTAX REVENUE	<u>\$ 183,659</u>	<u>\$ 196,198</u>	<u>\$ 192,447</u>
TOTAL GENERAL FUND REVENUES	<u><u>\$8,371,473</u></u>	<u><u>\$8,740,070</u></u>	<u><u>\$9,143,370</u></u>

* Less Than \$500

Motor License Fund

The Motor License Fund is a special fund composed of monies received from the Liquid Fuels and Fuel Use Taxes, licenses and fees of motor vehicles, aviation 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)	
	1984-85	1985-86
Beginning Balance	\$ 44,185	\$ 69,306
Revenue:		
Official Estimate	\$1,293,200	\$1,317,700
Adjustment to Official Estimate	24,900	.....
Accrued Revenues Unrealized	140,700	140,700
Less Revenues Accrued Previously	-139,800	-140,700
Total Revenue	<u>1,319,000</u>	<u>1,317,700</u>
Prior Year Lapses	8,000	.....
Funds Available	<u>\$1,371,185</u>	<u>\$1,387,006</u>
Expenditures:		
Appropriated	\$1,326,920	\$1,377,508
Supplemental Appropriations	9,959	.....
Less Current Year Lapses	-35,000	.....
Estimated Expenditures	<u>-1,301,879</u>	<u>-1,377,508</u>
Ending Balance	<u>\$ 69,306</u>	<u>\$ 9,498</u>

*Excludes restricted revenue

NOTES ON FINANCIAL STATEMENT

(Dollar Amounts in Thousands)

SUPPLEMENTAL APPROPRIATIONS

	1984-85 Estimated
General Services	
Tort Claims—Payments	\$ 5,000
Revenue	
Collection—Liquid Fuels Tax	400
Transportation	
Local Road Maintenance and Construction Payments	4,559
Highway and Safety Improvement	(3,800)
Advanced Construction Interstate	3,800
 TOTAL	 <u>\$ 9,959</u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Offices			
General Government			
Office of the Budget	\$ 3,426	\$ 3,563	\$ 3,692
Total State Funds	<u>\$ 3,426</u>	<u>\$ 3,563</u>	<u>\$ 3,692</u>
Other Funds	\$ 642	\$ 770	\$ 776
DEPARTMENT TOTAL	<u>\$ 4,068</u>	<u>\$ 4,333</u>	<u>\$ 4,468</u>
Treasury Department			
General Government			
Replacement Checks	\$ 24	\$ 60	\$ 60
Refunding Liquid Fuel Tax — Agriculture	3,413	4,000	4,200
Administration of Refunding Liquid Fuel Tax	188	219	233
Refunding Liquid Fuel Tax — State Share	139	400	300
Refunding Emergency Liquid Fuel Tax .....	.....	1	1
Refunding Liquid Fuel Tax — Political Subdivision Use	1,438	2,100	2,100
Refunding Liquid Fuel Tax — Volunteer Fire Companies, Ambulance Services and Rescue Squads	98	150	150
Refunding Marine Liquid Fuel Tax — Boating Fund	1,460	1,600	1,750
Subtotal	<u>\$ 6,760</u>	<u>\$ 8,530</u>	<u>\$ 8,794</u>
Debt Service Requirements			
Capital Debt — Transportation Projects	\$ 165,716	\$ 165,346	\$ 165,031
Capital Debt — Public Improvement Projects	498	498	498
Advanced Construction Interstate—Interest Payments .....	.....	.....	60
Loan and Transfer Agent	86	166	186
Subtotal	<u>\$ 166,300</u>	<u>\$ 166,010</u>	<u>\$ 165,775</u>
Total State Funds	<u>\$ 173,060</u>	<u>\$ 174,540</u>	<u>\$ 174,569</u>
Other Funds—Restricted Revenue	\$ 28	\$ 28	\$ 28
DEPARTMENT TOTAL	<u>\$ 173,088</u>	<u>\$ 174,568</u>	<u>\$ 174,597</u>
Department of Education			
Grants and Subsidies			
Safe Driving Course	\$ 2,518	\$ 2,605	\$ 2,552
Total State Funds	<u>\$ 2,518</u>	<u>\$ 2,605</u>	<u>\$ 2,552</u>
Federal Funds	\$ 143	\$ 150	\$ 200
DEPARTMENT TOTAL	<u>\$ 2,661</u>	<u>\$ 2,755</u>	<u>\$ 2,752</u>

**Summary by Department
(Continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of General Services			
Debt Service Requirements			
General State Authority Rentals	\$ 1,170	\$ 1,210	\$ 1,171
Grants and Subsidies			
Tort Claims — Payments	\$ 12,000	\$ 20,000	\$ 20,000
DEPARTMENT TOTAL	<u>\$ 13,170</u>	<u>\$ 21,210</u>	<u>\$ 21,171</u>
Department of Revenue			
General Government			
Collection — Liquid Fuels Tax	\$ 4,177	\$ 4,870	\$ 5,007
Refunding Liquid Fuels Taxes	6,848	6,865	7,221
DEPARTMENT TOTAL	<u>\$ 11,025</u>	<u>\$ 11,735</u>	<u>\$ 12,228</u>
Pennsylvania State Police			
General Government			
Transfer to General Fund — General Government Operations ..	\$ 121,682	\$ 130,286	\$ 145,866
Transfer to General Fund — Municipal Police Training	1,206	1,267	2,246
Transfer to General Fund — In-Service Training	113	.....	.....
DEPARTMENT TOTAL	<u>\$ 123,001</u>	<u>\$ 131,553</u>	<u>\$ 148,112</u>
Department of Transportation			
General Government			
General Government Operations	\$ 19,550	\$ 20,353	\$ 20,545
Refunding Monies Collected Through the Department of Transportation	1,544	2,000	1,725
Highway and Safety Improvement	93,000	116,200	129,000
Advanced Construction Interstate .....	.....	3,800	15,800
Highway Maintenance	518,600	567,000	548,181
Salt Storage Buildings .....	.....	.....	1,500
Heavy Equipment Acquisition .....	.....	.....	15,000
Secondary Roads — Maintenance and Resurfacing	49,311	51,572	51,819
Safety Administration and Licensing	40,868	43,836	47,764
Subtotal	<u>\$ 722,873</u>	<u>\$ 804,761</u>	<u>\$ 831,334</u>
Debt Service Requirements			
State Highway and Bridge Authority Rentals	\$ 30,165	\$ 29,800	\$ 29,200

**Summary by Department
(Continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Transportation (continued)			
Grants and Subsidies			
Local Road Maintenance and Construction Payments	\$ 144,200	\$ 150,998	\$ 148,721
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Philadelphia Payment — Franchise Tax	728	1,114	929
Subtotal	<u>\$ 149,928</u>	<u>\$ 157,112</u>	<u>\$ 154,650</u>
Total State Funds	<u>\$ 902,966</u>	<u>\$ 991,673</u>	<u>\$1,015,184</u>
Federal Funds	\$ 378,890	\$ 741,785	\$ 819,520
Other Funds	16,025	21,801	21,364
Other Funds—Restricted Revenue	44,715	159,323	127,877
DEPARTMENT TOTAL	<u>\$1,342,596</u>	<u>\$1,914,582</u>	<u>\$1,983,945</u>
Fund Summary			
State Funds — Transportation	\$ 902,966	\$ 991,673	\$1,015,184
State Funds — Other Departments	326,200	345,206	362,324
Total State Funds	<u>\$1,229,166</u>	<u>\$1,336,879</u>	<u>\$1,377,508</u>
Motor License Fund Total — All Funds			
State Funds	\$1,229,166	\$1,336,879	\$1,377,508
Federal Funds	379,033	741,935	819,720
Other Funds	16,667	22,571	22,140
Other Funds—Restricted Revenue	44,743	159,351	127,905
FUND TOTAL	<u>\$1,669,609</u>	<u>\$2,260,736</u>	<u>\$2,347,273</u>

ADJUSTMENTS TO REVENUE ESTIMATE

On June 28, 1984, an official estimate for the 1984-85 fiscal year of \$1,293,200,000 was certified.

The revised estimate detailed below reflects actual revenue collections through the first six months of the fiscal year and expected collections for the balance of the fiscal year.

	(Dollar Amounts in Thousands)		
	1984-85 Official Estimate	Adjustments	1984-85 Revised Estimate
Liquid Fuels Taxes	\$ 870,000	\$ 3,000	\$ 873,000
Motor Licenses and Fees	368,300	12,100	380,400
Other Motor Receipts	54,900	9,800	64,700
 TOTAL	<u>\$1,293,200</u>	<u>\$ 24,900</u>	<u>\$1,318,100</u>

MOTOR LICENSE FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated
Liquid Fuels Taxes	\$ 801,732	\$ 873,000	\$ 873,700	\$ 875,400	\$ 878,200	\$ 880,200	\$ 881,900
Motor Licenses and Fees	386,989	380,400	382,100	396,700	388,300	389,900	391,600
Other Motor License Fund Revenues	54,155	64,700	61,900	80,000	58,300	52,900	51,200
TOTAL MOTOR LICENSE FUND REVENUES	<u>\$1,242,876</u>	<u>\$1,318,100</u>	<u>\$1,317,700</u>	<u>\$1,352,100</u>	<u>\$1,324,800</u>	<u>\$1,323,000</u>	<u>\$1,324,700</u>
 Aviation Restricted Revenues	 \$ 7,609	 \$ 8,188	 \$ 9,578	 \$ 9,968	 \$ 10,375	 \$ 10,799	 \$ 11,242
Highway Bridge Improvement Restricted Revenues	\$ 80,400	\$ 69,200	\$ 74,100	\$ 74,100	\$ 74,100	\$ 74,100	\$ 74,100
State Highway Transfer Restricted Revenues	\$ 8,926	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,100	\$ 14,100	\$ 14,100

MOTOR LICENSE FUND REVENUE SOURCES

Liquid Fuels Taxes

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79\$ 496,925	1984-85\$ 873,000
1979-80 .....551,241	1985-86 .....873,700
1980-81 .....553,529	1986-87 .....875,400
1981-82 .....705,463	1987-88 .....878,200
1982-83 .....698,028	1988-89 .....880,200
1983-84 .....801,732	1989-90 .....881,900

Tax Base:

Liquid Fuels. The liquid fuels tax is based on the number of gallons of liquid fuel used, sold or delivered within the Commonwealth by distributors. After discounts, all monies collected are placed in the Motor License Fund, except that an amount equal to one-half cent per gallon is placed in the Liquid Fuels Tax Fund.

Fuel Use. The fuels use tax is based on the number of gallons of fuel used or delivered for use. Any dealer-user bringing over 50 gallons of fuel, other than fuels taxed under the Liquid Fuels Tax Act, into the Commonwealth is taxed. All monies collected, less allowed discounts, are paid into the Motor License Fund and the Liquid Fuels Tax Fund in the same proportion as the Liquid Fuels Tax monies.

Motor Carriers Road Tax. The Motor Carriers Road Tax Act levies a tax on motor carriers operating motor carrier vehicles having a gross weight or registered gross weight in excess of 17,000 pounds. The tax is computed at the current gasoline tax rate plus an additional factor based on the Oil Franchise Tax on the basis of the number of gallons of fuel used within the State with credit given for taxes paid on fuel purchased within the State.

In addition the Act requires identification markers for each vehicle to be issued annually upon a payment of \$25 per vehicle. Act No. 1982-234 reduced this fee to \$5.00 effective March 31, 1983.

Interstate Bus Compact Fuels Tax. The Compact on Taxation of Motor Fuels Consumed by Interstate Buses imposes a tax on fuel consumed by interstate buses under compacts entered into with other states to avoid multiple taxation of fuels. Taxes in each State are computed on the basis of the number of gallons of fuel used within the State.

Oil Company Franchise Tax. This tax is an excise tax on oil companies for the privilege of exercising their corporate franchise, doing business, employing capital, owning or leasing property, maintaining an office or having employees in the Commonwealth.

Exclusions and Deductions and Reimbursements:

Liquid Fuels, Fuel Use and Oil Company Franchise Taxes: Fuels used, sold or delivered to the U.S. Government, the Commonwealth and any of its political subdivisions, public authorities, nonprofit schools, volunteer fire companies, ambulance services, rescue squads, fuels sold and delivered under the Commerce Clause of the Constitution of the United States, liquid fuel delivered instate by one distributor to another when receiver is taxable or when tax has already been paid (applicable to liquid fuels tax only), fuel (not over 50 gallons) brought into the Commonwealth in vehicle's fuel supply tanks (applicable to fuel use tax only) and fuels used for certain agricultural purposes are not taxable.

Motor Carrier Road Tax. Credit is given for tax paid on motor fuels purchased in Pennsylvania but consumed elsewhere.

MOTOR LICENSE FUND REVENUE SOURCES

Motor Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 329,111	1984-85	\$ 380,400
1979-80	325,537	1985-86	382,100
1980-81	374,523	1986-87	396,700
1981-82	401,040	1987-88	388,300
1982-83	380,834	1988-89	389,900
1983-84	386,989	1989-90	391,600

The Commonwealth receives revenue from the licensing and collection of fees levied for the registering and titling of motor vehicles and for the issuance of learner's permits, operator's licenses, certificates of title and transfers of registration. Implementation of staggered registration periods for light trucks during fiscal year 1986-87 provides a one-time \$10 million revenue gain in that fiscal year.

Other Motor License Fund Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 39,587	1984-85	\$ 64,700
1979-80	103,112	1985-86	61,900
1980-81	52,689	1986-87	80,000
1981-82	60,644	1987-88	58,300
1982-83	57,973	1988-89	52,900
1983-84	54,155	1989-90	51,200

Other Motor License Fund revenues are derived from the following sources:

Fines — This category consists of aeronautics fines collected under the Fuel Use Tax Act and certain vehicle code fines.

Miscellaneous Revenue — The Commonwealth receives revenue from interest on Motor License Fund deposits, investments and securities; from the sale of unserviceable properties, maps, plans and inspection stickers; and from the rental of State properties.

Gross Receipts Tax — This is an excise tax imposed upon the gross receipts of owners and operators of motor vehicles transporting passengers or property for hire on public highways. The current tax rate is eight mills. Only the tax received from companies operating over routes which are not entirely within the Commonwealth is deposited in the Motor License Fund.

This category also includes an appropriation from the General Fund of \$57 million in 1979-80 and \$19.6 million in 1986-87 of anticipated Federal reimbursement of advanced construction interstate (ACI) payments financed initially with State funds.

MOTOR LICENSE FUND 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 and state highway turnback programs are not included in these amounts.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
LIQUID FUELS TAXES			
Liquid Fuels Tax			
Liquid Fuels Tax	\$ 470,916	\$ 493,839	\$ 491,342
Liquid Fuels Tax Penalties	364	382	380
Liquid Fuels Tax Interest	171	179	178
Total	\$ 471,451	\$ 494,400	\$ 491,900
Fuel Use Tax			
Fuel Use Tax	\$ 84,074	\$ 93,418	\$ 96,200
Fuel Use Tax Penalties	387	430	443
Fuel Use Tax Interest	137	152	157
Total	\$ 84,598	\$ 94,000	\$ 96,800
Motor Carriers Road Tax			
Motor Carriers Road—Fuels Tax	\$ 15,541	\$ 16,300	\$ 16,400
Motor Carriers Road Tax Registration Fees and Special Permit Fees	1,936	2,000	2,000
Total	\$ 17,477	\$ 18,300	\$ 18,400
Interstate Bus Compact Fuels Tax			
Interstate Bus Compact Fuels Tax	\$ 672	\$ 795	\$ 795
Interstate Bus Compact Tax Penalties	3	4	4
Interstate Bus Compact Fuels Tax Interest	1	1	1
Total	\$ 676	\$ 800	\$ 800
Oil Company Franchise Tax			
Oil Company Franchise Tax	\$ 227,530	\$ 265,500	\$ 265,800
Total	\$ 227,530	\$ 265,500	\$ 265,800
TOTAL LIQUID FUELS TAXES	\$ 801,732	\$ 873,000	\$ 873,700
MOTOR LICENSES AND FEES			
Operators' Licenses	\$ 43,410	\$ 38,800	\$ 38,800
Special Hauling Permit Fees	4,164	4,200	4,200
Vehicle Registration and Titling	321,380	319,800	321,400
Other Fees Collected by Bureau of Motor Vehicles	10,264	10,000	10,000
Registration Fees Received From Other States/ARP	7,771	7,600	7,700
TOTAL MOTOR LICENSES AND FEES	\$ 386,989	\$ 380,400	\$ 382,100

MOTOR LICENSE FUND REVENUE, DETAIL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
OTHER MOTOR LICENSE FUND REVENUES			
Gross Receipts Tax			
Gross Receipts Tax	\$ 304	\$ 300	\$ 300
Total	\$ 304	\$ 300	\$ 300
Fines and Penalties			
Department of Transportation			
Vehicle Code Fines	\$ 2,118	\$ 1,992	\$ 1,992
Department of Revenue			
Vehicle Codes Fines	17,973	16,908	16,908
Total	\$ 20,091	\$ 18,900	\$ 18,900
Miscellaneous Revenues			
Treasury Department			
Interest on Securities	\$ 9,324	\$ 21,965	\$ 21,874
Interest on Securities Liquid Fuels Tax Fund	584	1,376	1,370
Redeposit of Checks	58	137	136
Interest on Deposit — Motor License Fund	1	1	1
Interest on Deposit — Cash Advancement Accounts	126	298	296
Premium on Sale of Securities	10	23	23
Department of General Services			
Sale of Unserviceable Property	\$ 533	\$ 500	\$ 400
Department of Revenue			
Miscellaneous Revenue .....	*	.....	.....
Refunds of expenditures Not Credited to Appropriations .....	*	.....	.....
Department of Transportation			
Highway Encroachment Permits	\$ 863	\$ 900	\$ 900
Highway Bridges Income	70	75	75
Sale of Maps and Plans	742	161	50
Sale of Gas, Oil and Anti-Freeze	2,017	2,372	1,700
Recovered Damages	5	3	3
Contract Deposit Forfeitures	264	10	20
Sale of Inspection Stickers	16,664	15,200	14,800
Miscellaneous Revenues	2,282	1,885	400
Refunds of Expenditures Not Credited to Appropriations or Allocations	211	275	200
Fees for Reclaiming Abandoned Vehicles	4	4	4
Sale of Abandoned Vehicles	2	2	2
Sale of Bid Proposals and Contract Specifications .....	.....	313	446
Total	\$ 33,760	\$ 45,500	\$ 42,700
TOTAL OTHER MOTOR LICENSE FUND REVENUES ..	\$ 54,155	\$ 64,700	\$ 61,900
TOTAL MOTOR LICENSE FUND REVENUES	\$1,242,876	\$1,318,100	\$1,317,700

*Less than \$500

MOTOR LICENSE FUND REVENUE SOURCES

Restricted Revenues Not Included in Department Total

Aviation Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 6,020	1984-85	\$ 8,118
1979-80	5,189	1985-86	9,578
1980-81	7,202	1986-87	9,968
1981-82	6,280	1987-88	10,375
1982-83	6,068	1988-89	10,799
1983-84	7,609	1989-90	11,242

Aviation revenue is derived from taxes levied on aviation gasoline and jet fuel, and from income earned at State-owned airports. The current tax rate is one and one-half cents per gallon on fuel for propeller-driven aircraft, one cent per gallon on fuel for jet or turbo-jet aircraft. Airport income consists primarily of rents, concessions, utility refunds and landing fees. Aviation restricted revenues are not included in Motor License Fund Revenue totals.

	1983-84 Actual	1984-85 Estimated	1985-86 Budget
AVIATION REVENUES			
Aviation Liquid Fuels Tax	\$ 3,479	\$ 4,423	\$ 5,300
Harrisburg International Airport Operations	3,838	3,454	3,972
State Airport Operations	292	241	296
Fines and Forfeitures .....	. . . .	. . . .	10
TOTAL AVIATION REVENUES	\$ 7,609	\$ 8,118	\$ 9,578

Highway Bridge Improvement Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79		1984-85	\$ 69,200
1979-80		1985-86	74,100
1980-81		1986-87	74,100
1981-82		1987-88	74,100
1982-83	\$ 55,124	1988-89	74,100
1983-84	\$ 80,400	1989-90	74,100

Highway bridge improvement revenues are derived from the \$36 per axle tax on heavy trucks levied by Act 234 of 1982.

	1983-84 Actual	1984-85 Estimated	1985-86 Budget
HIGHWAY BRIDGE IMPROVEMENT REVENUES			
Axle Tax	\$ 80,400	\$ 69,200	\$ 74,100

MOTOR LICENSE FUND REVENUE SOURCES

Restricted Revenues Not Included in Department Total

State Highway Transfer Revenues

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79	1984-85\$ 14,000
1979-80	1985-86 14,000
1980-81	1986-87 14,000
1981-82	1987-88 14,100
1982-83	1988-89 14,100
1983-84\$ 8,926	1989-90 14,100

State highway transfer restricted revenues are derived from two mills of the Oil Company Franchise tax in 1983-84 and three mills in 1984-85 and thereafter. Act 1983-32 established a local highway turnback program funded by a separate restricted revenue account within the Motor License Fund.

	1983-84 Actual	1984-85 Estimated	1985-86 Budget
STATE HIGHWAY TRANSFER REVENUES			
Oil Company Franchise Tax (3 mills)	<u>\$ 8,926</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>

Banking Department Fund

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

BANKING DEPARTMENT FUND

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 2,981	\$ 2,641
Receipts:		
Revenue Estimate	\$ 7,041	\$ 7,236
Prior Year Lapses	6	.....
Total Receipts	7,047	7,236
Funds Available	\$ 10,028	\$ 9,877
Expenditures:		
Appropriated	\$ 7,387	\$ 7,360
Estimated Expenditures	—7,387	—7,360
Ending Balance	\$ 2,641	\$ 2,517

BANKING DEPARTMENT FUND

Summary by Department

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
 Banking Department			
General Government			
General Operations	\$ 6,401	\$ 7,090	\$ 7,064
 Department of General Services			
General Government			
Harristown Rental Charges	\$ 175	\$ 172	\$ 171
Harristown Utility and Municipal Charges	130	120	120
DEPARTMENT TOTAL	<u>\$ 305</u>	<u>\$ 292</u>	<u>\$ 291</u>
FUND TOTAL	<u>\$ 6,711</u>	<u>\$ 7,387</u>	<u>\$ 7,360</u>

BANKING DEPARTMENT FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Licenses and Fees	\$ 6,528	\$ 6,709	\$ 6,919	\$ 7,074	\$ 7,239	\$ 7,423	\$ 7,584
Fines and Penalties .....	.....	2	.....	.....	.....	.....	.....
Miscellaneous Revenues	351	330	317	308	303	303	303
TOTAL BANKING DEPARTMENT FUNDS REVENUES	\$ 6,879	\$ 7,041	\$ 7,236	\$ 7,382	\$ 7,542	\$ 7,726	\$ 7,887

BANKING DEPARTMENT FUND REVENUE SOURCES

Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 4,813	1984-85	\$ 6,709
1979-80	5,427	1985-86	6,919
1980-81	6,167	1986-87	7,074
1981-82	6,596	1987-88	7,239
1982-83	6,638	1988-89	7,423
1983-84	6,528	1989-90	7,584

The Commonwealth receives revenue from examination fees based on the actual cost of examining banks and trust companies, savings and private banks, building and loan associations, pawnbrokers, consumer discount companies, and credit unions. Overhead assessment fees, based upon total assets, also are charged against banks and trust companies, savings and private banks, credit unions, and building and loan associations. Annual license fees are charged for the following categories of concerns and individuals: pawnbrokers, consumer discount companies, small loan companies, installment sellers, sales finance companies, collector-repossessors, money transmitters, and miscellaneous fees including those for branch banks and mergers.

Fines and Penalties

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 1	1984-85	\$ 2
1979-80	1	1985-86 .....	. . . . .
1980-81	1	1986-87 .....	. . . . .
1981-82 .....	. . . . .	1987-88 .....	. . . . .
1982-83	1	1988-89 .....	. . . . .
1983-84 .....	. . . . .	1989-90 .....	. . . . .

The Commonwealth receives fines and penalties for late payments and reports.

Miscellaneous Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 61	1984-85	\$ 330
1979-80	140	1985-86	317
1980-81	213	1986-87	308
1981-82	400	1987-88	303
1982-83	333	1988-89	303
1983-84	351	1989-90	303

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

BANKING DEPARTMENT FUND REVENUE DETAIL

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

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Licenses and Fees			
Banking Examinations	\$ 2,851	\$ 3,054	\$ 3,130
Banking — Overhead Assessments	1,345	1,244	1,294
Banking — Application Fees	89	55	57
Banking — Publications	1	1	1
Banking — Miscellaneous Fees	1	1	1
Foreign Bank Application Fees	2	2	2
Savings Association — Examinations	490	616	594
Savings Association — Overhead Assessments	300	356	371
Savings Association — Application Fees	25	11	12
Consumer Credit — Examinations	712	716	745
Consumer Credit — Overhead Assessments	67	60	76
Miscellaneous	3	.	.
Consumer Credit — Pawnbroker Licenses	3	3	4
Consumer Credit — Installment Seller Licenses	177	170	175
Consumer Credit — Consumer Discount Company Licenses	213	188	210
Consumer Credit — Money Transmitter Licenses	5	4	5
Consumer Credit — Sales Finance Licenses	189	180	185
Consumer Credit — Collector Repossessor Licenses	16	16	17
Consumer Credit — Second Mortgage Licenses	39	32	40
 TOTAL	 \$ 6,528	 \$ 6,709	 \$ 6,919
 Fines and Penalties			
Banking Fines and Penalties .....	.	\$ 2	.
 TOTAL .....	.	\$ 2	 .
 Miscellaneous Revenues			
Interest on Securities	\$ 328	\$ 326	\$ 313
Miscellaneous	20	1	1
Interest on Deposits	3	3	3
 TOTAL	 \$ 351	 \$ 330	 \$ 317
 TOTAL REVENUES	 \$ 6,879	 \$ 7,041	 \$ 7,236

Boating Fund

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

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 4,575	\$ 3,901
Receipts:		
Revenue Estimate	\$ 3,769	\$ 3,809
Prior Year Lapses	5	.....
Total Receipts	3,774	3,809
Funds Available	\$ 8,349	\$ 7,710
Expenditures:		
Appropriated	\$ 4,448	\$ 4,575
Estimated Expenditures	— 4,448	— 4,575
Ending Balance	\$ 3,901	\$ 3,135

Summary by Department

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
Fish Commission			
General Government			
General Operations	\$ 3,614	\$ 4,036	\$ 4,265
Department of General Services			
Debt Service Requirements			
General State Authority Rentals	\$ 2	\$ 2	\$ 2
Total State Funds	<u>\$ 3,621</u>	<u>\$ 4,043</u>	<u>\$ 4,272</u>
Federal Funds	\$ 373	\$ 395	\$ 293
Other Funds	13	10	10
FUND TOTAL	<u>\$ 4,007</u>	<u>\$ 4,448</u>	<u>\$ 4,575</u>

BOATING FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Licenses and Fees	\$ 1,071	\$ 1,135	\$ 1,227	\$ 1,261	\$ 1,298	\$ 1,336	\$ 1,375
Fines and Penalties	82	85	85	85	85	85	85
Miscellaneous	2,159	2,144	2,194	2,205	2,210	2,215	2,215
Total Boating Fund Revenues	<u>\$ 3,312</u>	<u>\$ 3,364</u>	<u>\$ 3,506</u>	<u>\$ 3,551</u>	<u>\$ 3,593</u>	<u>\$ 3,636</u>	<u>\$ 3,675</u>
Augmentations	<u>\$ 386</u>	<u>\$ 405</u>	<u>\$ 303</u>	<u>\$ 296</u>	<u>\$ 296</u>	<u>\$ 296</u>	<u>\$ 296</u>
 TOTAL BOATING FUND RECEIPTS	 <u><u>\$ 3,698</u></u>	 <u><u>\$ 3,769</u></u>	 <u><u>\$ 3,809</u></u>	 <u><u>\$ 3,847</u></u>	 <u><u>\$ 3,889</u></u>	 <u><u>\$ 3,932</u></u>	 <u><u>\$ 3,971</u></u>

BOATING FUND REVENUE SOURCES

Licenses and Fees

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79 \$ 895	1984-85 \$ 1,135
1979-80 911	1985-86 1,227
1980-81 939	1986-87 1,261
1981-82 976	1987-88 1,298
1982-83 1,031	1988-89 1,336
1983-84 1,071	1989-90 1,375

The Boating Fund receives revenue from fees for registering motor boats. The annual registration fee is \$4.00 for boats less than 16 feet in length and \$6.00 for boats 16 feet in length or longer.

Fines and Penalties

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79 \$ 42	1984-85 \$ 85
1979-80 63	1985-86 85
1980-81 65	1986-87 85
1981-82 68	1987-88 85
1982-83 83	1988-89 85
1983-84 82	1988-89 85

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

Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual	Estimated
1978-79 \$1,514	1984-85 \$2,144
1979-80 1,919	1985-86 2,194
1980-81 2,059	1986-87 2,205
1981-82 2,266	1987-88 2,210
1982-83 2,285	1988-89 2,215
1983-84 2,159	1989-90 2,215

The Boating Fund receives a portion of the Liquid Fuels Tax transferred from the Motor License Fund and the Liquid Fuels Tax Fund for fuel used by motorboats on the waters of the Commonwealth. In addition, a small amount of revenue is collected annually from other miscellaneous sources including the sale of the publication *Boat Pennsylvania*.

BOATING FUND REVENUE DETAIL

The following is a detailed list of all Boating Fund Revenue available for appropriations and executive authorizations.

		(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Licenses and Fees			
Motor Boat Registration Fees	\$ 1,049	\$ 1,109	\$ 1,200
Boat Mooring Permits—Walnut Creek Access	19	22	22
Boat Capacity Plate Fees	3	4	5
TOTAL	\$ 1,071	\$ 1,135	\$ 1,227
Fines and Penalties			
Motor Boat Fines	\$ 82	\$ 85	\$ 85
TOTAL	\$ 82	\$ 85	\$ 85
Miscellaneous			
Transfer From Motor License and Liquid Fuels Tax Funds	\$ 1,460	\$ 1,575	\$ 1,600
Miscellaneous	219	5	5
Interest on Securities	452	550	575
Sale of Unserviceable Property	28	14	14
TOTAL	\$ 2,159	\$ 2,144	\$ 2,194
TOTAL REVENUES	\$ 3,312	\$ 3,364	\$ 3,506
Augmentations			
Sale of Automobiles	\$ 13	\$ 10	\$ 10
Federal Reimbursement—Coastal Zone Management Act	318	318	286
Federal Reimbursement—Land and Water Conservation Fund ..	55	77	7
TOTAL	\$ 386	\$ 405	\$ 303
TOTAL RECEIPTS	\$ 3,698	\$ 3,769	\$ 3,809

Fair Fund

The Fair Fund is a special revenue fund formerly composed of revenues transferred from the Harness Racing and Horse Racing Funds. Under the provisions of Act 93 of 1983 the Fair Fund no longer receives any racing monies; funding is now provided via a transfer from the General Fund. The fund provides for assistance to agricultural fairs and for marketing, consumer service and agricultural research programs.

Financial Statement

	(Dollar Amounts in Thousands)	
	<u>1984-85</u>	<u>1985-86</u>
Beginning Balance	\$ —1	\$ 37
Receipts:		
Revenue Estimate	\$ 37	\$ 37
Transfer from General Fund	2,500	2,500
Prior Year Lapses	5	. . . .
	<u> </u>	<u> </u>
Total Receipts	2,542	2,537
Funds Available	<u>\$ 2,541</u>	<u>\$ 2,574</u>
Expenditures:		
Appropriated	\$ 2,506	\$ 2,511
Less Current Year Lapses	<u>—2</u>	<u> </u>
Estimated Expenditures	—2,504	—2,511
Ending Balance	<u><u>\$ 37</u></u>	<u><u>\$ 63</u></u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 10
 Department of Agriculture			
General Government			
General Operations	\$ 1,645	\$ 1	\$ 1
<i>Total State Funds</i>	<u>\$ 1,650</u>	<u>\$ 6</u>	<u>\$ 11</u>
 Other Funds	 \$ 700	 \$ 2,500	 \$ 2,500
 FUND TOTAL	 <u>\$ 2,350</u>	 <u>\$ 2,506</u>	 <u>\$ 2,511</u>

FAIR FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Miscellaneous	\$ 1,594	\$ 37	\$ 37	\$ 37	\$ 37	\$ 37	\$ 37
Total Fair Fund Revenues	<u>\$ 1,594</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 37</u>
Augmentations	\$ 700	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
TOTAL FAIR FUND RECEIPTS	<u>\$ 2,294</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>	<u>\$ 2,537</u>

FAIR FUND REVENUE SOURCES

Miscellaneous Revenue (Dollar Amounts in Thousands)

Actual		Estimated	
1978-79.....	\$ 2,949	1984-85.....	\$ 37
1979-80.....	2,785	1985-86.....	37
1980-81.....	2,690	1986-87.....	37
1981-82.....	2,630	1987-88.....	37
1982-83.....	2,076	1988-89.....	37
1983-84.....	1,594	1989-90.....	37

As a result of Act 93, signed December 30, 1983, the Fair Fund no longer receives monies from horse or harness racing. However, beginning in 1983-84, General Fund money was provided for transfer to the Fair Fund. The 1985-86 budget recommends \$2,500,000 to be transferred to the Fair Fund. In addition, small amounts are received from interest on securities.

FAIR FUND REVENUE DETAIL

The following is a detailed list of all revenues available for Fair Fund appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Miscellaneous Revenues			
Transfer from State Racing Fund	\$ 1,557	.....	.....
Interest on Securities and Deposits	37	\$ 37	\$ 37
TOTAL REVENUES	\$ 1,594	\$ 37	\$ 37
 Augmentations			
Transfer from General Fund	\$ 700	\$ 2,500	\$ 2,500
TOTAL	\$ 700	\$ 2,500	\$ 2,500
TOTAL RECEIPTS	\$ 2,294	\$ 2,537	\$ 2,537

Farm Products Show Fund

The Farm Products Show Fund is a special revenue fund made up of monies received from the leasing of space to exhibitors and from rental, entry fees and other monies received or collected by the Farm Products Show Commission. It also includes a transfer from the General Fund.

The fund is used for salaries and expenses of the Farm Products Show Commission, for maintenance of the Farm Show Building and for prizes and premiums.

FARM PRODUCTS SHOW FUND

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 563	\$ 420
Receipts:		
Revenue Estimate	\$ 1,587	\$ 1,590
Transfer from General Fund	1,000	1,000
Prior Year Lapses	5	.....
Total Receipts	2,592	2,590
Funds Available	\$ 3,155	\$ 3,010
Expenditures:		
Appropriated	\$ 2,735	\$ 2,802
Estimated Expenditures	-2,735	-2,802
Ending Balance	\$ 420	\$ 208

FARM PRODUCTS SHOW FUND

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
 Department of Agriculture			
General Government			
General Operations	\$ 1,470	\$ 1,730	\$ 1,797
<i>Total State Funds</i>	<u>\$ 1,475</u>	<u>\$ 1,735</u>	<u>\$ 1,802</u>
 Other Funds	 \$ 1,000	 \$ 1,000	 \$ 1,000
 FUND TOTAL	 <u>\$ 2,475</u>	 <u>\$ 2,735</u>	 <u>\$ 2,802</u>

FARM PRODUCTS SHOW FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Fees	\$ 213	\$ 209	\$ 209	\$ 213	\$ 217	\$ 222	\$ 226
Miscellaneous	1,298	1,378	1,381	1,409	1,437	1,465	1,494
Total Farm Products Show Fund Revenues	<u>\$ 1,511</u>	<u>\$ 1,587</u>	<u>\$ 1,590</u>	<u>\$ 1,622</u>	<u>\$ 1,654</u>	<u>\$ 1,687</u>	<u>\$ 1,720</u>
Augmentations	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL FARM PRODUCTS SHOW FUND RECEIPTS	<u>\$ 2,511</u>	<u>\$ 2,587</u>	<u>\$ 2,590</u>	<u>\$ 2,622</u>	<u>\$ 2,654</u>	<u>\$ 2,687</u>	<u>\$ 2,720</u>

FARM PRODUCTS SHOW FUND REVENUE SOURCES

Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 249	1984-85	\$ 209
1979-80	243	1985-86	209
1980-81	250	1986-87	213
1981-82	199	1987-88	217
1982-83	198	1988-89	222
1983-84	213	1989-90	226

The Commonwealth receives all competitive exhibitor and commercial exhibitor fees and those fees from departments, boards and commissions of the State Government having exhibits at the show.

Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 849	1984-85	\$ 1,378
1979-80	982	1985-86	1,381
1980-81	1,040	1986-87	1,409
1981-82	1,337	1987-88	1,437
1982-83	1,350	1988-89	1,465
1983-84	1,298	1989-90	1,494

Miscellaneous revenue is raised through the leasing of the State Farm Show Buildings for exhibitions, conventions or other purposes; through the collection of service charges, net proceeds and commissions from the sale of exhibits; and through sale of unserviceable property, the collection of interest on securities and deposits, and fees from parking.

FARM PRODUCTS SHOW FUND REVENUE DETAIL

The following is a detailed list of all Farm Products Show Fund revenues available for appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Fees			
Exhibit Fees — Competitive — Farm Show	\$ 8	\$ 9	\$ 9
Exhibit Fees — Commercial	205	200	200
TOTAL	<u>\$ 213</u>	<u>\$ 209</u>	<u>\$ 209</u>
 Miscellaneous Revenue			
Concession Revenue	\$ 304	\$ 321	\$ 321
Service Charges	171	183	183
Rentals	464	500	500
Sale of Exhibits — Net Proceeds	12	11	11
Miscellaneous Revenue	21	20	20
Interest on Securities	65	70	73
Parking Fees	232	240	240
Salary Reimbursement — Dairy and Livestock Association ..	26	28	28
Ticket Sales — Farm Youth	3	5	5
TOTAL	<u>\$ 1,298</u>	<u>\$ 1,378</u>	<u>\$ 1,381</u>
TOTAL REVENUES	<u>\$ 1,511</u>	<u>\$ 1,587</u>	<u>\$ 1,590</u>
 Augmentations			
Transfer from General Fund	\$ 1,000	\$ 1,000	\$ 1,000
TOTAL	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
TOTAL RECEIPTS	<u>\$ 2,511</u>	<u>\$ 2,587</u>	<u>\$ 2,590</u>

Fish Fund

The Fish Fund is a special revenue fund composed of monies from fishing license fees, fines, penalties, Federal contributions and other miscellaneous sources. It provides for the administration and enforcement of the fish laws and the protection and propagation of aquatic life.

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 9,104	\$ 9,427
Receipts:		
Revenue Estimate	\$ 21,260	\$ 21,790
Prior Year Lapses	535	.....
Total Receipts	21,795	21,790
Funds Available	<u>\$ 30,899</u>	<u>\$ 31,217</u>
Expenditures:		
Appropriated	<u>\$ 21,472</u>	<u>\$ 22,413</u>
Estimated Expenditures	-21,472	-22,413
Ending Balance	<u><u>\$ 9,427</u></u>	<u><u>\$ 8,804</u></u>

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Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 3	\$ 5	\$ 5
Fish Commission			
General Government			
General Operations	\$ 14,591	\$ 15,908	\$ 16,406
Department of General Services			
Debt Service Requirements			
General State Authority Rentals	\$ 62	\$ 63	\$ 63
Total State Funds	<u>\$ 14,658</u>	<u>\$ 15,976</u>	<u>\$ 16,474</u>
Federal Funds	\$ 1,266	\$ 1,005	\$ 1,321
Other Funds	4,041	4,491	4,618
FUND TOTAL	<u>\$ 19,965</u>	<u>\$ 21,472</u>	<u>\$ 22,413</u>

FISH FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Licenses and Fees	\$ 12,408	\$ 13,466	\$ 13,468	\$ 13,671	\$ 13,816	\$ 14,009	\$ 14,009
Fines and Penalties	253	260	265	270	280	290	300
Miscellaneous	1,903	2,038	2,118	2,175	2,206	2,251	2,256
Total Fish Fund Revenues	<u>\$ 14,564</u>	<u>\$ 15,764</u>	<u>\$ 15,851</u>	<u>\$ 16,116</u>	<u>\$ 16,302</u>	<u>\$ 16,550</u>	<u>\$ 16,565</u>
Augmentations	\$ 5,307	\$ 5,496	\$ 5,939	\$ 7,140	\$ 7,190	\$ 7,195	\$ 7,201
TOTAL FISH FUND RECEIPTS	<u>\$ 19,871</u>	<u>\$ 21,260</u>	<u>\$ 21,790</u>	<u>\$ 23,256</u>	<u>\$ 23,492</u>	<u>\$ 23,745</u>	<u>\$ 23,766</u>

FISH FUND REVENUE SOURCES

Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 8,449	1984-85	\$ 13,466
1979-80	9,301	1985-86	13,468
1980-81	9,584	1986-87	13,671
1981-82	9,996	1987-88	13,816
1982-83	12,019	1988-89	14,009
1983-84	12,408	1989-90	14,009

The Commonwealth issues resident fishing licenses to persons between the ages of 16 and 64 if the applicant can prove that he has been a resident of the Commonwealth for 60 days. Through the passage of Act 180 on June 25, 1982 the resident fees were increased from the \$9.00 fee passed in January of 1979. The Commonwealth also issues senior resident fishing licenses to persons 65 years of age and older for a fee of \$2.00. Beginning January 1, 1979 an individual eligible for a senior resident license has been able to purchase a lifetime license for a fee of \$10.00. Act 180 of June 25, 1982 also increased non-resident fees from \$14.00 to \$20.00 and the tourist fishing license from \$9.00 to \$15.00. Tourist licenses are valid for a period of seven consecutive days. Other sources of revenue include special eel licenses, Lake Erie commercial fishing licenses and commercial holiday licenses.

Fines and Penalties

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 196	1984-85	\$ 260
1979-80	219	1985-86	265
1980-81	219	1986-87	270
1981-82	210	1987-88	280
1982-83	244	1988-89	290
1983-84	253	1989-90	300

The Commonwealth receives monies in the form of fines and penalties for violation of the Fish Law and the Frog and Terrapin Act.

Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 1,136	1984-85	\$ 2,038
1979-80	1,583	1985-86	2,118
1980-81	1,573	1986-87	2,175
1981-82	2,203	1987-88	2,206
1982-83	2,018	1988-89	2,251
1983-84	1,903	1989-90	2,256

The Commonwealth receives contributions for restocking of streams principally from persons or concerns that pollute, dam, or interfere with fish propagation and survival. Monies are received from the Commission publication, THE PENNSYLVANIA ANGLER, from the sale of unservicable and confiscated property and from other miscellaneous sources.

FISH FUND REVENUE DETAIL

The following is a detailed list of all Fish Fund Revenues available for appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Licenses and Fees			
Resident Fishing Licenses	\$ 10,954	\$ 11,700	\$ 11,700
Resident Senior Fishing Licenses	103	128	128
Nonresident Fishing Licenses	949	1,091	1,091
Tourist Fishing Licenses	218	328	328
Lake Erie Licenses	3	3	3
Commercial Hatchery Licenses	7	6	6
Fee—Fishing Lake Licenses	14	14	14
Miscellaneous Permits and Fees	13	11	11
Technical Service Fees—Non-Government Organizations .....	. . . . .	1	1
Scientific Collector's Permits	4	5	5
Lifetime Fishing Licenses — Senior Resident	128	158	158
Membership Fees — Pennsylvania League of Angling Youth	12	16	18
H.R. Stackhouse Facilities User Fees	3	5	5
TOTAL	\$ 12,408	\$ 13,466	\$ 13,468
Fines and Penalties			
Fish Law Fines	\$ 253	\$ 260	\$ 265
TOTAL	\$ 253	\$ 260	\$ 265
Miscellaneous Revenue			
Sale of Publications	\$ 39	\$ 41	\$ 46
Sale of Unserviceable Property .....	. . . . .	4	4
Miscellaneous Revenue	164	225	250
Refund of Expenditures not Credited to Appropriations	11	. . . . .	. . . . .
Interest on Securities and Deposits	852	875	898
Rental of Fish Commission Property	38	15	20
Income from Sand and Gravel Dredging	230	250	250
In Lieu Payments for Fishways	75	75	75
Redeposit of Checks	2	. . . . .	2
Sale of Pennsylvania Angler	274	300	310
Sale of Patches	1	1	1
Deputy Waterways Patrolmen—Reimbursements	11	7	7
Van Dyke Shad Station—Reimbursements	68	85	90
Restitution For Fish Killed	114	130	130
Sale of Recreational Fishing Promotional Items	24	30	35
TOTAL	\$ 1,903	\$ 2,038	\$ 2,118
TOTAL REVENUES	\$ 14,564	\$ 15,764	\$ 15,851
Augmentations			
Sale of Automobiles and Other Vehicles	\$ 41	\$ 50	\$ 50
Reimbursement for Services—Boating Fund	4,000	4,441	4,568
Federal Reimbursement—Restoration	1,266	1,005	1,321
TOTAL	\$ 5,307	\$ 5,496	\$ 5,939
TOTAL RECEIPTS	\$ 19,871	\$ 21,260	\$ 21,790

Game Fund

The Game Fund is a special revenue fund composed of monies received from hunting license fees, penalties, interest, rents, Federal contributions and sale of unserviceable property. It provides monies for the administration of the game laws and for the protection and propagation of game.

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
	<u> </u>	<u> </u>
Beginning Balance	\$ 14,921	\$ 11,493
Receipts:		
Revenue Estimate	\$ 29,693	\$ 27,027
Prior Year Lapses	<u>7,174</u>	<u> </u>
Total Receipts	<u>36,867</u>	<u>27,027</u>
Funds Available	\$ 51,788	\$ 38,520
Expenditures:		
Appropriated	<u>\$ 40,295</u>	<u>\$ 33,055</u>
Estimated Expenditures	—40,295	—33,055
Ending Balance	<u><u>\$ 11,493</u></u>	<u><u>\$ 5,465</u></u>

Summary by Department

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Treasury Department			
General Government			
Replacement Checks	\$ 6	\$ 6	\$ 6
Game Commission			
General Government			
General Operations	\$ 32,009	\$ 35,749	\$ 29,328
Total State Funds	<u>\$ 32,015</u>	<u>\$ 35,755</u>	<u>\$ 29,334</u>
Federal Funds	\$ 5,485	\$ 4,410	\$ 3,575
Other Funds	212	130	146
FUND TOTAL	<u>\$ 37,712</u>	<u>\$ 40,295</u>	<u>\$ 33,055</u>

GAME FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
License and Fees	\$ 16,693	\$ 16,117	\$ 15,508	\$ 15,147	\$ 14,796	\$ 14,458	\$ 14,129
Fines and Penalties	551	500	500	500	500	500	500
Miscellaneous Revenues	9,603	8,536	7,298	6,790	6,130	6,000	5,765
Total Game Fund Revenues	<u>\$ 26,847</u>	<u>\$ 25,153</u>	<u>\$ 23,306</u>	<u>\$ 22,437</u>	<u>\$ 21,426</u>	<u>\$ 20,958</u>	<u>\$ 20,394</u>
Augmentations	<u>\$ 5,697</u>	<u>\$ 4,540</u>	<u>\$ 3,721</u>	<u>\$ 3,846</u>	<u>\$ 3,846</u>	<u>\$ 4,046</u>	<u>\$ 4,135</u>
TOTAL GAME FUND RECEIPTS	<u><u>\$ 32,544</u></u>	<u><u>\$ 29,693</u></u>	<u><u>\$ 27,027</u></u>	<u><u>\$ 26,283</u></u>	<u><u>\$ 25,272</u></u>	<u><u>\$ 25,004</u></u>	<u><u>\$ 24,529</u></u>

GAME FUND REVENUE SOURCES

Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 14,529	1984-85	\$ 16,117
1979-80	15,407	1985-86	15,508
1980-81	16,259	1986-87	15,147
1981-82	16,915	1987-88	14,796
1982-83	16,599	1988-89	14,458
1983-84	16,693	1989-90	14,129

The Game Commission issues an annual resident hunting and trapping license for wild birds and animals for a fee of \$8.00 for persons 17 to 64 years of age and a \$5.00 fee for persons aged 12 to 16 and 65 and above. The Commission also issues nonresident licenses for hunters and trappers. For the license year beginning in 1979 the nonresident fees were increased from \$40.35 to \$50.50 for hunting licenses and for the license year beginning in 1980 and thereafter \$60.50 and from \$40.00 to \$350.00 for trapping licenses. In addition, nonresident hunters may obtain a special three-day license for a fee of \$3.00 which allows hunting on a regulated shooting ground. In a year when the Commission declares an open season, licenses for hunting antlerless deer are issued to residents and nonresidents for a \$3.00 fee. In 1981 the Commission obtained the authority through Act 37 to issue \$5.00 resident bear licenses and \$15.00 nonresident bear licenses. Other fees deposited in the Game Fund include receipts from the issuance of special game permits and special archery licenses.

Fines and Penalties

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 483	1984-85	\$ 500
1979-80	542	1985-86	500
1980-81	578	1986-87	500
1981-82	684	1987-88	500
1982-83	636	1988-89	500
1983-84	551	1989-90	500

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

Miscellaneous Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 5,226	1984-85	\$ 8,536
1979-80	5,827	1985-86	7,298
1980-81	6,830	1986-87	6,790
1981-82	9,159	1987-88	6,130
1982-83	7,641	1988-89	6,000
1983-84	9,603	1989-90	5,765

The Commonwealth receives Game Fund revenue from various miscellaneous sources including interest on deposits and securities; monies from the sale of publications; funds from the sale of unserviceable property, skins and guns; monies from the rental of State property; gas and oil ground rentals and royalties; and other miscellaneous revenues.

GAME FUND REVENUE DETAIL

The following is a detailed list of all Game Fund Revenue available for appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Licenses and Fees			
Resident Hunting Licenses	\$ 7,924	\$ 7,687	\$ 7,456
Resident Junior Hunting Licenses	726	704	683
Nonresident Hunting Licenses	4,372	4,241	4,114
Special Game Permits	54	55	55
Special Antlerless Deer Licenses	1,541	1,434	1,200
Special Archery Licenses	596	596	596
Nonresident Trapping Licenses	1	1	1
Special Three-day Nonresidential Regulated Shooting			
Ground Licenses	5	5	5
Resident Senior Hunting Licenses	352	351	351
Muzzle-loading Hunting Licenses	342	256	256
Right of Way Licenses	226	232	236
Resident Bear Licenses	493	494	494
Non-resident Bear Licenses	19	19	19
Hunting License Issuing Agents' Application Fees	42	42	42
TOTAL	\$ 16,693	\$ 16,117	\$ 15,508
Fines and Penalties			
Game Law Fines	\$ 551	\$ 500	\$ 500
TOTAL	\$ 551	\$ 500	\$ 500
Miscellaneous Revenue			
Sports Promotional Publications and Materials	\$ 22	\$ 17	\$ 20
Sale of Coal	1,087	1,100	1,100
Sale of Wood Products	4,614	3,800	3,550
Interest on Deposits	14	14	14
Sale of Publications	158	200	180
Sale of Unserviceable Property	4	3	3
Sale of Skins and Guns	72	75	78
Rental of State Property	11	11	11
Miscellaneous Revenue	165	167	173
Interest on Securities	2,353	1,985	985
Gas and Oil Ground Rentals and Royalties	97	100	90
Refund of Expenditures Not Credited to Appropriations	21	21	15
Sale of Nonusable Property	1	1	1
Miscellaneous Revenue License Division	12	12	12
Redeposit of Checks	1	1	1
Sale of Game News	545	555	575
Sale of Miscellaneous Mineral Permits	1	1	1
Sale of Stone, Sand, Gravel and Limestone	6	5	5
Sale of Grain and Hay	65	66	64
Sale of Maps	8	20	25
Wildlife Management Promotional Revenue	89	90	100
Sale of Wood Products — PR Tracts	170	200	200
Sale of Deputy Uniforms	1	1	1
Working Together For Wildlife — NonGame Fund	88	92	95
TOTAL	\$ 9,603	\$ 8,536	\$ 7,298
TOTAL REVENUES	\$ 26,847	\$ 25,153	\$ 23,306
Augmentations			
NPS Reimbursements—Land Acquisition	176	\$ 225	\$ 150
Sale of Automobiles and Other Vehicles	5,485	74	100
Federal Reimbursement—Pittman Robinson Act	176	4,155	3,400
Sharecrop and Agriculture Licenses U.S.	1	20	10
Endangered Species Program	1	30	25
Mellon Grant—Eagles	36	36	36
TOTAL—AUGMENTATIONS	\$ 5,697	\$ 4,540	\$ 3,721
TOTAL RECEIPTS	\$ 32,544	\$ 29,693	\$ 27,027

Lottery Fund

The Lottery Fund is a special revenue fund composed of monies received from the sale of lottery tickets and license fees. It provides funds for payment of prizes to winners in the lottery, for property tax and rent assistance for the elderly, for mass transit fare subsidies and an inflation dividend program for the elderly and for a partial rebate of drug and medical costs incurred by the elderly.

Act No. 131 of 1979 provides for the anticipation of Lottery Fund revenues and requires establishment of a reserve for each year.

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 266,937	\$ 223,811
Reserve from Previous Year ^a	100,352	108,344
Adjusted Beginning Balance	<u>\$ 367,289</u>	<u>\$ 332,155</u>
Receipts:		
Revenue Estimate	822,488	844,820
Prior Year Lapses	3,549	.....
Funds Available	<u>\$1,193,326</u>	<u>\$1,176,975</u>
Expenditures:		
Appropriated	\$ 889,969	\$ 862,584
Less Current Year Lapses	<u>-28,798</u>	<u>.....</u>
Estimated Expenditures	-861,171	-862,584
Reserve for Current Year ^a	-108,344	-111,081
Ending Balance	<u><u>\$ 223,811</u></u>	<u><u>\$ 203,310</u></u>

^aAct No. 131 of 1979 provides the amount in the Lottery Fund shall include the June 30 balance plus eighty percent of projected revenues after Lottery Fund administrative expenses for the subsequent fiscal year. "Reserve from Previous Year" equals 20 percent of the prior year revenues after prior year administrative expenses have been deducted.

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks	\$ 8	\$ 8	\$ 20
Department of Aging			
General Government			
General Government Operations .....	.....	\$ 1,535	\$ 2,501
Grants and Subsidies			
Aging Programs	\$ 29,840	\$ 45,280	\$ 46,638
Pharmaceutical Assistance Fund	100,000	115,600	100,000
In-Home Services .....	.....	12,000	14,000
Pre-Admission In-Home Services .....	.....	5,000	11,300
Attendant Care for Senior Citizens .....	.....	5,000	5,100
Drug Education for Senior Citizens .....	.....	250	50
Senior Center Renovations .....	.....	10,100	.....
Alzheimer's Disease .....	.....	.....	500
Subtotal	<u>\$ 129,840</u>	<u>\$ 193,230</u>	<u>\$ 177,588</u>
TOTAL STATE FUNDS	<u>\$ 129,840</u>	<u>\$ 194,765</u>	<u>\$ 180,089</u>
Federal Funds	\$ 60,831	\$ 56,578	\$ 55,658
Other Funds	105	1,639	1,653
DEPARTMENT TOTAL	<u>\$ 190,776</u>	<u>\$ 252,982</u>	<u>\$ 237,400</u>
Department of General Services			
General Government			
Harristown Rental Charges	\$ 328	\$ 231	\$ 109
Harristown Utility and Municipal Charges	259	182	89
DEPARTMENT TOTAL	<u>\$ 587</u>	<u>\$ 413</u>	<u>\$ 198</u>
Department of Public Welfare			
Grants and Subsidies			
Medical Assistance—Long-Term Care Facilities	\$ 100,000	\$ 140,000	\$ 140,000
Pre-Admission Assessment .....	.....	1,639	1,653
Medicare Part B Payments .....	.....	8,000	8,182
Supplemental Grants to the Aged .....	.....	17,600	17,600
Community Mental Retardation Services — Elderly .....	.....	.....	2,200
TOTAL STATE FUNDS	<u>\$ 100,000</u>	<u>\$ 167,239</u>	<u>\$ 169,635</u>
Federal Funds .....	.....	\$ 1,638	\$ 1,652
DEPARTMENT TOTAL	<u>\$ 100,000</u>	<u>\$ 168,877</u>	<u>\$ 171,287</u>

**Summary by Department
(Continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Revenue			
General Government			
General Operations	\$ 35,599	\$ 38,550	\$ 39,392
Personal Income Tax for Lottery Prizes	13,899	14,758	15,192
Payment of Prize Money	234,200	234,300	231,703
Payment of Commissions	400	400	400
Refunding Lottery Monies	10	10	10
Subtotal	<u>\$ 284,108</u>	<u>\$ 288,018</u>	<u>\$ 286,697</u>
Grants and Subsidies			
Property Tax and Rent Assistance for the Elderly	\$ 97,231	\$ 113,300	\$ 98,135
Senior Citizens Inflation Dividend	36,642	40,200	36,567
Subtotal	<u>\$ 133,873</u>	<u>\$ 153,500</u>	<u>\$ 134,702</u>
TOTAL STATE FUNDS	<u>\$ 417,981</u>	<u>\$ 441,518</u>	<u>\$ 421,399</u>
Other Funds	\$ 1,085	\$ 1,369	\$ 1,461
DEPARTMENT TOTAL	<u>\$ 419,066</u>	<u>\$ 442,887</u>	<u>\$ 422,860</u>
Department of Transportation			
Grants and Subsidies			
Free Transit for the Elderly	\$ 64,091	\$ 80,326	\$ 86,443
Transfer to Motor License Fund—Vehicle Registration — Elderly	3,400	3,400	2,500
Demand Response Equipment Grants .....	.....	2,300	2,300
DEPARTMENT TOTAL	<u>\$ 67,491</u>	<u>\$ 86,026</u>	<u>\$ 91,243</u>
TOTAL STATE FUNDS	<u>\$ 715,907</u>	<u>\$ 889,969</u>	<u>\$ 862,584</u>
Federal Funds	\$ 60,831	\$ 58,216	\$ 57,310
Other Funds	1,190	3,008	3,114
FUND TOTAL	<u>\$ 777,928</u>	<u>\$ 951,193</u>	<u>\$ 923,008</u>

LOTTERY FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
	Actual	Estimated	Budget	Estimated	Estimated	Estimated	Estimated
Collections	\$ 763,814	\$ 794,118	\$ 817,435	\$ 842,187	\$ 867,558	\$ 893,547	\$ 920,156
Miscellaneous Revenue	28,704	28,370	27,385	22,773	18,282	15,006	12,412
TOTAL LOTTERY FUND							
REVENUES	<u>\$ 792,518</u>	<u>\$ 822,488</u>	<u>\$ 844,820</u>	<u>\$ 864,960</u>	<u>\$ 885,840</u>	<u>\$ 908,553</u>	<u>\$ 932,568</u>

LOTTERY FUND REVENUE SOURCES

Collections

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 180,764	1984-85	\$ 794,118
1979-80	189,575	1985-86	817,435
1980-81	207,579	1986-87	842,187
1981-82	270,327	1987-88	867,558
1982-83	495,762	1988-89	893,547
1983-84	763,814	1989-90	920,156

Collections consist of the net proceeds from lottery ticket sales less commissions and some prizes. Currently prizes of \$500 or less for the three computer games and prizes of \$25 or less for instant games can be paid by the ticket agents. The State Lottery is currently operating 4 games; the "Daily Number" game introduced in March 1977, the "Big 4" game introduced in November, 1980, and the "Lotto" game introduced in April 1982; all utilize computer sales terminals located across the Commonwealth. The fourth game is the instant game which during the course of a year may consist of 4 or 5 variations of instant game tickets. Ticket prices are \$1 for "Instant Game" tickets and "Lotto" tickets which consist of 2 plays to pick 6 of 40 numbers. "Daily Number" and "Big 4" game ticket prices range from \$.50 to \$5.00.

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

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Ticket Sales	\$1,235,950	\$1,283,320	\$1,321,000	\$1,361,000	\$1,402,000	\$1,444,000	\$1,487,000
Commissions	-82,802	-85,949	-88,473	-91,151	-93,897	-97,037	-99,926
Field Paid Prizes	-389,334	-403,253	-415,092	-427,662	-440,545	-453,416	-466,918
COLLECTIONS	\$ 763,814	\$ 794,118	\$ 817,435	\$ 842,187	\$ 867,558	\$ 893,547	\$ 920,156

Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 3,082	1984-85	\$ 28,370
1979-80	5,266	1985-86	27,385
1980-81	8,458	1986-87	22,773
1981-82	10,147	1987-88	18,282
1982-83	8,740	1988-89	15,006
1983-84	28,704	1989-90	12,412

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

LOTTERY FUND REVENUE DETAIL

The following is a detailed list of all Lottery Fund Revenues.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Collections	\$ 763,814	\$ 794,118	\$ 817,435
Miscellaneous	28,704	28,370	27,385
TOTAL LOTTERY FUND REVENUES	<u>\$ 792,518</u>	<u>\$ 822,488</u>	<u>\$ 844,820</u>

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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. Also included is a transfer from the General Fund.

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 dealers.

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 261	\$ 139
Receipts:		
Revenue Estimate	\$ 687	\$ 686
Transfer from General Fund	950	950
Prior Year Lapses	5	. . . .
Security Fund .....	. . . .	2
Total Receipts	1,642	1,638
Funds Available	\$ 1,903	\$ 1,777
Expenditures:		
Appropriated	\$ 1,764	\$ 1,777
Estimated Expenditures	—1,764	—1,777
Ending Balance	\$ 139	. . . .

MILK MARKETING FUND

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
Replacement Checks	\$ 5	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees	5	5	5
DEPARTMENT TOTAL	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 10</u>
Milk Marketing Board			
General Government	\$ 741	\$ 804	\$ 815
Total State Funds	<u>\$ 746</u>	<u>\$ 814</u>	<u>\$ 825</u>
Other Funds	\$ 950	\$ 950	\$ 952
FUND TOTAL	<u>\$ 1,696</u>	<u>\$ 1,764</u>	<u>\$ 1,777</u>

MILK MARKETING FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84* Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Licenses and Fees	\$ 573	\$ 601	\$ 601	\$ 601	\$ 601	\$ 601	\$ 601
Fines and Penalties	9	10	10	10	10	10	10
Miscellaneous Revenue	74	76	75	75	75	75	75
Total Milk Marketing Fund Revenues .	<u>\$ 656</u>	<u>\$ 687</u>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 686</u>	<u>\$ 686</u>
Augmentations	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 952</u>	<u>\$ 953</u>	<u>\$ 954</u>	<u>\$ 955</u>	<u>\$ 956</u>
TOTAL MILK MARKETING FUND RECEIPTS	<u>\$ 1,606</u>	<u>\$ 1,637</u>	<u>\$ 1,638</u>	<u>\$ 1,639</u>	<u>\$ 1,640</u>	<u>\$ 1,641</u>	<u>\$ 1,642</u>

*In the June 30, 1984 Revenue and Receipts ledger funds amounting to \$465,000 were not transferred from Revenue Collected in Advance to the Licenses and Fees account. For budget purposes, the correction has been made in the appropriate years.

MILK MARKETING FUND REVENUE SOURCES

Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 748	1984-85	\$ 601
1979-80	306	1984-85	601
1980-81	609	1985-86	601
1981-82	606	1986-87	601
1982-83	608	1987-88	601
1983-84	573	1988-89	601

The Commonwealth receives revenues from licenses and fees collected annually by the Milk Marketing Board. A flat rate fee is based on the daily average number of pounds of milk handled by dealers and an additional fee, levied on milk for which the Board fixes minimum prices, is based on the number of pounds of such milk sold by dealers. Additional license fees are for weighing and measuring permits, tester's certificates of proficiency, weigher's and sampler's certificates of proficiency and applications for examination.

Fines and Penalties

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 3	1984-85	\$ 10
1979-80	8	1985-86	10
1980-81	14	1986-87	10
1981-82	29	1987-88	10
1982-83	24	1988-89	10
1983-84	9	1989-90	10

The Commonwealth receives revenue in the form of fines and penalties collected from milk dealers and other persons convicted of violating the Milk Marketing Law.

Miscellaneous Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 27	1984-85	\$ 76
1979-80	74	1985-86	75
1980-81	95	1986-87	75
1981-82	119	1987-88	75
1982-83	102	1988-89	75
1983-84	74	1989-90	75

Miscellaneous Revenues consists primarily of interest on securities and deposits, plus legal fees for transcripts of hearings.

MILK MARKETING FUND REVENUE DETAIL

The following is a detailed list of all revenues available for Milk Marketing Fund appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Estimated	1985-86 Budget
Licenses and Fees			
Milk Dealers Licenses	\$ 523	\$ 550	\$ 550
Milk Testers Certificate Fees	6	7	7
Milk Weighers Certificate Fees	28	28	28
Milk Testers and Weighers Examination Fees	5	5	5
Milk Haulers Licenses Fees	11	11	11
TOTAL	\$ 573	\$ 601	\$ 601
 Fines and Penalties			
Milk Marketing Act Fines	\$ 9	\$ 10	\$ 10
TOTAL	\$ 9	\$ 10	\$ 10
 Miscellaneous Revenue			
Interest on Securities	\$ 69	\$ 70	\$ 70
Other	4	5	4
Interest on Deposits	1	1	1
TOTAL	\$ 74	\$ 76	\$ 75
TOTAL REVENUES	\$ 656	\$ 687	\$ 686
 Augmentations			
Transfer from General Fund	\$ 950	\$ 950	\$ 950
Security Fund .....	.....	.....	2
TOTAL	\$ 950	\$ 950	\$ 952
TOTAL RECEIPTS	\$ 1,606	\$ 1,637	\$ 1,638

Racing Fund

The Racing Fund is a special revenue fund, composed of monies received from taxes and license fees collected by the State Harness Racing Commission and the State Horse Racing Commission derived from the regulation of horse and harness racing. It provides for the operational needs of both commissions. Any remaining balance is transferred to the General Fund in the subsequent fiscal year.

All figures represent the merging of the Harness Racing Fund and the Horse Racing Fund as stipulated by Act 93 of 1983.

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 9,782	\$ 8,288
Receipts:		
Revenue Estimate	\$ 14,679	\$ 15,067
Prior Year Lapses	10	.....
Total Receipts	14,689	15,067
Funds Available	<u>\$ 24,471</u>	<u>\$ 23,355</u>
Expenditures:		
Appropriated	<u>\$ 16,183</u>	<u>\$ 14,828</u>
Estimated Expenditures	—16,183	—14,828
Ending Balance	<u><u>\$ 8,288</u></u>	<u><u>\$ 8,527</u></u>

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Treasury Department			
General Government			
Replacement Checks — Racing	\$ 10	\$ 10	\$ 10
Department of Agriculture			
General Government			
Harness Racing Commission	\$ 1,915	\$ 2,106	\$ 2,178
Horse Racing Commission	2,709	2,801	2,893
Race Horse Testing Laboratory	917	995	1,029
Fair Fund Administration	210	276	285
	<hr/>	<hr/>	<hr/>
Subtotal	\$ 5,751	\$ 6,178	\$ 6,385
Grants and Subsidies			
Transfer to the General Fund	\$ 7,095	\$ 9,782	\$ 8,288
Transfer to the Fair Fund	1,557	.....	.....
School District Payments	3,500	.....	.....
Community Facilities	1,592	.....	.....
	<hr/>	<hr/>	<hr/>
Subtotal	\$ 13,744	\$ 9,782	\$ 8,288
	<hr/>	<hr/>	<hr/>
DEPARTMENT TOTAL	<u>\$ 19,495</u>	<u>\$ 15,960</u>	<u>\$ 14,673</u>
Department of Revenue			
General Government			
Collections — Racing	\$ 146	\$ 213	\$ 145
	<hr/>	<hr/>	<hr/>
FUND TOTAL	<u>\$ 19,651</u>	<u>\$ 16,183</u>	<u>\$ 14,828</u>

RACING FUND REVENUE SUMMARY^a

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Tax Revenues	\$ 16,409	\$ 12,593	\$ 13,055	\$ 10,553	\$ 10,553	\$ 10,553	\$ 10,553
License and Fees	308	324	326	326	326	326	326
Miscellaneous	1,744	1,762	1,686	1,686	1,686	1,686	1,686
Total Racing Fund Revenues	<u>\$ 18,461</u>	<u>\$ 14,679</u>	<u>\$ 15,067</u>	<u>\$ 12,565</u>	<u>\$ 12,565</u>	<u>\$ 12,565</u>	<u>\$ 12,565</u>

^aAll figures represent the merging of the Harness Racing Fund and the Horse Racing Fund as stipulated by Act 93 of 1983.

RACING FUND REVENUE SOURCES

Tax Revenues

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 23,201	1984-85	\$ 12,593
1979-80	22,481	1985-86	13,055
1980-81	20,736	1986-87	10,553
1981-82	20,807	1987-88	10,553
1982-83	17,416	1988-89	10,553
1983-84	16,409	1989-90	10,553

Prior to December 30, 1983, the thoroughbred racing tax revenues consisted of wagering, breakage and admissions taxes assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). This act amended the wagering tax from 4.75 percent to a sliding rate ranging from 4.5 percent to 2 percent depending on the number of days raced per licensee. This was effective January 1, 1982. Effective September 1, 1981, the breakage tax was reduced from 50 percent to 25 percent. The admissions tax was lowered from 15 percent to 10 percent on September 1, 1981, and decreased to 5 percent on September 1, 1982.

Also prior to December 30, 1983 harness racing tax revenues consisted of wagering and admissions taxes assessed by the Race Horse Industry Reform Act (Act 135 of December 17, 1981). This act amended the wagering tax from 4.75 percent to a sliding rate ranging from 4.5 percent to 2 percent depending on the number of days raced per licensee. This was effective January 1, 1982. A State Admissions Tax was levied at the rate of 5 percent of the admission price.

The Harness Racing Fund and the Horse Racing Fund were combined into the Racing Fund by Act 93 of 1983. Act 93 amended portions of the Race Horse Industry Reform Act. The previous sliding wagering tax rate was changed to a flat 3.8 percent effective January 1, 1984 decreasing to 2 percent effective July 1, 1984 and 1.5 percent effective July 1, 1986 and thereafter. In addition a 0.7 percent wagering tax was imposed on exotic wagering.

Licenses and Fees

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 382	1984-85	\$ 324
1979-80	414	1985-86	326
1980-81	424	1986-87	326
1981-82	352	1987-88	326
1982-83	311	1988-89	326
1983-84	308	1989-90	326

Licenses and Fees are revenues derived from the licensing of jockeys and such other persons participating in horse racing meets as prescribed by the State Racing Commissions.

RACING FUND REVENUE SOURCES

Fines and Penalties

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 32	1984-85	
1979-80	53	1985-86	
1980-81	59	1986-87	
1981-82	43	1987-88	
1982-83	1	1988-89	
1983-84		1989-90	

The Commonwealth receives fines and penalties from violations of the Race Horse Industry Reform Act. In accordance with that act, fines and penalties are no longer collected in this fund but are deposited directly in the General Fund.

Miscellaneous Revenue

(Dollar Amounts in Thousands)

Actual		Estimated	
1978-79	\$ 1,579	1984-85	\$ 1,762
1979-80	2,084	1985-86	1,686
1980-81	2,061	1986-87	1,686
1981-82	2,902	1987-88	1,686
1982-83	1,842	1988-89	1,686
1983-84	1,744*	1989-90	1,686

Penalties and interest on taxes due, interest on securities and uncashed tickets comprise Miscellaneous Revenue.

*Transfers from the Harness Racing Fund and Horse Racing Fund in 1983-84 totalling \$3,914,000 are excluded to avoid double counting.

RACING FUND REVENUE DETAIL

The following is a detailed list of all revenue available for Racing Fund appropriations and executive authorizations.

	(Dollar Amounts in Thousands)		
	1983-84 Actual ^a	1984-85 Estimated	1985-86 Budget
Tax Revenue			
State Admission Tax	\$ 364	\$ 267	\$ 297
Wagering Tax	15,559	11,951	12,341
Breakage Tax	486	375	417
TOTAL	<u>\$ 16,409</u>	<u>\$ 12,593</u>	<u>\$ 13,055</u>
Licenses and Fees			
License Fees	\$ 308	\$ 324	\$ 326
TOTAL	<u>\$ 308</u>	<u>\$ 324</u>	<u>\$ 326</u>
Miscellaneous			
Uncashed Tickets	\$ 718	\$ 660	\$ 665
Interest on Securities	980	1,080	1,000
Miscellaneous	3,928 ^b	.....	.....
Redeposit of Checks	1	.....	.....
Interest On Deposits	8	8	6
Owner-by-Agent Security Deposit Forefits	23	14	15
TOTAL	<u>\$ 5,658</u>	<u>\$ 1,762</u>	<u>\$ 1,686</u>
TOTAL REVENUES	<u>\$ 22,375</u>	<u>\$ 14,679</u>	<u>\$ 15,067</u>

^aThe 1983-84 amounts represent the merging of the Harness Racing Fund and the Horse Racing Fund as stipulated by Act 93 of 1983.

^bIncludes \$3,914,000 in transfers from the Harness Racing Fund and Horse Racing Fund which are not carried forward to avoid double counting.

Revenue Sharing Trust Fund

The Revenue Sharing Trust Fund was composed of monies received under the provisions of the Federal, State and Local Fiscal Assistance Act and interest earned on that money.

The Federal, State and Local Fiscal Assistance Act placed no restrictions upon purposes for which the funds are spent; however, expenditures had to be in accordance with the laws and procedures applicable to expenditures of State revenues, including appropriation, accounting and audit.

Pennsylvania used its revenue sharing funds primarily for assistance to local governments, school districts and individuals.

Federal legislation eliminated Revenue Sharing Funds for state governments beginning with the 1981-82 fiscal year. However, in 1982-83 the Federal Government released a reserve held for contingencies. Certain prior year appropriations to the Department of Environmental Resources are still involved in litigation, and the funds invested remain in the Revenue Sharing Trust Fund and are earning interest.

Act 51-A of 1982 earmarked all such interest earnings for the use of the Department of General Services to pay for moving costs of Commonwealth agencies.

REVENUE SHARING TRUST FUND

Financial Statement

	(Dollar Amounts in Thousands)	
	1984-85	1985-86
Beginning Balance	\$ 452	\$ 264
Receipts:		
Revenue Estimate	<u>\$ 180</u>	<u>\$ 120</u>
Total Receipts	180	120
Funds Available	\$ 632	\$ 384
Expenditures:		
Appropriated	<u>\$ 368</u>	<u>\$ 384</u>
Estimated Expenditures	—368	—384
Ending Balance	<u><u>\$ 264</u></u>	<u><u>.....</u></u>

REVENUE SHARING TRUST FUND

Summary by Department

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Department of Education			
General Government			
Special Education	\$ 2,500	.....	.....
Department of General Services			
General Government			
Moving and Relocation Expenses .....	.....	368	384
FUND TOTAL	<u>\$ 2,500</u>	<u>\$ 368</u>	<u>\$ 384</u>

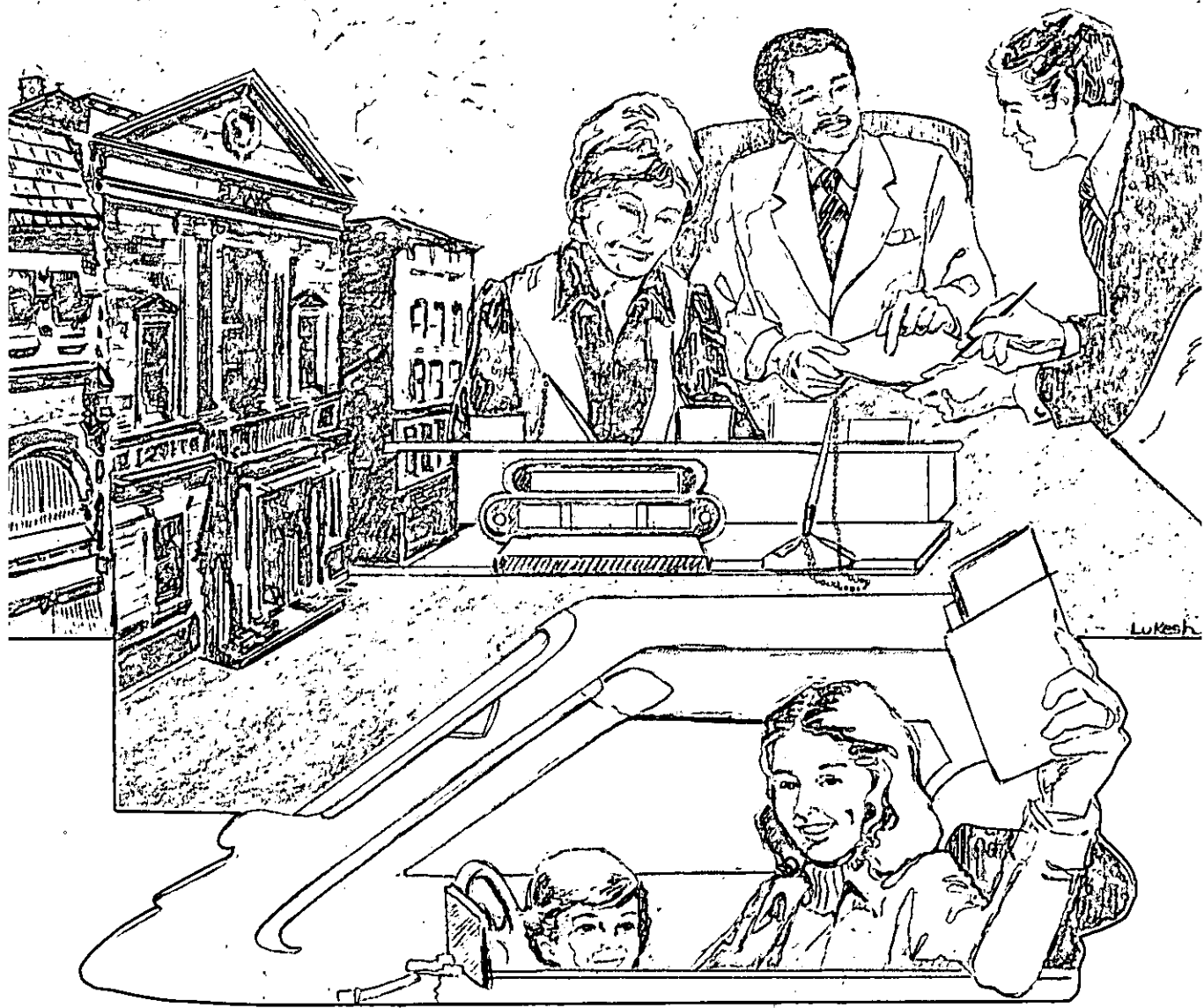
REVENUE SHARING TRUST FUND REVENUE SUMMARY

Five Year Revenue Projections

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Estimated	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Miscellaneous Revenues							
Interest on Securities	\$ 368	\$ 180	\$ 120	.....	.....	.....	.....
Total Revenue Sharing Trust							
Fund Revenues	<u>\$ 368</u>	<u>\$ 180</u>	<u>\$ 120</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>

The Commonwealth received funds from the Federal Government under the provisions of the State and Local Fiscal Assistance Act, commonly referred to as the Revenue Sharing Act, and from interest on deposits and securities.

Federal legislation eliminated Revenue Sharing Funds for State governments in the 1981-82 fiscal year. However, in 1982-83, the Federal Government released a reserve that they had held for contingencies.



Capital Budget

FIRST UNITED STATES CHARTERED BANK

The Pennsylvania Bank, the first banking establishment to be recognized and assisted by the Continental Congress, opened for business on July 17, 1780, in Philadelphia, providing an invaluable service to the nation's struggle for independence.

It was succeeded 18 months later by the Bank of North America which opened for business on January 7, 1782, in Philadelphia. The Bank of North America was the first incorporated bank to be granted a charter by the Confederation Congress and was the first genuine commercial bank in the United States. Considering its national charter, the national subscription to its initial capital stock, its service to the national treasury during 1782 and 1783, and its temporary national monopoly, it was the first bank of the United States.

Pennsylvania has continued as an important center of banking, with major banking institutions in both Philadelphia and Pittsburgh.

CAPITAL BUDGET

This section contains the 1985-86 Capital Budget and Five Year Capital Program. The bonded indebtedness required to support the capital programs is projected and, along with currently outstanding debt, is compared to the Constitutional debt limit.

The Public Improvement, Original Furniture and Equipment, and Transportation Assistance projects shown will be financed by general obligation bonds, with the exception of the Game Commission projects which will be financed from current revenues. The highway projects will be funded from current revenues. These projects are grouped into the following categories:

Public Improvement Projects — This category includes all types of new buildings and renovation projects. Also included are nonstructural improvements and the acquisition of land. These projects are designed and constructed through the Department of General Services.

Public Improvements—Furnishings and Equipment — This category provides for the equipping of newly completed public improvement projects, by purchasing original furniture and equipment through the Department of General Services.

Transportation Assistance Projects — These projects include: (a) the purchase of rolling stock and construction or improvement of facilities operated by mass transportation agencies throughout the Commonwealth, and (b) the acquisition, construction, and equipping of rural and intercity common carrier surface transportation systems or any components thereof. These projects are implemented through the Department of Transportation.

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 through the Department of Transportation.

The Capital Budget section consists of the following subsections.

1985-86 New Project Authorizations — This section itemizes and describes the new capital projects recommended for authorization in 1985-86, and their proposed source of funding. The projects are listed by department and program.

Forecast of Future Projects — This section contains a forecast of new capital projects to be initiated during each of the fiscal years 1986-87 through 1989-90. The projections are grouped by department and capital project category.

Estimate of Capital Expenditures — This section provides an estimate of expenditures for capital projects during each of the next five fiscal years. Since design, acquisition and construction of a project is not generally completed during the fiscal year in which the project is initiated, payment of costs incurred usually occurs over several fiscal years. The estimated expenditures determine the amount of bonds which must be issued, or current revenue appropriations required, each fiscal year. The projections are listed by capital project category and subdivided by projects currently authorized, new projects proposed for 1985-86, and future projects (1986-90).

**FORECAST OF DEBT LIMIT AND OUTSTANDING DEBT
1984-85 Through 1989-90**

This table includes debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget, and debt issued by the General State Authority and the State Highway and Bridge Authority.

	(Dollar Amounts in Thousands)					
	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Average Tax Revenues Previous Five Years	\$ 9,097,013	\$ 9,823,612	\$10,514,205	\$11,265,358	\$12,117,836	\$12,803,456
Debt Limit ^a	15,919,773	17,191,321	18,399,859	19,714,377	21,206,213	22,406,048
Outstanding Debt—Beginning of Fiscal Year	3,790,768	3,768,078	3,819,151	3,906,308	3,889,456	3,788,246
Bonds to be Issued	192,000	285,000	343,000	265,000	201,000	177,000
Bonds to be Retired	—214,690	—233,927	—255,843	—281,852	—302,210	—314,048
Outstanding Debt—End of Fiscal Year	<u>\$ 3,768,078</u>	<u>\$ 3,819,151</u>	<u>\$ 3,906,308</u>	<u>\$ 3,889,456</u>	<u>\$ 3,788,246</u>	<u>\$ 3,651,198</u>
% of Debt to Debt Limit	23.7%	22.2%	21.2%	19.7%	17.9%	16.3%

^a1.75 times the average tax revenues of previous five years.

**FORECAST OF OUTSTANDING DEBT BY CATEGORY OF PROJECT
1984-85 Through 1989-90**

This table includes debt issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget, and debt issued by the General State Authority and the State Highway and Bridge Authority. Also included is one issue of the State Public School Building Authority.

(Dollar Amounts in Thousands)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Public Improvement Projects						
Outstanding Debt — Beginning ..	\$1,640,613	\$1,638,268	\$1,696,806	\$1,724,173	\$1,731,903	\$1,732,228
Bonds to be issued	90,000	160,000	140,000	130,000	130,000	130,000
Bonds to be retired	-92,345	-101,462	-112,633	-122,270	-129,675	-137,338
Outstanding Debt — End	<u>\$1,638,268</u>	<u>\$1,696,806</u>	<u>\$1,724,173</u>	<u>\$1,731,903</u>	<u>\$1,732,228</u>	<u>\$1,724,890</u>
Highway Projects						
Outstanding Debt — Beginning ..	\$1,817,305	\$1,721,165	\$1,619,820	\$1,624,400	\$1,559,525	\$1,446,045
Bonds to be issued .....	.....	.....	110,000	50,000	11,000	.....
Bonds to be retired	-96,140	-101,345	-105,420	-114,875	-124,480	-124,690
Outstanding Debt — End	<u>\$1,721,165</u>	<u>\$1,619,820</u>	<u>\$1,624,400</u>	<u>\$1,559,525</u>	<u>\$1,446,045</u>	<u>\$1,321,355</u>
Transportation Assistance Projects						
Outstanding Debt — Beginning ..	\$ 286,710	\$ 316,560	\$ 361,690	\$ 383,785	\$ 402,363	\$ 399,078
Bonds to be issued	50,000	70,000	50,000	50,000	30,000	40,000
Bonds to be retired	-20,150	-24,870	-27,905	-31,422	-33,285	-35,665
Outstanding Debt — End	<u>\$ 316,560</u>	<u>\$ 361,690</u>	<u>\$ 383,785</u>	<u>\$ 402,363</u>	<u>\$ 399,078</u>	<u>\$ 403,413</u>
Community College Projects						
Outstanding Debt — Beginning ..	\$ 23,580	\$ 22,485	\$ 21,305	\$ 20,065	\$ 18,755	\$ 17,375
Bonds to be issued .....	.....	.....	.....	.....	.....	.....
Bonds to be retired	-1,095	-1,180	-1,240	-1,310	-1,380	-1,400
Outstanding Debt — End	<u>\$ 22,485</u>	<u>\$ 21,305</u>	<u>\$ 20,065</u>	<u>\$ 18,755</u>	<u>\$ 17,375</u>	<u>\$ 15,975</u>
Original Furniture and Equipment Projects						
Outstanding Debt — Beginning ..	\$ 22,560	\$ 27,600	\$ 27,530	\$ 32,415	\$ 34,600	\$ 31,100
Bonds to be issued	10,000	5,000	10,000	8,000	2,000	2,000
Bonds to be retired	-4,960	-5,070	-5,115	-5,815	-5,500	-5,700
Outstanding Debt — End	<u>\$ 27,600</u>	<u>\$ 27,530</u>	<u>\$ 32,415</u>	<u>\$ 34,600</u>	<u>\$ 31,100</u>	<u>\$ 27,400</u>
Redevelopment Assistance Projects						
Outstanding Debt — Beginning ..	.....	\$ 42,000	\$ 92,000	\$ 121,470	\$ 142,310	\$ 162,420
Bonds to be issued	\$ 42,000	50,000	33,000	27,000	28,000	5,000
Bonds to be retired .....	.....	.....	-3,530	-6,160	-7,890	-9,255
Outstanding Debt — End	<u>\$ 42,000</u>	<u>\$ 92,000</u>	<u>\$ 121,470</u>	<u>\$ 142,310</u>	<u>\$ 162,420</u>	<u>\$ 158,165</u>
Total Projects						
Outstanding Debt — Beginning ..	\$3,790,768	\$3,768,078	\$3,819,151	\$3,906,308	\$3,889,456	\$3,788,246
Bonds to be issued	192,000	285,000	343,000	265,000	201,000	177,000
Bonds to be retired	-214,690	-233,927	-255,843	-281,852	-302,210	-314,048
Outstanding Debt — End	<u>\$3,768,078</u>	<u>\$3,819,151</u>	<u>\$3,906,308</u>	<u>\$3,889,456</u>	<u>\$3,788,246</u>	<u>\$3,651,198</u>

**FORECAST OF CAPITAL FACILITIES BOND ISSUES
1984-85 Through 1989-90**

This table includes only those bonds to be issued under Article 8, Section 7(a)(4) of the Pennsylvania Constitution for projects included in a capital budget. A forecast of all Commonwealth general obligation bonds to be issued is contained in the Public Debt section of this budget document. (Section E of Volume 1).

	(Dollar Amounts in Thousands)					
	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Public Improvement Projects	\$ 90,000	\$ 160,000	\$ 140,000	\$ 130,000	\$ 130,000	\$ 130,000
Highway Projects . . . . .	. . . . .	. . . . .	110,000	50,000	11,000	. . . . .
Transportation Assistance Projects	50,000	70,000	50,000	50,000	30,000	40,000
Original Furniture and Equip- ment Projects	10,000	5,000	10,000	8,000	2,000	2,000
Redevelopment Assistance Projects	42,000	50,000	33,000	27,000	28,000	5,000
TOTAL	<u>\$ 192,000</u>	<u>\$ 285,000</u>	<u>\$ 343,000</u>	<u>\$ 265,000</u>	<u>\$ 201,000</u>	<u>\$ 177,000</u>

**CAPITAL FACILITIES FUND FINANCIAL STATEMENT (a)
1985-86 Through 1989-90**

	(Dollar Amounts in Thousands)					Total
	Public Improvement Projects	Transportation Assistance Projects	Highway Projects	Original Furniture & Equipment	Redevelopment Assistance Projects	
Balance, July 1, 1985	\$ 53,500	\$ 26,300	\$ 700	\$ 5,000	\$ 12,000	\$ 97,500
Revenue: Bond Issues	160,000	70,000	5,000	50,000	285,000
Estimated Expenditures	-185,800	-70,000	-5,520	-60,924	-322,244
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Balance, July 1, 1986	\$ 27,700	\$ 26,300	\$ 700	\$ 4,480	\$ 1,076	\$ 60,256
Revenue: Bond Issues	140,000	50,000	110,000	10,000	33,000	343,000
Estimated Expenditures	-134,400	-74,200	-100,000	-12,867	-33,945	-355,412
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Balance, July 1, 1987	\$ 33,300	\$ 2,100	\$ 10,700	\$ 1,613	\$ 131	\$ 47,844
Revenue: Bond Issues	130,000	50,000	50,000	8,000	27,000	265,000
Estimated Expenditures	-134,400	-48,400	-60,000	-8,823	-26,725	-278,348
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Balance, July 1, 1988	\$ 28,900	\$ 3,700	\$ 700	\$ 790	\$ 406	\$ 34,496
Revenue: Bond Issues	130,000	30,000	11,000	2,000	28,000	201,000
Estimated Expenditures	-134,400	-28,799	-11,000	-1,722	-26,725	-202,646
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance, July 1, 1989	\$ 24,500	\$ 4,901	\$ 700	\$ 1,068	\$ 1,681	\$ 32,850
Revenue: Bond Issues	130,000	40,000	.....	2,000	5,000	177,000
Estimated Expenditures	-134,400	-37,000	.....	-1,905	-6,681	-179,986
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance, July 1, 1990	<u>\$ 20,100</u>	<u>\$ 7,901</u>	<u>\$ 700</u>	<u>\$ 1,163</u>	<u>.....</u>	<u>\$ 29,864</u>

^(a)Bonds are issued to meet the cash requirements of each category of projects and to maintain minimum cash balances.

**FORECAST OF DEBT SERVICE REQUIREMENTS
1985-86 Through 1989-90**

This table includes debt service on debt issued under Article 8, Section 7 (a)(4) of the Pennsylvania Constitution for projects included in a capital budget, and debt issued by The General State Authority and The State Highway and Bridge Authority. Debt Service is shown in the year of appropriation and in gross amounts not reduced by interest earnings or other credits applied to debt service payments. Debt service on anticipated issues is also included.

	(Dollar Amounts in Thousands)				
	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND					
Department of General Services					
General State Authority Rentals	\$ 41,902	\$ 40,677	\$ 38,836	\$ 34,778	\$ 31,245
Department of Education					
General State Authority Rentals	4,201	4,201	4,201	4,201	4,201
Treasury Department					
Capital Debt Fund					
—Public Improvement Projects (including GSA)	\$ 156,517	\$ 172,431	\$ 191,587	\$ 207,224	\$ 221,837
—Transportation Assistance Projects	53,525	59,399	66,395	68,949	72,239
—Community College Projects ^a	2,020	2,016	2,018	2,017	2,022
—Original Furniture and Equipment Projects	7,277	6,286	8,408	8,258	8,166
—Redevelopment Assistance Projects	4,755	12,725	18,370	21,898	34,403
Less: Interest Earnings and Miscellaneous Revenues					
	-8,968	-9,000	-9,000	-9,000	-9,000
Total Capital Debt Fund	<u>\$ 215,126</u>	<u>\$ 243,857</u>	<u>\$ 277,778</u>	<u>\$ 299,346</u>	<u>\$ 329,667</u>
TOTAL—GENERAL FUND	<u>\$ 261,229</u>	<u>\$ 288,735</u>	<u>\$ 320,815</u>	<u>\$ 338,325</u>	<u>\$ 365,113</u>
MOTOR LICENSE FUND					
Department of General Services					
General State Authority Rentals	\$ 1,166	\$ 1,166	\$ 1,166	\$ 1,166	\$ 1,166
Department of Transportation					
Highway and Bridge Authority Rentals	30,110	28,608	26,895	25,056	18,869
Advance Construction Interstate—Interest Payments	60	2,100	3,100	.....	.....
Treasury Department					
Capital Debt Fund					
—Highway Projects (including S.H.B.A.)	165,031	164,912	164,998	165,051	165,066
—Public Improvement Projects	498	1,215	1,262	1,262	1,262
TOTAL—MOTOR LICENSE FUND ..	<u>\$ 196,865</u>	<u>\$ 198,001</u>	<u>\$ 197,421</u>	<u>\$ 192,535</u>	<u>\$ 186,363</u>
BOATING FUND					
Department of General Services					
General State Authority Rentals	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
TOTAL—BOATING FUND	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>
FISH FUND					
Department of General Services					
General State Authority Rentals	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
TOTAL—FISH FUND	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>

**FORECAST OF DEBT SERVICE REQUIREMENTS
1985-86 Through 1989-90
(continued)**

	(Dollar Amounts in Thousands)				
	1985-86	1986-87	1987-88	1988-89	1989-90
OTHER FUNDS					
Public School Building Authority—					
Community College Projects ^b	\$ 315	\$ 330	\$ 345	\$ 360	\$ 315
Motor License Fund Restricted Receipts					
Aviation—Airport Public Improvement					
Projects	28	193	1,224	1,224	1,224
Aviation—General State Authority Rentals ..	39	39	39	39	39
Highway Bridge Improvement—Highway					
Projects .....	.....	4,500	18,765	28,057	27,109
TOTAL—OTHER FUNDS	<u>\$ 382</u>	<u>\$ 5,062</u>	<u>\$ 20,373</u>	<u>\$ 29,680</u>	<u>\$ 28,687</u>
TOTAL DEBT SERVICE—ALL FUNDS	<u>\$ 458,541</u>	<u>\$ 491,863</u>	<u>\$ 538,674</u>	<u>\$ 560,605</u>	<u>\$ 580,228</u>

^aFifty percent of this amount is reimbursed by the appropriate colleges.

^bTo be paid by the appropriate college in the form of rentals. Fifty percent of this is reimbursed from the General Fund through grants and subsidies paid by the Department of Education.

**ESTIMATED CAPITAL PROJECT EXPENDITURES
State Funds
1985-86 Through 1989-90**

	(Dollar Amounts in Thousands)				
	1985-86	1986-87	1987-88	1988-89	1989-90
FROM GENERAL OBLIGATION BONDS					
Public Improvement Projects—Buildings and Structures	\$ 185,800	\$ 134,400	\$ 134,400	\$ 134,400	\$ 134,400
Public Improvement Projects—Original Furniture and Equipment	5,520	12,867	8,823	1,722	1,905
Redevelopment Assistance Projects	60,924	33,945	26,725	26,725	6,681
Transportation Assistance Projects	70,000	74,200	48,400	28,799	37,000
Highway Projects .....	.....	100,000	60,000	11,000	.....
Total—Bond Funds	\$ 322,244	\$ 355,412	\$ 278,348	\$ 202,646	\$ 179,986
FROM CURRENT REVENUES					
Public Improvement Projects—Game Fund ...	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Public Improvement Projects—Fish Fund	276	300	300	300	300
Public Improvement Projects—Boating Fund ..	400	400	400	400	400
Highway Projects—Motor License Fund	98,820	73,780	68,820	62,000	62,620
Highway Projects—Motor License Fund Restricted Revenue	68,400	45,500	45,500	34,500	30,500
Total—Current Revenues	\$ 170,896	\$ 122,980	\$ 118,020	\$ 100,200	\$ 96,820
TOTAL—ALL STATE FUNDS	\$ 493,140	\$ 478,392	\$ 396,368	\$ 302,846	\$ 276,806

**FORECAST OF
NEW PROJECT AUTHORIZATIONS FINANCED FROM STATE FUNDS
Five Year Forecast by Department**

	(Dollar Amounts in Thousands)					Total
	1985-86	1986-87	1987-88	1988-89	1989-90	
Department of Agriculture	\$ 1,736	\$ 1,350	\$ 1,400	\$ 675	\$ 500	\$ 5,661
Department of Community Affairs	141,100	. . . . .	. . . . .	. . . . .	. . . . .	141,100
Department of Corrections	9,132	12,225	12,775	5,000	2,600	41,732
Department of Education	12,676	21,225	22,300	32,375	38,075	126,651
Department of Environmental Resources	5,399	12,225	12,775	13,300	13,875	57,574
Game Commission	1,205	3,000	3,000	3,000	3,000	13,205
Department of General Services . .	317	1,350	1,400	1,475	1,175	5,717
Historical and Museum Commission	2,178	2,025	1,925	2,000	2,325	10,453
Department of Military Affairs . .	2,424	2,700	2,825	2,950	1,550	12,449
Department of Public Welfare . . .	4,827	12,225	12,775	13,300	13,875	57,002
State Police . . . . .	. . . . .	2,025	2,125	2,200	2,325	8,675
Department of Transportation . . .	32,450	91,650	92,700	93,725	95,700	406,225
TOTAL	<u>\$ 213,444</u>	<u>\$ 162,000</u>	<u>\$ 166,000</u>	<u>\$ 170,000</u>	<u>\$ 175,000</u>	<u>\$ 886,444</u>

**RECOMMENDED 1985-86 NEW PROJECT AUTHORIZATIONS
STATE FUNDS
Summary by Department**

(Dollar Amounts in Thousands)

	Bond Funds				Current Revenues		Total All Funds
	Public Improvement Projects	Original Furniture & Equipment	Transportation Assistance Projects	Redevelopment Assistance Projects	Public Improvement Projects	Highway Projects	
Department of Agriculture	\$ 1,736	.....	.....	.....	.....	.....	\$ 1,736
Department of Community Affairs .....	.....	.....	.....	\$ 141,100	.....	.....	141,100
Department of Corrections	9,132	.....	.....	.....	.....	.....	9,132
Department of Education	12,232	\$ 444	.....	.....	.....	.....	12,676
Department of Environmental Resources...	5,390	9	.....	.....	.....	.....	5,399
Game Commission .....	.....	.....	.....	.....	\$ 1,205	.....	1,205
Department of General Services	317	.....	.....	.....	.....	.....	317
Historical and Museum Commission	2,178	.....	.....	.....	.....	.....	2,178
Department of Military Affairs	2,424	.....	.....	.....	.....	.....	2,424
Department of Public Welfare	4,827	.....	.....	.....	.....	.....	4,827
Department of Transportation	4,200	.....	\$ 12,499	.....	.....	\$ 15,751	32,450
TOTAL	<u>\$ 42,436</u>	<u>\$ 453</u>	<u>\$ 12,499</u>	<u>\$ 141,100</u>	<u>\$ 1,205</u>	<u>\$ 15,751</u>	<u>\$ 213,444</u>

DEPARTMENT OF AGRICULTURE

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Contin- gencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
General Administration and Support	\$ 380	. . . .	\$ 76	\$ 456
Development of Agricultural Industries	1,067	. . . .	213	1,280
TOTAL PROJECT	<u>\$ 1,447</u>	<u>. . . .</u>	<u>\$ 289</u>	<u>\$ 1,736</u>
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 1,447	. . . .	\$ 289	\$ 1,736
TOTAL	<u>\$ 1,447</u>	<u>. . . .</u>	<u>\$ 289</u>	<u>\$ 1,736</u>

CAPITAL BUDGET

Department of Agriculture 1985-86 Projects

		(Dollar Amounts in Thousands)		
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
FROM BOND FUNDS				
Program: General Administration and Support				
<i>Agriculture Headquarters Complex</i>				
STORAGE-SHOP BUILDING: This project provides for construction of a 14,400 sq. ft. metal building for storage of equipment and supplies of the various agency programs and to house the exhibit shop	\$ 380	. . . .	\$ 76	\$ 456
PROGRAM TOTAL	<u>\$ 380</u>	<u>. . . .</u>	<u>\$ 76</u>	<u>\$ 456</u>
 Program: Development of Agricultural Industries				
<i>Farm Show Complex — Harrisburg</i>				
HEATING SYSTEM IMPROVEMENTS IN LARGE ARENA: This project provides for the conversion of the existing steam heating system to a hot water heating system	\$ 715	. . . .	\$ 143	\$ 858
NEW LIGHTING SYSTEM IN LARGE ARENA: This project provides for replacement of the antiquated lighting system with a new increased lighting level and energy efficient system	352	. . . .	70	422
PROGRAM TOTAL	<u>\$ 1,067</u>	<u>. . . .</u>	<u>\$ 213</u>	<u>\$ 1,280</u>

DEPARTMENT OF COMMUNITY AFFAIRS

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1985-86 REDEVELOPMENT ASSISTANCE PROJECTS				
Housing and Redevelopment	\$ 387,200	.....	.....	\$ 387,200
TOTAL PROJECTS	<u>\$ 387,200</u>	<u>.....</u>	<u>.....</u>	<u>\$ 387,200</u>
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Redevelopment Assistance	\$ 141,100	.....	.....	\$ 141,100
City of Philadelphia	\$ 192,000	.....	.....	\$ 192,000
Other	\$ 54,100	.....	.....	\$ 54,100
TOTAL	<u>\$ 387,200</u>	<u>.....</u>	<u>.....</u>	<u>\$ 387,200</u>

Department of Community Affairs 1985-86 Projects

FROM BOND FUNDS	(Dollar Amounts in Thousands)				
	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost	
Program: Housing and Redevelopment					
<i>City of Philadelphia</i>					
<p>CONVENTION CENTER: This provides for the State's Financial Contribution (this is in addition to the \$43.9 million approved in Act 1984-62) for the proposed new Convention Center for the City of Philadelphia. The funding will be used to acquire the site, demolish existing buildings, relocate businesses, build the convention center, and miscellaneous other associated construction, financing and relocation costs.....</p>					
	State	\$ 141,100	. . . .	. . . .	\$ 141,100
	City	192,000	. . . .	. . . .	192,000
	Other	54,100	. . . .	. . . .	54,100
		<u>\$ 387,200</u>	<u>. . . .</u>	<u>. . . .</u>	<u>\$ 387,200</u>
TOTAL					

DEPARTMENT OF CORRECTIONS

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Contingencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
State Correctional Institutions	\$ 7,610	. . . .	\$ 1,522	\$ 9,132
TOTAL PROJECTS	<u>\$ 7,610</u>	<u>. . . .</u>	<u>\$ 1,522</u>	<u>\$ 9,132</u>
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 7,610	. . . .	\$ 1,522	\$ 9,132
TOTAL	<u>\$ 7,610</u>	<u>. . . .</u>	<u>\$ 1,522</u>	<u>\$ 9,132</u>

CAPITAL BUDGET

Department of Corrections 1985-86 Projects

	(Dollar Amounts in Thousands)			
FROM BOND FUNDS	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
Program: State Correctional Institutions				
<i>State Correctional Institution—Camp Hill</i>				
BOILER PLANT IMPROVEMENTS: This project will provide for the replacement of three obsolete, worn-out boilers with two 20,000 lb. per hour boilers to meet air pollution requirements, modification of the deaerator/condensate system, replacement of the feed-water pump and plant air compressors, and other miscellaneous associated boiler plant improvements.	\$ 2,600	. . . . .	\$ 520	\$ 3,120
<i>State Correctional Institution—Dallas</i>				
WATER STORAGE RESERVOIR: This project will provide for the construction/installation of a 600,000 gallon storage tank for expansion of the institution's water supply system.	1,500	. . . . .	300	1,800
<i>State Correctional Institution—Huntingdon</i>				
BOILER PLANT IMPROVEMENTS: This project will provide for the replacement of three obsolete, worn-out boilers with new increased capacity boilers, and installation of a dust collecting system and control panel boards with meter, guages, recorders and alarms to meet required air pollution regulations.	2,600	. . . . .	520	3,120
RENOVATE INFIRMARY: This project will provide for general renovation of the infirmary including; relocation of the dental office, relocation of the medical office, renovation of the third floor for mental health cells, and construction of an outside stair tower including an elevator.	910	. . . . .	182	1,092
PROGRAM TOTAL	<u>\$ 7,610</u>	<u>.</u>	<u>\$ 1,522</u>	<u>\$ 9,132</u>

DEPARTMENT OF EDUCATION

	Base Project Cost	Land Cost	(Dollar Amounts in Thousands) Design & Contingencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Higher Education — State System of Higher Education	\$ 5,684	. . . .	\$ 1,126	\$ 6,810
Higher Education — State Related Universities	4,953	. . . .	913	5,866
TOTAL PROJECTS	<u>\$ 10,637</u>	<u>. . . .</u>	<u>\$ 2,039</u>	<u>\$ 12,676</u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 10,193	. . . .	\$ 2,039	\$ 12,232
Capital Facilities Fund — Furniture and Equipment	444	. . . .	. . . .	444
TOTAL	<u>\$ 10,637</u>	<u>. . . .</u>	<u>\$ 2,039</u>	<u>\$ 12,676</u>

Department of Education 1985-86 Projects

FROM BOND FUNDS	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Conti- gencies	Total Project Cost
Program: Higher Education — State System of Higher Education				
<i>Bloomsburg University</i>				
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS 401-39: This project will provide original movable furniture and equipment for the renovated Sutliff Hall building.	\$ 55	. . . . .	. . . . .	\$ 55
<i>Cheyney University</i>				
RENOVATE ELECTRICAL DISTRIBUTION SYSTEM: This project will provide for the renovation of the campus wide 5KV electrical distribution system. The major work in- cludes; upgrading the main switchgear to permit automatic switching and installation of relays, replacing of deteriorated cable and splices with new cable and splices, upgrading cutouts and switches to present standards, renovations to deteriorated electrical vaults and conduit systems, and upgrading of distribution transformers.	1,045	. . . . .	\$ 209	1,254
UPGRADE STEAM AND CONDENSATE SYSTEM: This project will provide for replacement/upgrading of the deteriorated underground steam and condensate lines, steam valves, and steam reducing stations in selected buildings on the campus.	550	. . . . .	110	660
<i>Clarion University</i>				
RENOVATION OF STEAM LINES: This project will pro- vide for upgrading/replacement of the deteriorated existing steam and condensate lines on the campus.	990	. . . . .	198	1,188
<i>Lock Haven University</i>				
EXTENSION AND REHABILITATION OF ELEC- TRICAL UTILITIES: This project will extend and upgrade the campus signal/communication system, which includes the installation of conduit systems, cable, manholes, etc.; and also provides for renovation of portions of the electrical distribution system, including PCB transformers and other devices located throughout the campus.	825	. . . . .	165	990

CAPITAL BUDGET

Department of Education 1985-86 Projects

(Dollar Amounts in Thousands)

FROM BOND FUNDS

**Program: Higher Education — State
System of Higher Education (continued)**

Shippensburg University

REHABILITATION OF UTILITY SYSTEMS: This project will provide for improvements and renovations to the gas, sanitary sewer and condensate return systems on the campus. Included is relocation of a 1,200 linear foot gas line from the basement areas of Old Main and the Steam Plant to a direct underground burial, installation of a larger capacity sanitary sewer line to Stewart Hall, replacement of 2,250 linear feet of deteriorated steam lines with upgraded insulated pipe and pipe fittings in the old section of the campus and insulation of pipe, valves and fittings in the manholes of the campus steam distribution system.....

Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
\$ 292	\$ 58	\$ 350

West Chester University

RENOVATE ELECTRICAL DISTRIBUTION SYSTEM: This project will provide a dual electric service to five (5) major North Campus buildings, convert direct electric feed of selected minor buildings from utility company to serve via adjacent major buildings, provide a back-up electric service to the main computer center and extend electrical capacity of Renolds Hall, provide for replacement of deteriorated underground conduit/cable distribution and/or switchgear components, and install electric meters in approximately thirty-three (33) major buildings for energy conservation.

559	112	671
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SAFETY IMPROVEMENTS IN SCIENCE CENTER: This project provides for the following safety corrections; retrofit/replace approximately forty (40) laboratory hood fumes and supporting duct systems to meet minimum velocity requirements; modify air supply systems to provide corresponding make-up air for fume hood operations; provide for above ground segregated chemical and hazardous waste storage via construction of a building extension to house same; provide permanent eye wash stations throughout laboratory areas; and functional room conversions to accommodate academic programs within constraints of life safety code requirements.

755	151	906
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REHABILITATE STEAM GENERATION, DISTRIBUTION AND RECOVERY SYSTEMS: This project will provide for; replacement of an existing stoker, rebuilding structurally deteriorating manholes, upgrade insulation valves on underground steam lines, repair/replace antiquated portions of underground steam distribution and condensate return piping, and install steam meters in thirty-three (33) major buildings for energy conservation

613	123	736
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PROGRAM TOTAL

<u>\$ 5,684</u>	<u>.....</u>	<u>\$ 1,126</u>	<u>\$ 6,810</u>
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Department of Education 1985-86 Projects

	(Dollar Amounts in Thousands)			
FROM BOND FUNDS	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
Program: Higher Education — State Related Universities				
<i>Lincoln University</i>				
BOILER PLANT IMPROVEMENT: This project provides for replacement of two obsolete 400 H.P. boilers with a larger 1,000 H.P. boiler, together with associated pumps, controls, etc.	\$ 623	. . . . .	\$ 125	\$ 748
<i>The Pennsylvania State University</i>				
STEAM LINE IMPROVEMENTS: This project will provide for replacement, upgrading, and upsizing of sections of steam, condensate, and air lines on the older western portion of the campus. The project also includes extending steam distribution to facilities presently not served by the central power plant and cross connection of the distribution network to certain locations.	3,941	. . . . .	788	4,729
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS 800-103: This project will provide original movable equipment needs for the Sewage Treatment Effluent Spray System project.	251	. . . . .	. . . . .	251
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS 800-158: This project will provide original movable equipment needs for the Boiler Plant Baghouse System project.	138	. . . . .	. . . . .	138
PROGRAM TOTAL	<u>\$ 4,953</u>	<u>.</u>	<u>\$ 913</u>	<u>\$ 5,866</u>

DEPARTMENT OF ENVIRONMENTAL RESOURCES

		(Dollar Amounts in Thousands)		
	Base Project Cost	Land Cost	Design & Conti- gencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Forestry	\$ 2,727	. . . .	\$ 273	\$ 3,000
Recreation	2,001	. . . .	398	2,399
TOTAL PROJECTS	<u>\$ 4,728</u>	<u>. . . .</u>	<u>\$ 671</u>	<u>\$ 5,399</u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 4,719	. . . .	\$ 671	\$ 5,390
Capital Facilities Fund — Furniture and Equipment	9	. . . .	. . . .	9
TOTAL	<u>\$ 4,728</u>	<u>. . . .</u>	<u>\$ 671</u>	<u>\$ 5,399</u>

Department of Environmental Resources 1985-86 Projects

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Conti- gencies	Total Project Cost
FROM BOND FUNDS				
Program: Forestry				
<i>Forest District No. 1</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads	\$ 143	. . . . .	\$ 14	\$ 157
<i>Forest District No. 2</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.	167	. . . . .	17	184
<i>Forest District No. 3</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads	137	. . . . .	14	151
<i>Forest District No. 4</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads	96	. . . . .	10	106
<i>Forest District No. 5</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads	254	. . . . .	25	279
<i>Forest District No. 7</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads	363	. . . . .	36	399
<i>Forest District No. 9</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.	184	. . . . .	18	202

Department of Environmental Resources 1985-86 Projects

	(Dollar Amounts in Thousands)			
FROM BOND FUNDS (continued)	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
Program: Forestry (continued)				
<i>Forest District No. 10</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	\$ 368	. . . . .	\$ 37	\$ 405
<i>Forest District No. 12</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	262	. . . . .	26	288
<i>Forest District No. 13</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	156	. . . . .	16	172
<i>Forest District No. 15</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	205	. . . . .	20	225
<i>Forest District No. 16</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	200	. . . . .	20	220
<i>Forest District No. 19</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	96	. . . . .	10	106
<i>Forest District No. 20</i>				
REHABILITATE STATE FOREST ROADS: This project will provide for regrading, resurfacing and strengthening the road beds, and replacing inadequate drainage structures and bridges in order to accommodate heavier loads.....	96	. . . . .	10	106
PROGRAM TOTAL	<u>\$ 2,727</u>	<u>.</u>	<u>\$ 273</u>	<u>\$ 3,000</u>

Department of Environmental Resources 1984-85 Projects

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Conti- gencies	Total Project Cost
FROM BOND FUNDS (continued)				
Program: Recreation				
<i>Blue Knob State Park</i>				
ORIGINAL FURNITURE AND EQUIPMENT FOR DGS 150-2: This will provide original furnishings and equipment for the water and sanitary system improvement project.	\$ 9	. . . .	. . . .	\$ 9
<i>Laurel Hill State Park</i>				
DAM SPILLWAY MODIFICATIONS: This project will provide for modifications to the dam spillway to provide for increased capacity.	1,700	. . . .	\$ 340	2,040
<i>Roosevelt State Park</i>				
REHABILITATION OF RIEGELSVILLE OVERFLOW: This project provides for complete rehabilitation of the overflow structure including; removal of existing stone overflow walls, demolition of associated concrete works, construction of wing-walls, headwalls, overflow race, and repairs to the canal clay.	292	. . . .	58	350
 PROGRAM TOTAL	 <u>\$ 2,001</u>	 <u>. . . .</u>	 <u>\$ 398</u>	 <u>\$ 2,399</u>

GAME COMMISSION

	Base Project Cost	(Dollar Amounts in Thousands)		Total Project Cost
		Land Cost	Design & Contin- gencies	
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Recreation	\$ 1,205	. . . .	\$ 1,205
TOTAL PROJECTS	<u>. . . .</u>	<u>\$ 1,205</u>	<u>. . . .</u>	<u>\$ 1,205</u>
 SOURCE OF FUNDS				
Current Revenues				
Game Fund	\$ 1,205	. . . .	\$ 1,205
TOTAL	<u>. . . .</u>	<u>\$ 1,205</u>	<u>. . . .</u>	<u>\$ 1,205</u>

CAPITAL BUDGET

Game Commission 1985-86 Projects

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Contingencies	Total Project Cost
FROM CURRENT REVENUES				
Program: Recreation				
<i>Cambria County</i>				
ACQUISITION OF STATE GAME LANDS: This will provide for acquisition of approximately 1,550 acres of land in Adams Township to be used for hunting.....	\$ 465	.....	\$ 465
<i>Jefferson and Elk Counties</i>				
ACQUISITION OF STATE GAME LANDS: This will provide for acquisition of approximately 2,465 acres of land in Polk, Heath, Spring Creek and Horton Townships to be used for hunting	740	.....	740
PROGRAM TOTAL	<u>\$ 1,205</u>	.....	<u>\$ 1,205</u>

DEPARTMENT OF GENERAL SERVICES

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Conti- gencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Management and Operation of Facilities	\$ 264	. . . . .	\$ 53	\$ 317
TOTAL PROJECTS	<u>\$ 264</u>	<u>.</u>	<u>\$ 53</u>	<u>\$ 317</u>
 SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 264	. . . . .	\$ 53	\$ 317
TOTAL	<u>\$ 264</u>	<u>.</u>	<u>\$ 53</u>	<u>\$ 317</u>

CAPITAL BUDGET

Department of General Services 1985-86 Projects

	(Dollar Amounts in Thousands)			
FROM BOND FUNDS	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
Program: Management and Operation of Facilities				
<i>Publications Building</i>				
SPRINKLER SYSTEM: This project provides for the installation of a fire protection sprinkler system throughout the entire building.	\$ 264	. . . .	\$ 53	\$ 317
PROGRAM TOTAL	<u>\$ 264</u>	<u>. . . .</u>	<u>\$ 53</u>	<u>\$ 317</u>

HISTORICAL AND MUSEUM COMMISSION

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Contin- gencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Museum Development and Operations	\$ 1,815	. . . . .	\$ 363	\$ 2,178
TOTAL PROJECTS	<u>\$ 1,815</u>	<u>.</u>	<u>\$ 363</u>	<u>\$ 2,178</u>
SOURCE OF FUNDS				
General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 1,815	. . . . .	\$ 363	\$ 2,178
TOTAL	<u>\$ 1,815</u>	<u>.</u>	<u>\$ 363</u>	<u>\$ 2,178</u>

Historical and Museum Commission 1985-86 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
FROM BOND FUNDS				
Program: Museum Development and Operations				
<i>Pennsylvania Farm Museum of Landis Valley</i>				
REGIONAL STORAGE FACILITY: This project will provide for the construction of a storage facility for all of the State historic sites and museums in the central and eastern management regions. The facility will be approximately 140,240 sq. ft. and will include storage space and related shipment/receiving, records, crating, security and administrative areas.				
	\$ 1,815	. . . .	\$ 363	\$ 2,178
PROGRAM TOTAL	<u>\$ 1,815</u>	<u>. . . .</u>	<u>\$ 363</u>	<u>\$ 2,178</u>

DEPARTMENT OF MILITARY AFFAIRS

	(Dollar Amounts in Thousands)			Total Project Cost
	Base Project Cost	Land Cost	Design & Contingencies	
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Disaster Assistance	\$ 880	. . . .	\$ 176	\$ 1,056
Domiciliary and Nursing Home Care	5,142	. . . .	1,028	6,170
TOTAL PROJECTS	<u>\$ 6,022</u>	<u>. . . .</u>	<u>\$ 1,204</u>	<u>\$ 7,226</u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund — Buildings and Structures	\$ 2,020	. . . .	\$ 404	\$ 2,424
Federal Funds	4,002	. . . .	800	4,802
TOTAL	<u>\$ 6,022</u>	<u>. . . .</u>	<u>\$ 1,204</u>	<u>\$ 7,226</u>

Department of Military Affairs 1985-86 Projects

FROM BOND FUNDS	Base Project Cost	(Dollar Amounts in Thousands)		Total Project Cost
		Land Cost	Design & Contin- gencies	
Program: Disaster Assistance				
<i>Hershey National Guard Armory</i>				
ADDITION TO ARMORY: This project provides for a 3,550 sq. ft. addition to the armory to provide facilities for an additional unit. The addition will house offices, arms vaults, and storage areas. The project also includes minor renovations to the existing building and expansion of the motor vehicle storage compound.				
	State \$ 220	.....	\$ 44	\$ 264
	Fed. 660	.....	132	792
	<u>\$ 880</u>	<u>.....</u>	<u>\$ 176</u>	<u>\$ 1,056</u>
PROGRAM TOTAL				

Program: Domiciliary and Nursing Home Care

Pennhurst State Veterans Home

CONVERSION AND RENOVATION: This project provides for conversion of the New Horizations building for 180 nursing care beds, renovation of the modular housing units for 150 domiciliary care beds, and site preparation required to convert this facility to a Veteran's home

State	\$ 1,800	.....	\$ 360	\$ 2,160
Fed.	3,342	.....	668	4,010
	<u>\$ 5,142</u>	<u>.....</u>	<u>\$ 1,028</u>	<u>\$ 6,170</u>
PROGRAM TOTAL				

DEPARTMENT OF PUBLIC WELFARE

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies	Total Project Cost
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Youth Development Centers	\$ 165	. . . .	\$ 33	\$ 198
State Mental Hospitals	1,319	. . . .	263	1,582
State Centers for the Mentally Retarded	2,539	. . . .	508	3,047
TOTAL PROJECTS	<u><u>\$ 4,023</u></u>	<u><u>. . . .</u></u>	<u><u>\$ 804</u></u>	<u><u>\$ 4,827</u></u>

SOURCE OF FUNDS

General Obligation Bond Issues				
Capital Facilities Fund—Buildings and Structures	\$ 4,023	. . . .	\$ 804	\$ 4,827
TOTAL	<u><u>\$ 4,023</u></u>	<u><u>. . . .</u></u>	<u><u>\$ 804</u></u>	<u><u>\$ 4,827</u></u>

CAPITAL BUDGET

Department of Public Welfare 1985-86 Projects

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Contingencies	Total Project Cost
FROM BOND FUNDS				
Program: Youth Development Centers				
<i>New Castle YDC</i>				
NEW FIRE ALARM SYSTEM: This project will provide for installation of a micro-processor fire alarm system capable of being expanded to a energy management and security sytem within the facility.	\$ 165	. . . . .	\$ 33	\$ 198
PROGRAM TOTAL	<u>\$ 165</u>	<u>.</u>	<u>\$ 33</u>	<u>\$ 198</u>
 Program: State Mental Hospitals				
<i>Danville State Hospital</i>				
COAL HANDLING SYSTEM: This project will provide for a new coal handling system resulting in reduced boiler plant outage and also maintenance hours.	\$ 330	. . . . .	\$ 66	\$ 396
<i>Haverford State Hospital</i>				
STEAM/CONDENSATE SYSTEM: This project will provide for the installation of a steam/condensate system that will reduce energy losses and water consumption, and result in less maintenance problems.	550	. . . . .	110	660
<i>Philadelphia State Hospital</i>				
NEW PACKAGE BOILER: This project will provide for the installation of a small package boiler for use during reduced load summer months resulting in more energy efficient operations and reduced personnel utilization.	192	. . . . .	38	230
<i>Woodville State Hospital</i>				
RECONSTRUCT MAIN STEAM TUNNEL: This project will provide for the replacement of the unsafe and deteriorating steam tunnel as well as add an additional outlet for safety purposes.	247	. . . . .	49	296
PROGRAM TOTAL	<u>\$ 1,319</u>	<u>.</u>	<u>\$ 263</u>	<u>\$ 1,582</u>

CAPITAL BUDGET

Department of Public Welfare 1985-865 Projects

		(Dollar Amounts in Thousands)		
	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
FROM BOND FUNDS				
Program: State Centers for the Mentally Retarded				
<i>Embreeville Center</i>				
NEW BOILER STOKERS: This project will provide for the replacement of stokers No. 2 and No. 3 which are in poor condition and in danger of causing boiler breakdown. . .	\$ 572	. . . . .	\$ 114	\$ 686
NEW FIRE ALARM SYSTEM: This project will provide for installation of a micro-processor fire alarm system capable of being expanded to a energy management and security system within the facility	115	. . . . .	23	138
<i>Hamburg State Hospital</i>				
STEAM/CONDENSATE DISTRIBUTION SYSTEM, PHASE I: This project will provide a steam/condensate system that will reduce energy losses from piping and condensate losses, resulting in higher water consumption. . .	440	. . . . .	88	528
<i>Laurelton Center</i>				
COAL FIRED EFFICIENCY BOILER: This project will provide an efficient coal fired boiler, properly sized to carry mild weather loads, eliminating the need to fire a high capacity boiler at low load.	825	. . . . .	165	990
<i>Selinsgrove Center</i>				
NEW FIRE ALARM SYSTEM: This project will provide for installation of a micro-processor fire alarm system capable of being expanded to an energy management and security system within the facility.	203	. . . . .	41	244
<i>Western Center</i>				
NEW FIRE ALARM SYSTEM: This project will provide for installation of a micro-processor fire alarm system capable of being expanded to an energy management and security system within the facility.	203	. . . . .	41	244
<i>White Haven Center</i>				
NEW FIRE ALARM SYSTEM: This project will provide for installation of a micro-processor fire alarm system capable of being expanded to a energy management and security system within the facility.	181	. . . . .	36	217
PROGRAM TOTAL	\$ 2,539	. . . . .	\$ 508	\$ 3,047

DEPARTMENT OF TRANSPORTATION

	Base Project Cost	(Dollar Amounts in Thousands) Land Cost	Design & Contin- gencies	Total Project Cost
1985-86 HIGHWAY PROJECTS				
Highway and Safety Improvement	\$ 77,281	\$ 3,537	\$ 10,532	\$ 91,350
1985-86 PUBLIC IMPROVEMENT PROJECTS				
Highway Transportation	\$ 3,500	.....	\$ 700	\$ 4,200
1985-86 TRANSPORTATION ASSISTANCE PROJECTS				
Urban Mass Transportation	\$ 59,555	.....	.....	\$ 59,555
Intercity Rail and Rural Bus Transportation	2,571	.....	.....	2,571
Subtotal	<u>\$ 62,126</u>	<u>.....</u>	<u>.....</u>	<u>\$ 62,126</u>
TOTAL PROJECTS	<u>\$ 142,907</u>	<u>\$ 3,537</u>	<u>\$ 11,232</u>	<u>\$ 157,676</u>

SOURCE OF FUNDS

General Obligation Bond Issues

Capital Facilities Fund—Public Improvement Projects	\$ 3,500	.....	\$ 700	\$ 4,200
Capital Facilities Fund—Transportation Assistance Projects	12,499	.....	.....	12,499
Subtotal General Obligation Bonds	<u>\$ 15,999</u>	<u>.....</u>	<u>\$ 700</u>	<u>\$ 16,699</u>

Current Revenues

Motor License Fund	\$ 12,927	\$ 1,029	\$ 1,795	\$ 15,751
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Federal Funds	\$ 111,987	\$ 2,508	\$ 8,737	\$ 123,232
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Other Funds	\$ 1,994	\$ 1,994
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TOTAL	<u>\$ 142,907</u>	<u>\$ 3,537</u>	<u>\$ 11,232</u>	<u>\$ 157,676</u>
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CAPITAL BUDGET

Department of Transportation 1985-86 Projects

	(Dollar Amounts in Thousands)			
FROM CURRENT REVENUES	Base Project Cost	Land Cost	Design Cost	Total Project Cost
Program: Highway and Safety Improvement				
ADAMS COUNTY, L.R. 1036 (01A), U.S. Route 15: Maryland Line to PA 134: 4 Lane Divided Relocation: Length: 6.1 miles.				
State	.....	\$ 3	\$ 175	\$ 178
Fed.	.....	7	525	532
ALLEGHENY COUNTY, L.R. 736 Extension, PA 837: River Road, McClure to McKeesport/ Duquene Bridge, Dravosburg, W. Mifflin Boros: Restoration: Length 2.0 miles.				
State	\$ 1,219	25	122	1,366
Fed.	3,656	75	366	4,097
ALLEGHENY COUNTY, L.R. 70, PA 28: PA Route 28 Widening: Millvale Interchange to Etna Interchange: Shaler, Millvale and Etna: Widening, median barrier, and safety improvements: 1.6 miles.				
State	.....	250	300	550
Fed.	.....	750	900	1,650
BEAVER COUNTY, L.R. 76: Brodhead Road, Greengarden to Frankfort, Aliquippa Boro, Hopewell, Center Township: Restoration: Length 5.2 miles.				
State	330	.....	120	450
Fed.	990	.....	.....	990
CLEARFIELD COUNTY, L.R. 1009 (B04), I-80 West- bound: Jefferson County Line to T.R. 879: Restoration: Length 18.3 miles.				
State	1,380	.....	10	1,390
Fed.	12,420	.....	90	12,510
CLEARFIELD COUNTY, L.R. 1009 (B05), I-80 East- bound: Jefferson County Line to T.R. 879: Restoration: Length 17.3 miles.				
State	2,230	.....	111	2,341
Fed.	20,070	.....	1,004	21,074
DELAWARE COUNTY, L.R. 132: 9th Street and Com- modore Barry Bridge, Chester Township: Construct Bridge Ramps: Length 0.5 miles.				
State	675	.....	75	750
Fed.	2,025	.....	225	2,250
LACKAWANNA COUNTY, L.R. 1013: North Scranton Expressway, L.R. 9 to Mulberry Street, City of Scranton: Restoration: Length 3.5 miles.				
State	1,700	3	105	1,808
Fed.	5,100	12	315	5,427
LAWRENCE COUNTY, L.R. 1017, Interstate 79: Butler County Line to Mercer County Line: Restoration: Length 6.0 miles.				
State	20	.....	440	460
Fed.	180	.....	3,960	4,140
LEBANON COUNTY, L.R. 1005 (624), I-81: Swatara Creek Bridge to Schuylkill County Line, Swatara and Union Townships: Rehabilitation: Length 4.0 miles.				
State	199	1	10	210
Fed.	1,800	2	90	1,892
LYCOMING COUNTY, L.R. 1073 (22M), I-180: L.R. 18 South of Muncy to Northumberland County Line, Muncy Creek Township: Resurface: Length 1.0 miles.				
State	100	.....	1	101
Fed.	900	.....	8	908

Department of Transportation 1985-86 Projects

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design Cost	Total Project Cost
FROM CURRENT REVENUES (continued)				
Program: Highway and Safety Improvement (continued)				
MONTGOMERY COUNTY, L.R. 46214: Blair Mill Road, County Line Road to Welsh Road, Horsham and Upper Moreland Townships: Widen to 48 Feet and Intersection Improvements: Length 3.0 miles.	State \$ 730 Fed. 2,190	\$ 125 375	\$ 95 285	\$ 950 2,850
WASHINGTON COUNTY, L.R. 1125 (B30), PA 88: Mon Valley Exxpressway Interchange: 4 Lane Divided Relocation: Length 1.6 miles.	State 1,820 Fed. 7,899	216 640	99 302	2,135 8,841
WASHINGTON COUNTY, L.R. 1016, I-79: Near Allegheny County Line, Cecil Township: Construct new interchange: Length 0.2 miles.	State 125 Fed. 1,125	10 90	15 135	150 1,350
WASHINGTON COUNTY, L.R. 1016, I-79: Interchange with I-70/I-79, South Strabane Township: Interchange Improvement: Length 0.2 miles.	State 450 Fed. 4,050	20 180	30 270	500 4,500
WESTMORELAND COUNTY, L.R. 64261 (009), PA 819: Tintown Spur in Salina: Perryville to Avondale: 2 Lane Reconstruction, including Bridge over Wolford Run: Length 2.1 miles.	State 1,949 Fed. 1,949	376 377	87 262	2,412 2,588
Total State Funds	\$ 12,927	\$ 1,029	\$ 1,795	\$ 15,751
Total Federal Funds	64,354	2,508	8,737	75,599
PROGRAM TOTAL	\$ 77,281	\$ 3,537	\$ 10,532	\$ 91,350

Department of Transportation 1985-86 Projects

(Dollar Amounts in Thousands)

FROM BOND FUNDS

Program: Highway Transportation

Engineering District 11-0, Allegheny County

DISTRICT OFFICE BUILDING: This project provides for the construction of 47,800 sq. ft. office building to house the Pittsburgh Area Engineering district.

	Base Project Cost	Land Cost	Design & Conti- gencies	Total Project Cost
DISTRICT OFFICE BUILDING: This project provides for the construction of 47,800 sq. ft. office building to house the Pittsburgh Area Engineering district.	\$ 3,500	.....	\$ 700	\$ 4,200
PROGRAM TOTAL	<u>\$ 3,500</u>	<u>.....</u>	<u>\$ 700</u>	<u>\$ 4,200</u>

Department of Transportation 1985-86 Projects

		(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Conti- gencies		Total Project Cost
FROM BOND FUNDS:					
Program: Urban Mass Transportation					
<i>Altoona Metro Transit</i>					
SPARE BUS PARTS CONSORTIUM: This project provides for the purchase of spare bus parts and the establishment of a centralized parts inventory center to serve a consortium of the following four transit agencies: Altoona Metro Transit, Centre Area Transportation Authority of State College, Williamsport Bureau of Transportation, and Cambria County Transit Authority					
	State	\$ 35	. . . .	. . . .	\$ 35
	Fed.	158	. . . .	. . . .	158
	Local	17	. . . .	. . . .	17
<i>Area Transportation Authority (North Central Pennsylvania)</i>					
PURCHASE OF BUSES, VANS, AND BUS RELATED EQUIPMENT: This project provides for the purchase of three transit buses, twenty small buses, two vans, one diesel power pac, three gasoline power pacs, two wreckers, two bus washers and miscellaneous garage equipment.					
	State	298	. . . .	. . . .	298
	Fed.	1,433	. . . .	. . . .	1,433
	Local	60	. . . .	. . . .	60
<i>Beaver County Transit Authority</i>					
PURCHASE OF COMMUNICATIONS EQUIPMENT, PARTS, UTILITY VEHICLES, AND DESIGN/ENGINEERING FOR TRANSFER CENTER: This project provides for the purchase of 19 radios, bus parts and utility vehicles. It also includes architectural design and engineering services for a proposed transit transfer center to be located in the Borough of Rochester, Pennsylvania.					
	State	49	. . . .	. . . .	49
	Fed.	237	. . . .	. . . .	237
	Local	10	. . . .	. . . .	10
<i>Berks Area Reading Transportation Authority</i>					
BUS GARAGE RENOVATION: This project provides for the renovation of the bus garage including a new roof, changes to the heating system, and fire and safety facility alterations.					
	State	50	. . . .	. . . .	50
	Fed.	240	. . . .	. . . .	240
	Local	10	. . . .	. . . .	10
<i>Cambria County Transit Authority</i>					
PURCHASE OF SERVICE TRUCK, TOOLS, AND EQUIPMENT: This project provides for the purchase of a service truck, tools and inclined plane equipment.					
	State	17	. . . .	. . . .	17
	Fed.	80	. . . .	. . . .	80
	Local	3	. . . .	. . . .	3

Department of Transportation 1985-86 Projects

		(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies		Total Project Cost
FROM BOND FUNDS: (continued)					
Program: Urban Mass Transportation (continued)					
<i>Center Area Transportation Authority</i>					
PURCHASE OF BUSES, PARATRANSIT VEHICLES, MICRO-COMPUTER, AND ASSOCIATED CAPITAL MAINTENANCE ITEMS: This project provides for the purchase of two buses, two paratransit vehicles, a micro-computer system and associated capital maintenance items including bus spare parts and office and shop equipment.					
	State	\$ 133	.....	.....	\$ 133
	Fed.	636	.....	.....	636
	Local	26	.....	.....	26
<i>City of Butler</i>					
PURCHASE OF BUSES AND RELATED EQUIPMENT: This project provides for the purchase of Four new heavy-duty transit liner type vehicles and related equipment. . .					
	State	73	.....	.....	73
	Fed.	352	.....	.....	352
	Local	15	.....	.....	15
<i>City of Philadelphia</i>					
CONSTRUCTION OF CIVIC CENTER STATION: This project provides for the construction of Civic Center Station located in West Philadelphia adjacent to the Philadelphia Civic Center. The station will serve the Airport High Speed Line and the Media-West Chester and Chester-Marcus Hook lines on SEPTA's regional high speed rail network.					
	State	600	.....	.....	600
	Fed.	2,880	.....	.....	2,880
	Local	120	.....	.....	120
<i>Delaware River Port Authority</i>					
MODERNIZE FOUR SUBWAY STATIONS IN PHILADELPHIA: This project provides for the modernization of the following four subway stations in center city Philadelphia: 15th-16th Street, 13th Street, 9th-10th Street, and 8th and Market Streets.					
	State	227	.....	.....	227
	Fed.	1,092	.....	.....	1,092
	Local	46	.....	.....	46
<i>Erie Metropolitan Transit Authority</i>					
PURCHASE OF GARAGE-OFFICE EQUIPMENT, SERVICE VEHICLES, AND SIGNS: This project provides for the purchase of a floor scrubber, a service truck with snow plow, a V-730 transmission, three pumps for grease, oil and lube, a vacuum system for bus interiors, and energy control system, one wrecker, one copier, five typewriters and four hundred bus stop signs.....					
	State	57	.....	.....	57
	Fed.	274	.....	.....	274
	Local	11	.....	.....	11

Department of Transportation 1985-86 Projects

		(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Conti- gencies		Total Project Cost
FROM BOND FUNDS: (continued)					
Program: Urban Mass Transportation (continued)					
<i>Hazleton Transit Authority</i>					
PURCHASE OF BUS TERMINAL AND CONSTRUCTION OF MAINTENANCE GARAGE: This project provides for the purchase of the existing bus terminal and the construction of a maintenance garage that will contain a bus storage area, wash bay and fuel storage facility.					
	State	\$ 195	.....	.....	\$ 195
	Fed.	934	.....	.....	934
	Local	39	.....	.....	39
<i>Indiana Transit</i>					
CONSTRUCTION OF GARAGE AND OFFICE FACILITY AND PURCHASE OF BUS RELATED EQUIPMENT: This project provides for the purchase of bus related equipment and the construction of a garage and office facility and ten bus stop shelters.					
	State	210	.....	.....	210
	Fed.	1,007	.....	.....	1,007
	Local	42	.....	.....	42
<i>Lehigh and Northampton Transportation Authority</i>					
BUILDING RENOVATIONS AND EQUIPMENT REPLACEMENTS: This project provides for various building and equipment renovations and replacements including the replacement of 1,000 bus stop signs and the replacement of two heavy-duty pick-up trucks for the Easton Division of the Lehigh and Northampton Transportation Authority.					
	State	37	.....	.....	37
	Fed.	176	.....	.....	176
	Local	7	.....	.....	7
<i>Monesson Transit Authority</i>					
PURCHASE OF BUSES, SHELTERS, SIGNS, OFFICE EQUIPMENT AND FURNITURE: This project provides for the purchase of four new buses, bus shelters, signs, office equipment and furniture.					
	State	80	.....	.....	80
	Fed.	384	.....	.....	384
	Local	16	.....	.....	16
<i>Monroe County Transit Authority</i>					
PURCHASE OF WASH FACILITY, LIFTS, SERVICE VEHICLES, COMPUTER, AND MISCELLANEOUS EQUIPMENT: This project provides for the purchase of a bus washer, vehicle garage lifts, a two truck, a pick-up truck, a computer and other service and maintenance equipment.					
	State	94	.....	.....	94
	Fed.	454	.....	.....	454
	Local	19	.....	.....	19

Department of Transportation 1985-86 Projects

		(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contingencies		Total Project Cost
FROM BOND FUNDS: (continued)					
Program: Urban Mass Transportation (continued)					
<i>New Castle Area Transit Authority</i>					
CONSTRUCTION OF NEW MAINTENANCE FACILITY: This project provides for the construction of a new bus maintenance and storage facility.	State \$ 292 Fed. 1,399 Local 58	..... ..... .....	..... ..... .....		\$ 292 1,399 58
<i>Port Authority of Allegheny County</i>					
TROLLEY REHABILITATION PROGRAM: This project provides for the continuation of the Port Authority's Trolley Rehabilitation Program which will result in the complete reconditioning of 45 of the Authority's trolleys.	State 1,142 Fed. 5,480 Local 228	..... ..... .....	..... ..... .....		1,142 5,480 228
<i>Shenango Valley Shuttle Service</i>					
PURCHASE AND INSTALLATION OF COMPUTER SYSTEM: This project provides for the purchase and installation of a computer system for the Shenango Valley Shuttle Service operation.	State 18 Fed. 88 Local 4	..... ..... .....	..... ..... .....		18 88 4
<i>Southeastern Pennsylvania Transportation Authority</i>					
FRANKFORD ELEVATED RECONSTRUCTION: This project provides the construction of the Frankford Elevated Line from Wildey Street to the Bridge-Pratt Terminal. The work includes 5.25 miles of rehabilitation of the elevated structure, rehabilitation of three major bridges, rehabilitation of eleven passenger stations, and installation of new track, signal, communications and power systems.	State 3,334 Fed. 16,000 Local 666	..... ..... .....	..... ..... .....		3,334 16,000 666
RAILROAD FACILITIES IMPROVEMENTS: This project provides improvements to the Regional High Speed Line operating facilities. Tie and rail renewal on the Warminster Branch between Glenside and Hatboro and between Hatboro and Warminster, on the Manayunk Branch between the 52nd Street Interlocking and Ivy Ridge, on the Ninth Street Branch between the Center City Commuter Connection tunnel and the 16th Street Junction; eight grade crossings; four bridge rehabilitations; signal system modernization on the West Chester system between Arsenal and Elwyn and design of such work on the West Trenton Branch between Jenkintown and Neshaminy Falls; and electric traction rehabilitation of the Chestnut Hill West Branch are components of this project.	State 2,667 Fed. 12,800 Local 533	..... ..... .....	..... ..... .....		2,667 12,800 533

Department of Transportation 1985-86 Projects

		(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Conti- gencies		Total Project Cost
FROM BOND FUNDS: (continued)					
Program: Urban Mass Transportation (continued)					
<i>Transit Authority of Warren County</i>					
PURCHASE OF BUSES AND BUS SHELTERS: This project provides for the purchase of two 21 to 30 passenger transit buses to be used in the Warren County Transit Authority's fixed route transit program and for the purchase of bus shelters.....					
	State	\$ 40	. . . .	. . . .	\$ 40
	Fed.	192	. . . .	. . . .	192
	Local	8	. . . .	. . . .	8
<i>Venango County</i>					
PURCHASE OF BUSES AND BUS SHELTERS: This project provides for the purchase of three new 26-28 passenger integral constructed buses and the construction of eight bus shelters.					
	State	63	. . . .	. . . .	63
	Fed.	301	. . . .	. . . .	301
	Local	12	. . . .	. . . .	12
<i>Westmoreland County Transit Authority</i>					
PURCHASE OF BUSES AND RELATED EQUIPMENT: This project provides for the purchase of two 45-50 passenger charter coaches with wheelchair lifts, two 30-passenger buses with wheelchair lifts and two 100-watt mobile radios.					
	State	118	. . . .	. . . .	118
	Fed.	568	. . . .	. . . .	568
	Local	24	. . . .	. . . .	24
BUS POOL AMENDMENT: This project provides for the Bus Pool Amendment which includes the following projects: (a) purchase of spare parts inventory, (b) purchase and installation of eight new Telma Retarders for Neoplan Penliner Buses, (c) purchase of fuel pump and storage tank, (d) upgrading of eight fareboxes to full electronic, (e) purchase of ten mobile two-way radios, and (f) purchase of auxiliary communication equipment.					
	State	29	. . . .	. . . .	29
	Fed.	139	. . . .	. . . .	139
	Local	6	. . . .	. . . .	6

CAPITAL BUDGET

Department of Transportation 1985-86 Projects

	(Dollar Amounts in Thousands)			
	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
FROM BOND FUNDS: (continued)				
Program: Urban Mass Transportation (continued)				
<i>Williamsport Bureau of Transportation</i>				
PURCHASE OF FAREBOXES, RELATED EQUIPMENT, AND SPARE PARTS: This project provides for the purchase of fifteen fareboxes, a coin counting and sorting device, a transfer machine and bus spare parts for engines, transmissions and air conditioners.				
State	\$ 23	.....	.....	\$ 23
Fed.	110	.....	.....	110
Local	5	.....	.....	5
<i>York Area Transportation Authority</i>				
PURCHASE OF FAREBOXES, RADIOS, SPARE PARTS, COMPUTER EQUIPMENT, AND SHELTERS: This project provides for the purchase of fareboxes, radios, spare parts, computer equipment, and bus shelters for the bus fleet.				
State	47	.....	.....	47
Fed.	219	.....	.....	219
Local	9	.....	.....	9
<hr/>				
Total State Funds	\$ 9,928	\$ 9,928
Total Federal Funds	47,633	47,633
Total Local Funds	1,994	1,994
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PROGRAM TOTAL	<u>\$ 59,555</u>	<u>.....</u>	<u>.....</u>	<u>\$ 59,555</u>

Department of Transportation 1985-86 Projects

(Dollar Amounts in Thousands)

	Base Project Cost	Land Cost	Design & Contin- gencies	Total Project Cost
FROM BOND FUNDS:				
Program: Intercity Rail and Rural Bus Transportation				
<i>Berks, Lehigh, and Montgomery Counties</i>				
RAIL BRANCHLINE REHABILITATION— PERKI- OMEN BRANCH TRACK: This project provides for the rehabilitation of 15.8 miles of Commonwealth owned track to Class II Track Safety Standards. This project includes replacing ties, surfacing, ditching and drainage work, and tunnel work.....				
State	\$ 1,710	.....	.....	\$ 1,710
Fed.	.....	.....	.....	.....
Local	.....	.....	.....	.....
<i>Berks and Montgomery Counties</i>				
RAIL BRANCHLINE REHABILITATION— COLEBROOKDALE INDUSTRIAL TRACK: This project provides for the rehabilitation of 8.6 miles of Com- monwealth owned track to Class II Track Safety Standards. This project includes replacing ties, surfacing, ditching and drainage work, and clearance improvements.				
State	861	.....	.....	861
Fed.	.....	.....	.....	.....
Local	.....	.....	.....	.....
Total State Funds				
	\$ 2,571	.....	.....	\$ 2,571
Total Federal Funds.....				

Total Local Funds				

PROGRAM TOTAL				
	<u>\$ 2,571</u>	<u>.....</u>	<u>.....</u>	<u>\$ 2,571</u>

**SUMMARY OF
FORECAST OF FUTURE NEW PROJECT AUTHORIZATIONS
STATE FUNDS**

	(Dollar Amounts in Thousands)			
	1986-87	1987-88	1988-89	1989-90
Department of Agriculture	\$ 1,350	\$ 1,400	\$ 675	\$ 500
Department of Corrections	12,225	12,775	5,000	2,600
Department of Education	21,225	22,300	32,375	38,075
Department of Environmental Resources	12,225	12,775	13,300	13,875
Game Commission	3,000	3,000	3,000	3,000
Department of General Services	1,350	1,400	1,475	1,175
Historical and Museum Commission	2,025	1,925	2,000	2,325
Department of Military Affairs	2,700	2,825	2,950	1,550
Department of Public Welfare	12,225	12,775	13,300	13,875
State Police	2,025	2,125	2,200	2,325
Department of Transportation	91,650	92,700	93,725	95,700
TOTAL	<u><u>\$ 162,000</u></u>	<u><u>\$ 166,000</u></u>	<u><u>\$ 170,000</u></u>	<u><u>\$ 175,000</u></u>

Forecast of Future Projects

This section contains estimated authorizations (State funds only) for future capital improvements for the fiscal years 1986-87 through 1989-90. Amounts in this section have been grouped by department and are identified by capital project category. The source of funding for the projects will be from bond funds, with the exception of the highway program and the State game land acquisition program which will be financed from current revenues.

	(Dollar Amounts in Thousands)			
	1986-87	1987-88	1988-89	1989-90
	Estimated	Estimated	Estimated	Estimated
Department of Agriculture				
PUBLIC IMPROVEMENT PROJECTS: Provides for improvements at the Farm Show Complex, Regional Offices, and the Headquarters Building. Also includes the purchase of original furniture and equipment to furnish such facilities.				
	\$ 1,350	\$ 1,400	\$ 675	\$ 500
Department of Corrections				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of administrative, industrial, educational and housing facilities, and utilities at the State-owned correctional institutions. Also includes purchase of original furniture and equipment to furnish such facilities.				
	12,225	12,775	5,000	2,600
Department of 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, the State-owned schools, and for the State-related universities. Also includes the purchase of original furniture and equipment to furnish such facilities.				
	21,225	22,300	32,375	38,075
Department of Environmental Resources				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of support, day use, camping facilities, and utility systems at State parks; construction of district offices, central garages, radio communication systems, and rehabilitation of forest roads in State forest districts; and construction of flood protection projects. Also includes purchase of original furniture and equipment to furnish such facilities.				
	12,225	12,775	13,300	13,875

Forecast of Future Projects

	1986-87 Estimated	(Dollar Amounts in Thousands) 1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Game Commission				
PUBLIC IMPROVEMENT PROJECTS: Provides for acquisition of additional State game lands.	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Department of General Services				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation and improvements of State office buildings and facilities.	1,350	1,400	1,475	1,175
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 historical sites. Also includes the purchase of original furniture and equipment to furnish such facilities.	2,025	1,925	2,000	2,325
Department of Military Affairs				
PUBLIC IMPROVEMENT PROJECTS: Provides for land acquisition, renovations, additions and replacement facilities at the State armories and veterans' homes. Also includes the purchase of original furniture and equipment to furnish such facilities.	2,700	2,825	2,950	1,550
Department of Public Welfare				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of patient buildings, support facilities, and utilities at the State institutions for the mentally ill and mentally retarded, restoration centers, and youth development centers. Also includes the purchase of original furniture and equipment to furnish such facilities.	12,225	12,775	13,300	13,875
State Police				
PUBLIC IMPROVEMENT PROJECTS: Provides for renovation, expansion, and construction of troop headquarters/station facilities. Also includes the purchase of original furniture and equipment to furnish such facilities.	2,025	2,125	2,200	2,325

CAPITAL BUDGET

Forecast of Future Projects

	1986-87 Estimated	(Dollar Amounts in Thousands)		1989-90 Estimated
		1987-88 Estimated	1988-89 Estimated	
Department of Transportation				
Department of Transportation				
PUBLIC IMPROVEMENT PROJECTS: Provides for construction and renovation of facilities at the State-owned airports, construction of and additions to highway maintenance and district office buildings, and construction of driver examination facilities.				
	\$ 650	\$ 700	\$ 725	\$ 700
HIGHWAY PROJECTS: 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.				
	55,000	55,000	55,000	55,000
TRANSPORTATION ASSISTANCE PROJECTS: Provides for the purchase/rehabilitation of rolling stock and equipment and for construction/renovation of facilities operated by local mass transportation agencies. Also includes the purchase and improvement of rail branch lines to be abandoned by the Consolidated Rail Corporation (ConRail).				
	36,000	37,000	38,000	40,000
Total—Public Improvement Projects	\$ 71,000	\$ 74,000	\$ 77,000	\$ 80,000
Total—Highway Projects	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
Total—Transportation Assistance Projects	\$ 36,000	\$ 37,000	\$ 38,000	\$ 40,000
TOTAL	<u>\$ 162,000</u>	<u>\$ 166,000</u>	<u>\$ 170,000</u>	<u>\$ 175,000</u>

**SUMMARY OF
ESTIMATED CAPITAL PROJECT EXPENDITURES
STATE FUNDS**

Department	(Dollar Amounts in Thousands)				
	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Agriculture	\$ 1,036	\$ 1,604	\$ 1,143	\$ 1,610	\$ 1,905
Commerce	104	280	.....	.....	.....
Community Affairs	60,924	33,945	26,725	26,725	6,681
Corrections	57,883	41,113	44,854	40,422	33,934
Education	41,135	45,491	43,202	39,052	43,738
Emergency Management Agency	178	495	434	581	622
Environmental Resources	18,157	21,757	19,284	22,476	24,575
Fish Commission	676	700	700	700	700
Game Commission	3,000	3,000	3,000	3,000	3,000
General Services	55,891	17,409	10,725	9,033	7,349
Health	1,050	.....	.....	.....	.....
Historical and Museum Commission	579	1,141	2,910	1,890	2,143
Military Affairs	755	1,452	3,326	2,745	3,317
Public Welfare	12,631	14,344	13,863	14,340	15,857
State Police	533	373	635	1,168	1,713
Transportation	238,608	295,288	225,567	139,104	131,272
TOTAL	\$ 493,140	\$ 478,392	\$ 396,368	\$ 302,846	\$ 276,806

CAPITAL BUDGET

Estimate of Capital Expenditures

BOND FUNDS	(Dollar Amounts in Thousands)				
	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Department of Agriculture					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 664	\$ 372	\$ 492	\$ 626	\$ 694
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	358	1,001	.....	.....	.....
Projects in 1985-86 Budget					
Buildings and Structures	14	217	434	362	347
Future Projects (1986-90)					
Buildings and Structures .....	.....	14	217	622	864
TOTAL—AGRICULTURE	<u>\$ 1,036</u>	<u>\$ 1,604</u>	<u>\$ 1,143</u>	<u>\$ 1,610</u>	<u>\$ 1,905</u>
Department of Commerce					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 104	\$ 280	.....	.....	.....
TOTAL—COMMERCE	<u>\$ 104</u>	<u>\$ 280</u>	.....	.....	.....
Department of Community Affairs					
Redevelopment Assistance Projects					
Projects Currently Authorized					
Acquisition	\$ 12,000	.....	.....	.....	.....
Projects in 1985-86 Budget					
Acquisition and Construction	48,924	\$ 33,945	\$ 26,725	\$ 26,725	\$ 6,681
TOTAL—COMMUNITY AFFAIRS ...	<u>\$ 60,924</u>	<u>\$ 33,945</u>	<u>\$ 26,725</u>	<u>\$ 26,725</u>	<u>\$ 6,681</u>
Department of Corrections					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 54,456	\$ 29,614	\$ 20,138	\$ 15,826	\$ 10,734
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	3,336	10,007	20,014	16,679	13,343
Projects in 1985-86 Budget					
Buildings and Structures	91	1,370	2,740	2,283	2,192
Future Projects (1986-90)					
Buildings and Structures .....	.....	122	1,962	5,634	7,665
TOTAL—CORRECTIONS	<u>\$ 57,883</u>	<u>\$ 41,113</u>	<u>\$ 44,854</u>	<u>\$ 40,422</u>	<u>\$ 33,934</u>
Department of Education					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 38,862	\$ 33,107	\$ 27,290	\$ 26,012	\$ 23,665
Furniture and Equipment	1,230	2,668	.....	.....	.....
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	512	1,536	3,073	2,561	2,049
Furniture and Equipment	187	63	.....	.....	.....
Projects in 1985-86 Budget					
Buildings and Structures	122	1,835	3,670	3,058	2,936
Furniture and Equipment	222	222	.....	.....	.....
Future Projects (1986-90)					
Buildings and Structures .....	.....	89	1,527	5,894	13,213
Furniture and Equipment .....	.....	5,971	7,642	1,527	1,875
TOTAL—EDUCATION	<u>\$ 41,135</u>	<u>\$ 45,491</u>	<u>\$ 43,202</u>	<u>\$ 39,052</u>	<u>\$ 43,738</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
BOND FUNDS (continued)	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Emergency Management Agency					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 103	\$ 285	\$ 434	\$ 581	\$ 622
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	75	210	.....	.....	.....
TOTAL—EMERGENCY MANAGEMENT	<u>\$ 178</u>	<u>\$ 495</u>	<u>\$ 434</u>	<u>\$ 581</u>	<u>\$ 622</u>
Department of Environmental Resources					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 14,764	\$ 17,376	\$ 14,856	\$ 14,703	\$ 13,812
Furniture and Equipment	9	.....	.....	.....	.....
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	1,792	2,375	1,749	1,458	1,166
Furniture and Equipment	63	21	.....	.....	.....
Projects in 1985-86 Budget					
Buildings and Structures	1,524	1,859	717	598	574
Furniture and Equipment	5	4	.....	.....	.....
Future Projects (1986-90)					
Buildings and Structures .....	.....	122	1,962	5,717	9,023
TOTAL—ENVIRONMENTAL RESOURCES	<u>\$ 18,157</u>	<u>\$ 21,757</u>	<u>\$ 19,284</u>	<u>\$ 22,476</u>	<u>\$ 24,575</u>
Department of General Services					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 52,917	\$ 13,878	\$ 9,544	\$ 7,600	\$ 5,716
Furniture and Equipment	2,797	2,750	.....	.....	.....
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	161	482	964	803	642
Projects in 1985-86 Budget					
Buildings and Structures	16	285	.....	.....	.....
Future Projects (1986-90)					
Buildings and Structures .....	.....	14	217	630	991
TOTAL—GENERAL SERVICES	<u>\$ 55,891</u>	<u>\$ 17,409</u>	<u>\$ 10,725</u>	<u>\$ 9,033</u>	<u>\$ 7,349</u>
Department of Health					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,050	.....	.....	.....	.....
TOTAL—HEALTH	<u>\$ 1,050</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
Historical and Museum Commission					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 557	\$ 696	\$ 736	\$ 841	\$ 876
Projects in 1985-86 Budget					
Buildings and Structures	22	327	1,634	87	.....
Future Projects (1986-90)					
Buildings and Structures .....	.....	18	290	812	1,267
Furniture and Equipment .....	.....	100	250	150	.....
TOTAL—HISTORICAL AND MUSEUM	<u>\$ 579</u>	<u>\$ 1,141</u>	<u>\$ 2,910</u>	<u>\$ 1,890</u>	<u>\$ 2,143</u>

CAPITAL BUDGET

Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
BOND FUNDS (continued)	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Department of Military Affairs					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 636	\$ 765	\$ 716	\$ 758	\$ 750
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	95	284	1,422	86	. . . .
Projects in 1985-86 Budget					
Buildings and Structures	24	364	727	606	582
Future Projects (1986-90)					
Buildings and Structures .....	. . . .	27	430	1,250	1,955
Furniture and Equipment .....	. . . .	12	31	45	30
TOTAL—MILITARY AFFAIRS	<u>\$ 755</u>	<u>\$ 1,452</u>	<u>\$ 3,326</u>	<u>\$ 2,745</u>	<u>\$ 3,317</u>
Department of Public Welfare					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 11,278	\$ 11,565	\$ 8,033	\$ 6,464	\$ 4,933
Furniture and Equipment	541	. . . .	. . . .	. . . .	. . . .
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	298	895	1,790	1,492	1,193
Furniture and Equipment	466	156	. . . .	. . . .	. . . .
Projects in 1985-86 Budget					
Buildings and Structures	48	724	1,448	1,207	1,158
Future Projects (1986-90)					
Buildings and Structures .....	. . . .	104	1,692	5,177	8,573
Furniture and Equipment .....	. . . .	900	900	. . . .	. . . .
TOTAL—PUBLIC WELFARE	<u>\$ 12,631</u>	<u>\$ 14,344</u>	<u>\$ 13,863</u>	<u>\$ 14,340</u>	<u>\$ 15,857</u>
State Police					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 520	\$ 224	\$ 207	\$ 219	\$ 216
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	13	129	103	. . . .	. . . .
Future Projects (1986-90)					
Buildings and Structures .....	. . . .	20	325	949	1,497
TOTAL—STATE POLICE	<u>\$ 533</u>	<u>\$ 373</u>	<u>\$ 635</u>	<u>\$ 1,168</u>	<u>\$ 1,713</u>

CAPITAL BUDGET

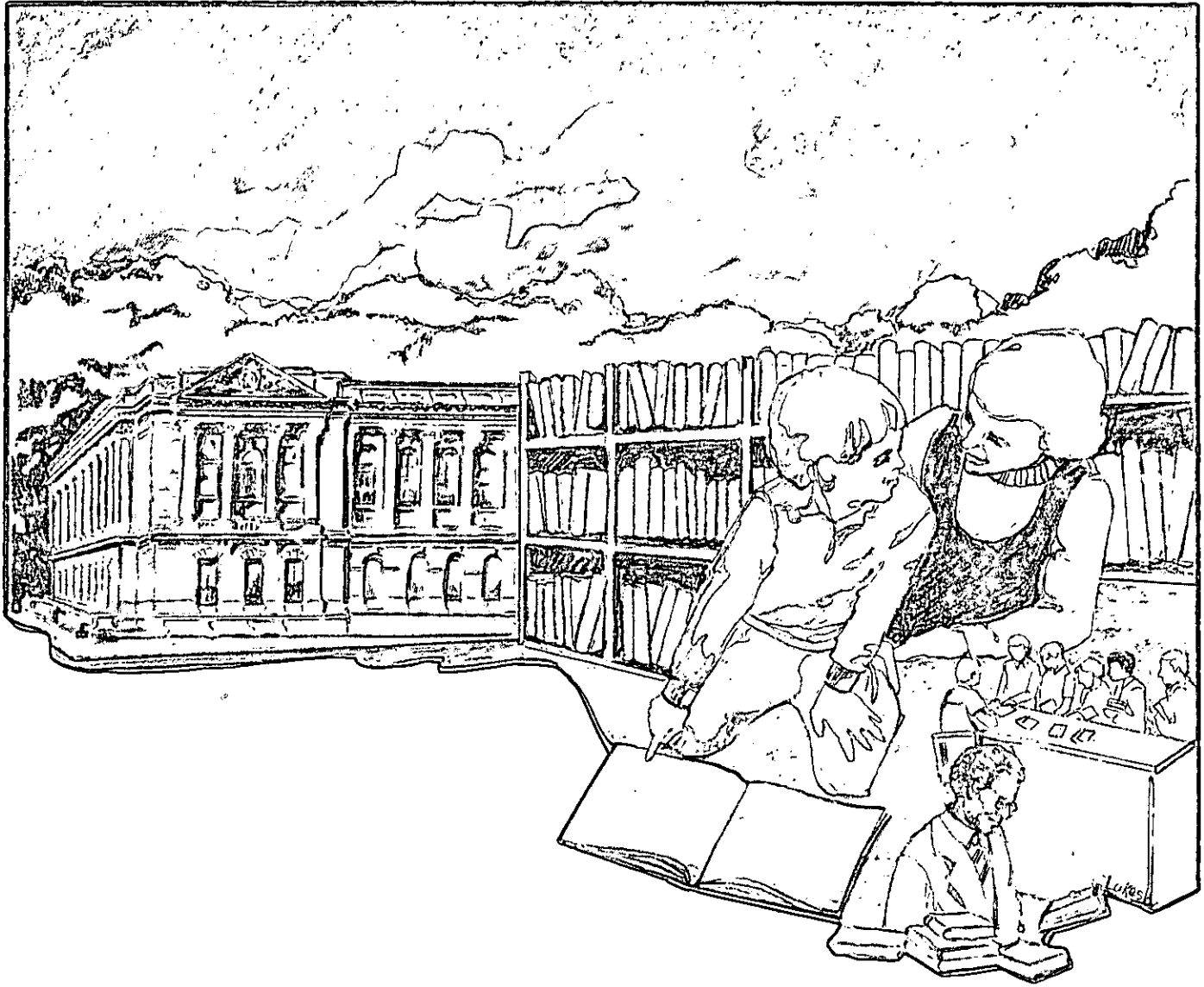
Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
BOND FUNDS (continued)	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Department of Transportation					
Public Improvement Projects					
Projects Currently Authorized					
Buildings and Structures	\$ 1,029	\$ 976	\$ 672	\$ 536	\$ 403
Projects in 1984-85 Budget (Pending)					
Buildings and Structures	317	195	390	324	260
Projects in 1985-86 Budget					
Buildings and Structures	42	630	1,680	1,638	. . . .
Future Projects (1986-90)					
Buildings and Structures .....	. . . .	7	105	307	489
Subtotal	<u>\$ 1,388</u>	<u>\$ 1,808</u>	<u>\$ 2,847</u>	<u>\$ 2,805</u>	<u>\$ 1,152</u>
Highway Projects					
Projects Currently Authorized					
Highway—Railroad Bridges .....	. . . .	\$ 100,000	\$ 60,000	\$ 11,000	. . . .
Subtotal	<u>. . . .</u>	<u>\$ 100,000</u>	<u>\$ 60,000</u>	<u>\$ 11,000</u>	<u>. . . .</u>
Transportation Assistance Projects					
Projects Currently Authorized					
Mass Transit and Branch Rail Lines	\$ 70,000	\$ 70,000	\$ 32,000	. . . .	. . . .
Projects in 1985-86 Budget					
Mass Transit and Branch Rail Lines .....	. . . .	4,200	4,200	\$ 4,099	. . . .
Future Projects (1986-90)					
Mass Transit and Branch Rail Lines .....	. . . .	. . . .	12,200	24,700	\$ 37,000
Subtotal	<u>\$ 70,000</u>	<u>\$ 74,200</u>	<u>\$ 48,400</u>	<u>\$ 28,799</u>	<u>\$ 37,000</u>
TOTAL—TRANSPORTATION	<u><u>\$ 71,388</u></u>	<u><u>\$ 176,008</u></u>	<u><u>\$ 111,247</u></u>	<u><u>\$ 42,604</u></u>	<u><u>\$ 38,152</u></u>
 TOTAL—BOND FUNDS					
Public Improvement Projects	\$ 185,800	\$ 134,400	\$ 134,400	\$ 134,400	\$ 134,400
Buildings and Structures	5,520	12,867	8,823	1,722	1,905
Furniture and Equipment					
Redevelopment Assistance Projects					
Site Acquisition and Construction.....	60,924	33,945	26,725	26,725	6,681
Highway Projects					
Highway—Railroad Bridges .....	. . . .	100,000	60,000	11,000	. . . .
Transportation Assistance Projects					
Mass Transit and Branch Rail Lines	70,000	74,200	48,400	28,799	37,000
TOTAL	<u><u>\$ 322,244</u></u>	<u><u>\$ 355,412</u></u>	<u><u>\$ 278,348</u></u>	<u><u>\$ 202,646</u></u>	<u><u>\$ 179,986</u></u>

CAPITAL BUDGET

Estimate of Capital Expenditures

	(Dollar Amounts in Thousands)				
CURRENT REVENUES	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Fish Commission					
Public Improvement Projects					
Projects Currently Authorized					
Boating Fund	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Fish Fund	276	300	300	300	300
TOTAL—FISH COMMISSION	<u>\$ 676</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 700</u>
Game Commission					
Public Improvement Projects					
Projects Currently Authorized					
Game Fund	\$ 1,795	.....	.....	.....	.....
Projects in 1985-86 Budget					
Game Fund	1,205	.....	.....	.....	.....
Future Projects (1986-90)					
Game Fund .....	.....	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
TOTAL—GAME COMMISSION	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>
Department of Transportation					
Highway Projects					
Projects Currently Authorized					
Motor License Fund	\$ 98,820	\$ 69,780	\$ 51,070	\$ 26,550	\$ 21,370
Motor License Fund Restricted Revenue ..	68,400	45,500	45,500	34,500	30,500
Projects in 1985-86 Budget					
Motor License Fund .....	.....	4,000	4,000	7,950	.....
Future Projects (1986-90)					
Motor License Fund .....	.....	.....	13,750	27,500	41,250
TOTAL—TRANSPORTATION	<u>\$ 167,220</u>	<u>\$ 119,280</u>	<u>\$ 114,320</u>	<u>\$ 96,500</u>	<u>\$ 93,120</u>
TOTAL—CURRENT REVENUES					
Public Improvement Projects					
Boating Fund	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400
Fish Fund	276	300	300	300	300
Game Fund	3,000	3,000	3,000	3,000	3,000
Highway Projects					
Motor License Fund	98,820	73,780	68,820	62,000	62,620
Motor License Fund Restricted Revenue ..	68,400	45,500	45,500	34,500	30,500
TOTAL	<u>\$ 170,896</u>	<u>\$ 122,980</u>	<u>\$ 118,020</u>	<u>\$ 100,200</u>	<u>\$ 96,820</u>
TOTAL—ALL STATE FUNDS	<u>\$ 493,140</u>	<u>\$ 478,392</u>	<u>\$ 396,368</u>	<u>\$ 302,846</u>	<u>\$ 276,806</u>



Sinking Funds And Public Debt

FIRST LENDING LIBRARY

The nation's first lending library was founded in Philadelphia by Benjamin Franklin. The Library Company of Philadelphia was established in 1731, becoming the first lending library in America. In 1745 Franklin ordered the first set of books for the Pennsylvania Assembly's library which would eventually become the State Library of Pennsylvania.

Access to many early libraries was limited to those who paid for a membership. In the early years of the 20th Century, Pittsburgh industrialist Andrew Carnegie advanced the "free" public library movement by financing the construction of 58 public library buildings in Pennsylvania and nearly 2,000 in the United States.

Today another "Pennsylvania First" ultimately will make the resources of all the state's 4,000 libraries accessible to all of the state's citizens. ACCESS PENNSYLVANIA will enable all Pennsylvanians to use any of the publicly-supported libraries in the state through a statewide card system. This system includes a plan to compensate libraries for use by individuals outside the community for which the library was established. Providing walk-in access, including borrowing privileges, to all libraries for all Pennsylvanians is part of the process of assuring that citizens can obtain the information they want when they need it.

BONDS AUTHORIZED, ISSUED AND OUTSTANDING

The Commonwealth issues general obligation bonds for purposes which cannot be financed from current revenues. Bonds have been issued for Project 70, Land and Water Development, Vietnam Veterans' Compensation, Disaster Relief, Nursing Home Loans, Volunteer Companies' Loans, Water Facilities Loans, Economic Revitalization and for Capital Facilities and Highway construction.

The following statement reflects the bonded indebtedness of the Commonwealth as of December 31, 1984. Issues which have been completely redeemed are not included.

	(Dollar Amounts in Thousands)					
	Total Debt Authorized	Total Bonds Issued	Bonds Redeemed To Date	Bonds Outstanding	Sinking Fund	Net Indebtedness
Capital Facilities	\$ 6,919,324	\$4,461,480	\$1,228,395	\$3,233,085	\$ 5,933	\$3,227,152
General State Authority	1,165,250	1,165,250	856,992	308,258	37,775	270,483
State Highway and Bridge Authority ...	580,000	580,000	447,605	132,395	. . . . .	132,395
State Public School Building Authority .	8,150	8,150	5,800	2,350	. . . . .	2,350
Disaster Relief ^a	192,708	165,000	29,830	135,170	9	135,161
Economic Revitalization ^a	190,000	50,000	. . . . .	50,000	. . . . .	50,000 ^b
Land and Water Development ^a	500,000	475,000	111,550	363,450	237	363,213
Nursing Home Loan Agency ^a	100,000	66,000	17,600	48,400	191	48,209
Project 70 Land Acquisition ^a	70,000	70,000	55,620	14,380	112	14,268
Vietnam Veterans' Compensation ^a	65,000	62,000	16,250	45,750	8	45,742
Volunteer Companies' Loan ^a	25,000	25,000	2,860	22,140	67	22,073
Water Facilities Loan ^a	300,000	60,000	525	59,475	971	58,504
Matured Loans Unclaimed ^a .....	. . . . .	. . . . .	. . . . .	141	141	. . . . .
TOTAL	<u>\$10,115,432</u>	<u>\$7,187,880</u>	<u>2,773,027</u>	<u>\$4,414,994</u>	<u>\$ 45,444</u>	<u>\$4,369,550</u>

^aNot applicable to constitutional debt limit.

^bIncludes \$40 million of bond anticipation notes.

PROJECTED BOND ISSUES AND DEBT OUTSTANDING
1984-85 Through 1989-90

This table shows the projected amount of general obligation bonds of the Commonwealth to be issued and the level of bonded debt outstanding at the end of the fiscal year. Outstanding debt levels are also shown for remaining principal payments on authority debt and for bond programs for which no additional bonds are planned to be issued. A detailed forecast of outstanding capital facilities debt by category of project and the comparison of debt subject to the debt limit is contained in the Capital Budget section of this volume.

	(Dollar Amounts in Thousands)					
	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Projected Bond Issues						
Capital Facilities						
Public Improvements	\$ 90,000	\$ 160,000	\$ 140,000	\$ 130,000	\$ 130,000	\$ 130,000
Highways .....	.....	.....	110,000	50,000	11,000	.....
Transportation Assistance	50,000	70,000	50,000	50,000	30,000	40,000
Original Furniture and Equipment	10,000	5,000	10,000	8,000	2,000	2,000
Redevelopment Assistance	42,000	50,000	33,000	27,000	28,000	5,000
Total	<u>\$ 192,000</u>	<u>\$ 285,000</u>	<u>\$ 343,000</u>	<u>\$ 265,000</u>	<u>\$ 201,000</u>	<u>\$ 177,000</u>
Special Purpose						
Land and Water Development ..	\$ 10,000	\$ 10,000	\$ 13,000	.....	.....	.....
Disaster Relief	5,000	.....	.....	.....	.....	.....
Nursing Home Loan	8,000	10,000	10,000	\$ 6,000	.....	.....
Water Facilities Loan	20,000	80,000	70,000	40,000	\$ 40,000	.....
Economic Revitalization	73,000	68,000	25,000	.....	.....	.....
Total	<u>\$ 116,000</u>	<u>\$ 168,000</u>	<u>\$ 118,000</u>	<u>\$ 46,000</u>	<u>\$ 40,000</u>	<u>.....</u>
TOTAL	<u>\$ 308,000</u>	<u>\$ 453,000</u>	<u>\$ 461,000</u>	<u>\$ 311,000</u>	<u>\$ 241,000</u>	<u>\$ 177,000</u>
Debt Outstanding Projection						
Capital Facilities	\$3,363,860	\$3,477,235	\$3,626,745	\$3,670,433	\$3,626,228	\$3,538,928
General State Authority	270,568	233,521	196,318	159,568	125,498	93,660
State Highway and Bridge Authority	132,395	107,520	83,155	59,490	36,665	19,135
State Public School Building Authority	2,065	1,750	1,420	1,075	715	400
Special Purpose						
Disaster Relief	136,670	130,960	124,750	118,295	111,580	104,585
Economic Revitalization	71,965	128,800	135,650	116,970	98,290	79,880
Land and Water Development ..	364,510	357,405	351,955	331,945	310,325	289,110
Nursing Home Loan	56,400	63,305	69,530	70,795	65,570	60,155
Project 70 Land Acquisition ..	12,500	8,800	6,880	6,540	6,175	5,785
Vietnam Veteran's Compensation	44,055	42,080	39,985	37,765	35,415	32,920
Volunteer Companies Loan ...	21,350	20,115	18,855	17,565	16,245	14,895
Water Facilities Loan	69,475	146,320	210,525	240,510	267,860	253,100
TOTAL	<u>\$4,545,813</u>	<u>\$4,717,811</u>	<u>\$4,865,768</u>	<u>\$4,830,951</u>	<u>\$4,700,566</u>	<u>\$4,492,553</u>

FORECAST OF DEBT SERVICE ON BONDED DEBT

This table shows the amounts necessary to pay estimated debt service by the Commonwealth on currently outstanding bonded indebtedness and authority rentals and on projected bond issues. Further detail for the Capital Facilities bonds by category of project is contained in the Capital Budget section of this volume.

	(Dollar Amounts in Thousands)				
	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund					
Capital Facilities	\$ 224,094	\$ 252,857	\$ 286,778	\$ 308,346	\$ 338,667
General State Authority Rentals	47,373	46,148	44,307	40,249	36,716
Disaster Relief	14,052	14,179	14,024	13,867	13,715
Economic Revitalization	18,614	30,159	30,202	28,554	26,681
Land and Water Development	39,772	41,053	42,017	41,657	41,296
Nursing Home Loan	7,031	8,396	10,029	10,455	10,258
Project 70 Land Acquisition	4,308	2,422	762	764	764
Vietnam Veteran's Compensation	4,584	4,575	4,565	4,560	4,562
Volunteer Company's Loan	2,857	2,787	2,720	2,651	2,579
Water Facilities	10,833	20,430	29,387	34,797	38,462
Less: Interest and Miscellaneous Revenue ..	-10,668	-12,200	-9,000	-9,000	-9,000
TOTAL	<u>\$ 362,850</u>	<u>\$ 410,806</u>	<u>\$ 455,791</u>	<u>\$ 476,900</u>	<u>\$ 504,700</u>
Motor License Fund					
Capital Facilities—Highways	\$ 165,031	\$ 164,912	\$ 164,998	\$ 165,051	\$ 165,066
Capital Facilities	498	1,215	1,262	1,262	1,262
General State Authority Rentals	1,166	1,166	1,166	1,166	1,166
State Highway and Bridge Authority Rentals	30,110	28,608	26,895	25,056	18,869
Advance Construction Interstate—Interest Payments	60	2,100	3,100	. . . .	. . . .
TOTAL	<u>\$ 196,865</u>	<u>\$ 198,001</u>	<u>\$ 197,421</u>	<u>\$ 192,535</u>	<u>\$ 186,363</u>
Boating Fund					
General State Authority Rentals	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>
Fish Fund					
General State Authority Rentals	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>	<u>\$ 63</u>
Other Funds					
State Public School Building Authority	\$ 315	\$ 330	\$ 345	\$ 360	\$ 315
Motor License Fund Restricted Receipts					
Aviation—Capital Facilities	28	193	1,224	1,224	1,224
Aviation—General State Authority	39	39	39	39	39
Highway Bridge Improvement—Capital Facilities .....	. . . .	4,500	18,765	28,057	27,109
TOTAL	<u>\$ 382</u>	<u>\$ 5,062</u>	<u>\$ 20,373</u>	<u>\$ 29,680</u>	<u>\$ 28,687</u>
TOTAL	<u><u>\$ 560,162</u></u>	<u><u>\$ 613,934</u></u>	<u><u>\$ 673,650</u></u>	<u><u>\$ 699,180</u></u>	<u><u>\$ 719,815</u></u>

TERMS OF BONDS OUTSTANDING

The following chart reflects the terms of the Commonwealth's general obligation bonds that were outstanding as of December 31, 1984.

Purpose of Bonds	Date of Issue	Interest Rate	First and Last Year of Maturity	Original Amount in Thousands	
Project 70 Land Acquisition	July 15, 1965	3.03%	1971-85	\$ 27,000	
	March 15, 1969	3.36%	1973-87	23,000	
	November 15, 1970	6.26%	1973-00	10,000	
Land and Water Development	May 1, 1969	5.62%	1971-98	25,000	
	June 15, 1969	5.88%	1971-98	40,000	
	November 15, 1970	6.36%	1973-00	13,000	
	March 1, 1971	5.23%	1973-00	25,000	
	October 15, 1971	5.13%	1974-01	50,000	
	April 15, 1972	5.26%	1974-01	50,000	
	September 15, 1973	5.48%	1976-03	48,000	
	October 1, 1974	7.12%	1977-04	50,000	
	January 15, 1976	6.24%	1977-95	30,000	
	June 15, 1976	6.28%	1977-95	18,000	
	December 1, 1976	5.82%	1978-96	18,000	
	August 1, 1977	5.32%	1979-97	30,000	
	January 1, 1979	6.75%	1980-98	20,000	
	March 1, 1980	9.16%	1981-99	20,000	
	July 1, 1982	10.75%	1984-02	10,000	
	April 1, 1983	8.26%	1984-02	8,000	
	April 1, 1984	9.06%	1985-03	10,000	
	December 15, 1984	8.86%	1986-04	10,000	
	Vietnam Veterans' Compensation	June 15, 1969	5.95%	1971-98	28,000
		November 15, 1970	6.11%	1973-00	27,000
April 1, 1974		5.36%	1976-03	7,000	
Capital Facilities	October 15, 1968	4.15%	1971-98	75,000	
	May 1, 1969	5.62%	1971-98	75,000	
	January 1, 1970	6.82%	1972-99	50,000	
	March 15, 1970	5.92%	1972-99	75,000	
	October 15, 1970	6.08%	1973-00	25,000	
	January 1, 1971	5.57%	1973-00	50,000	
	April 15, 1971	5.11%	1973-00	50,000	
	August 1, 1971	5.79%	1974-01	52,000	
	January 1, 1972	5.31%	1974-01	75,000	
	June 1, 1972	4.99%	1974-01	50,000	
	September 15, 1972	5.09%	1975-02	25,000	
	December 1, 1972	4.82%	1975-02	65,000	
	April 15, 1973	5.29%	1975-02	60,000	
	August 1, 1973	5.49%	1976-03	50,000	
	April 1, 1974	5.36%	1976-03	50,000	
	October 1, 1974	7.12%	1977-04	50,000	
	May 15, 1975	6.44%	1976-94	50,000	
	November 15, 1975	6.72%	1977-95	20,000	
	April 1, 1976	6.32%	1977-95	50,000	
	June 15, 1976	6.28%	1977-95	50,000	
	September 1, 1976	5.95%	1978-96	50,000	
	December 1, 1976	5.82%	1978-96	18,000	
	April 15, 1977	5.30%	1978-96	28,000	
	August 1, 1977	5.32%	1979-97	40,000	
	February 1, 1978	5.60%	1979-97	50,000	
	June 15, 1978	6.06%	1979-97	50,000	
	January 1, 1979	6.75%	1980-98	10,000	
	March 1, 1980	9.16%	1981-99	45,000	
	October 15, 1980	8.56%	1982-00	13,000	
	May 15, 1981	10.60%	1982-00	35,000	
	November 15, 1981	10.16%	1983-01	30,000	
	July 1, 1982	10.75%	1984-02	40,000	
	April 1, 1983	8.26%	1984-02	20,000	
	June 1, 1983	8.61%	1984-02	45,000	
	April 1, 1984	9.06%	1985-03	50,000	
	June 15, 1984	9.83%	1985-03	70,000	
	December 15, 1984	8.86%	1986-04	20,000	
	Capital Facilities—Equipment	June 15, 1976	6.28%	1976-85	4,000
		April 1, 1984	9.06%	1985-03	50,000
		June 15, 1984	9.83%	1985-03	70,000
December 1, 1976		5.82%	1977-86	4,000	
August 1, 1977		5.32%	1978-87	5,000	
June 15, 1978		6.06%	1978-87	4,000	
March 1, 1980		9.16%	1980-89	3,000	

PUBLIC DEBT

Purpose of Bonds	Date of Issue	Net Interest Rate	First and Last Year of Maturity	Original Amount in Thousands
	October 15, 1980	8.56%	1981-90	\$ 2,000
	November 15, 1981	10.16%	1982-91	3,000
	April 1, 1983	8.26%	1983-92	2,000
	April 1, 1984	9.06%	1983-03	10,000
	December 15, 1984	8.86%	1985-94	10,000
Capital Facilities—Highways	February 15, 1969	4.79%	1971-98	75,000
	August 15, 1969	5.84%	1972-99	100,000
	January 1, 1970	6.78%	1972-99	75,000
	June 1, 1970	6.44%	1972-99	100,000
	September 1, 1970	6.03%	1973-00	75,000
	January 1, 1971	5.57%	1973-00	75,000
	March 1, 1971	5.17%	1973-00	50,000
	April 15, 1971	5.11%	1973-00	50,000
	June 15, 1971	5.75%	1973-00	100,000
	January 1, 1972	5.31%	1974-01	50,000
	March 1, 1972	5.03%	1974-01	50,000
	June 1, 1972	4.99%	1974-01	50,000
	July 1, 1972	5.32%	1975-02	50,000
	December 1, 1972	4.82%	1975-02	80,000
	April 15, 1973	5.28%	1975-02	70,000
	August 1, 1973	5.49%	1976-03	85,000
	April 1, 1974	5.36%	1976-03	93,000
	June 15, 1974	6.39%	1976-03	157,000
	May 15, 1975	6.44%	1976-94	50,000
	August 15, 1975	6.78%	1977-95	180,000
	November 15, 1975	6.72%	1977-95	80,000
	January 15, 1976	6.24%	1977-95	70,000
	April 1, 1976	6.32%	1977-95	50,000
	June 15, 1976	6.28%	1977-95	65,000
	September 1, 1976	5.95%	1978-96	70,000
	December 1, 1976	5.82%	1978-96	107,000
	August 1, 1977	5.32%	1979-97	45,000
	February 1, 1978	5.60%	1979-97	35,000
Capital Facilities—Community Colleges ...	January 1, 1979	6.75%	1980-98	10,000
	May 1, 1969	5.62%	1971-98	6,000
	October 15, 1970	6.08%	1973-00	10,000
	August 1, 1971	5.79%	1974-01	10,000
	September 15, 1973	5.49%	1976-03	2,000
Capital Facilities—Transportation Assistance	May 1, 1969	5.62%	1970-98	10,800
	August 1, 1973	5.49%	1974-03	15,000
	May 15, 1975	6.44%	1975-94	15,000
	April 1, 1976	6.32%	1976-95	10,000
	September 1, 1976	5.95%	1977-96	10,000
	August 1, 1977	5.32%	1978-96	10,000
	February 1, 1978	5.60%	1978-97	10,000
	January 1, 1979	6.75%	1979-98	10,000
	March 1, 1980	9.16%	1980-99	15,000
	October 15, 1980	8.56%	1981-00	25,000
	May 15, 1981	10.56%	1981-00	40,000
	November 15, 1981	10.16%	1982-01	25,000
	July 1, 1982	10.75%	1983-02	25,000
	April 1, 1983	8.26%	1983-02	30,000
	June 1, 1983	8.61%	1983-02	40,000
	April 1, 1984	9.06%	1984-03	25,000
	June 15, 1984	9.83%	1984-03	30,000
	December 15, 1984	8.86%	1985-04	30,000
Disaster Relief	February 1, 1973	4.91%	1975-02	25,000
	September 15, 1973	5.48%	1976-03	75,000
	June 15, 1978	6.06%	1979-97	15,000
	January 1, 1979	6.75%	1980-98	20,000
	October 15, 1980	8.56%	1982-00	30,000
State Public School Building Authority	April 1, 1968	5.06%	1970-97	8,150
Nursing Home Loan Agency	May 15, 1975	6.44%	1976-94	25,000
	April 15, 1977	5.30%	1978-96	15,000
	January 1, 1979	6.75%	1980-98	13,000
	April 1, 1983	8.26%	1984-02	10,000
Volunteer Companies' Loan	December 15, 1984	8.86%	1986-04	3,000
	April 15, 1977	5.32%	1978-96	10,000
	July 1, 1982	10.75%	1984-02	7,000
	April 1, 1983	8.26%	1984-02	8,000
Water Facilities Loan	April 1, 1983	8.26%	1984-02	10,000
	April 1, 1984	9.06%	1985-03	25,000
	June 15, 1984	9.83%	1985-03	30,000
	December 15, 1984	8.86%	1986-04	10,000
Economic Revitalization	December 15, 1984	8.86%	1985-04	10,000

**ANNUAL DEBT SERVICE ON OUTSTANDING
GENERAL OBLIGATION BONDS AND AUTHORITY RENTALS**

Bonds Dated as of December 31, 1984

(Dollar Amounts in Thousands)

Fiscal Year	<u>Authority Rentals</u>					
	General State Authority ^(a)	State Highway and Bridge Authority	Capital Improvements	Public School Building Authority	Transportation	Land and Water
1984-85	\$49,499	\$30,229	\$196,970	\$285	\$165,346	\$38,372
1985-86	47,373	30,110	204,473	315	165,031	39,322
1986-87	46,149	28,608	199,409	330	164,911	39,037
1987-88	44,307	26,895	191,892	345	164,997	38,778
1988-89	40,248	25,056	189,494	360	165,050	38,527
1989-90	36,716	18,869	185,796	315	165,066	38,277
1990-91	30,926	12,823	180,231	350	165,074	37,990
1991-92	24,823	7,183	174,219	..	164,976	37,715
1992-93	19,937	..	169,893	..	164,850	37,431
1993-94	13,985	..	165,291	10	164,784	37,152
1994-95	5,020	..	158,544	40	164,956	36,874
1995-96	4,360	..	146,594	..	136,009	36,640
1996-97	4,546	..	125,520	..	103,992	30,493
1997-98	..	..	115,883	..	99,942	27,603
1998-99	..	..	101,919	..	97,184	22,758
1999-00	..	..	88,568	..	84,609	20,658
2000-01	..	..	70,187	..	66,564	18,484
2001-02	..	..	51,305	..	46,501	12,772
2002-03	..	..	32,349	..	27,775	8,834
2003-04	..	..	17,930	..	17,469	4,934

^aAs payable by the Commonwealth. Rentals are due in the fiscal year prior to the due date of the authorities bonds.

Fiscal Year	Disaster Relief	Project 70	Vietnam Veterans' Compensation	Volunteer Companies Loan Fund	Nursing Home Loan Agency	Water Facilities Loan	Economic Revitalization	Total
1984-85	\$13,762	\$4,419	\$4,594	\$3,114	\$6,111	\$5,192	\$1,442	\$519,336
1985-86	13,627	4,308	4,584	2,856	6,355	8,133	1,856	528,341
1986-87	13,499	2,421	4,575	2,787	6,302	7,913	1,766	517,706
1987-88	13,366	761	4,565	2,720	6,252	7,683	1,676	504,238
1988-89	13,233	763	4,560	2,650	6,195	7,444	1,586	495,166
1989-90	13,102	764	4,562	2,578	6,144	7,199	1,226	480,614
1990-91	12,960	763	4,559	2,509	6,087	6,949	1,157	462,377
1991-92	12,827	770	4,560	2,436	6,036	6,693	1,089	443,327
1992-93	12,688	770	4,559	2,366	5,994	6,431	674	425,594
1993-94	12,537	769	4,562	2,292	5,950	6,162	631	414,125
1994-95	12,395	775	4,567	2,220	5,906	5,886	197	397,379
1995-96	12,246	779	4,575	2,143	3,596	5,603	187	352,731
1996-97	12,085	780	4,574	2,063	3,538	5,315	176	293,081
1997-98	11,930	778	4,572	1,114	2,174	5,022	166	269,183
1998-99	10,471	783	2,592	1,032	2,109	4,726	155	243,729
1999-00	8,514	785	2,602	950	870	4,429	80	212,064
2000-01	6,833	.....	478	868	809	4,131	75	168,428
2001-02	6,869	.....	482	789	747	3,833	70	123,369
2002-03	6,904	.....	487	440	735	3,583	65	81,170
2003-04	.....	.....	491	.....	131	2,811	65	43,830

**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 the State Constitution because they meet at least one of the following conditions: 1) the obligations are to be repaid from charges for the use of the capital project financed, as determined by the Auditor General, 2) the obligations are to be repaid from lease rentals and other charges payable by a school district or other local taxing authority or 3) the obligations are to be repaid by agencies or authorities created for the joint benefit of the Commonwealth and one or more other state governments.

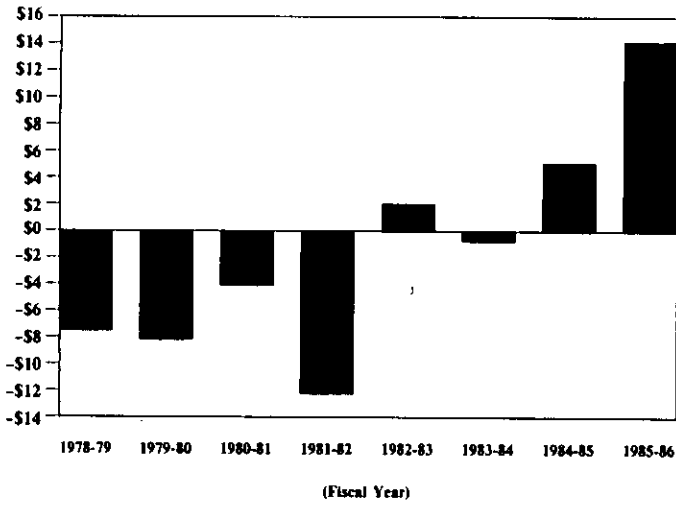
	As of December 31, 1984 (in thousands)	
	Notes	Bonds
Higher Education Facilities Authority		
Acquires, constructs, improves and leases (as lessor) college facilities for colleges and universities within the Commonwealth. Debt service on the bonds is paid from rentals collected for the use of the facilities.	\$ 141,758	\$ 350,445
State Public School Building Authority		
Constructs, improves and equips public buildings for local school districts. Debt service on the bonds is paid from rentals collected for the use of the facilities. . . . .	. . . .	332,935
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. . . . .	. . . .	70,740
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 . . .	. . . .	149,275
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 the "moral obligation" of the Commonwealth. Debt service on the notes is paid by the sale of the mortgage to a Federal agency.	36,770	1,258,490

**OUTSTANDING INDEBTEDNESS OF
PENNSYLVANIA AGENCIES AND AUTHORITIES
(continued)**

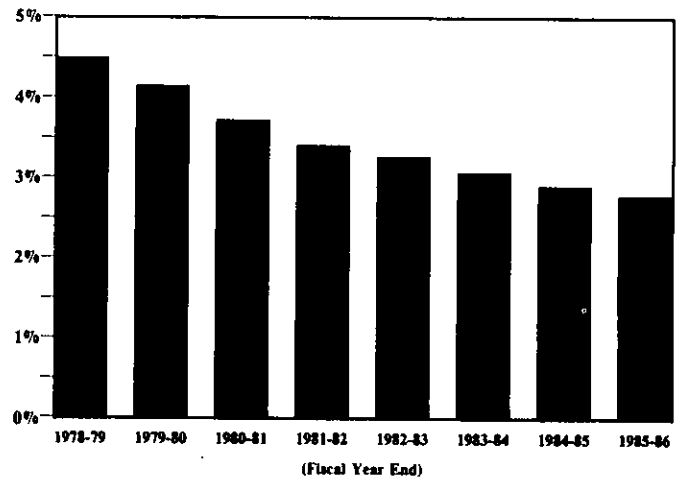
	As of December 31, 1984 (in thousands)	
	Notes	Bonds
Pennsylvania Higher Education Assistance Agency		
Makes or guarantees student loans for graduate or undergraduate programs to students or parents, or to lending institutions or postsecondary institutions. Debt service on the bonds is paid by loan interest and repayments and other agency revenues.	\$ 284,944
Pennsylvania Energy Development Authority		
Makes or guarantees loans for energy projects including the conversion and technological improvement of energy systems utilizing Pennsylvania coal or renewable energy resources. Debt service on the bonds is paid by the revenues of the Authority
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 or tunnels, projects for port improvement and development and has constructed and operates a rapid transit system. Debt service on the bonds is paid from tolls, fares, rents and other revenue of the Authority.....	290,460
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.	4,120
TOTAL	<u>\$ 178,528</u>	<u>\$2,841,409</u>

TRENDS IN DEBT SERVICE AND DEBT RATIOS
1978-79 Through 1985-86

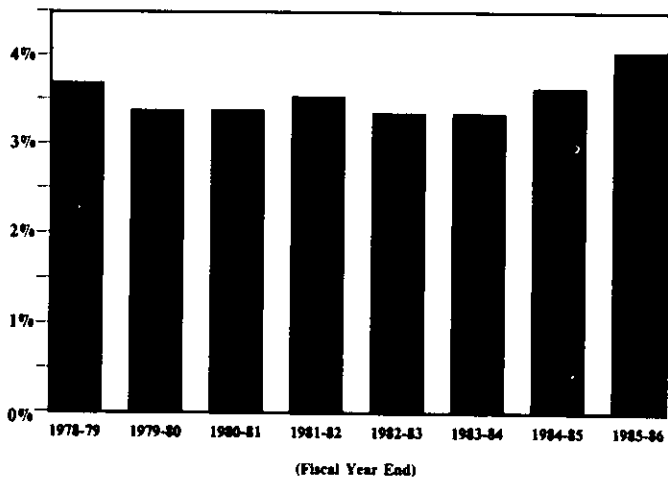
Change In Per Capita Debt



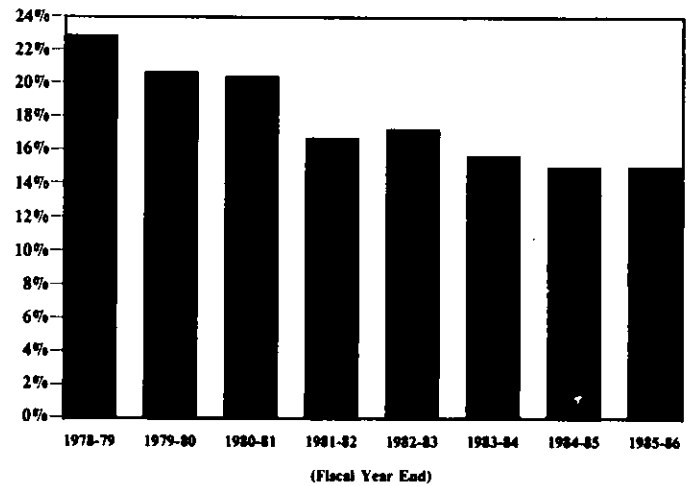
Debt As A Percent Of Personal Income



General Fund Debt Service
As a Percent of General Fund Revenues

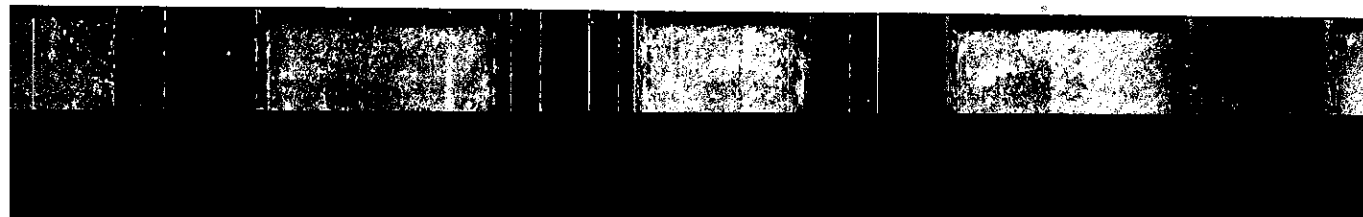


Highway Debt Service
As a Percent of Motor License Revenues





Other Special Funds



FIRST GRADUATE SCHOOL FOR WOMEN

Bryn Mawr College, established in 1880, became the first graduate school for women when classes began in 1885. Pennsylvania was an early leader in development of higher educational opportunities for women. In addition to development of a normal school system by the mid 1800's for the training of teachers, Pennsylvania established the first college for training female physicians in 1850, and in 1865 established the nation's first school for training of nurses.

OTHER SPECIAL FUNDS APPENDIX

This section provides descriptive and financial data for Commonwealth funds which traditionally have been excluded from the Governor's Budget. This information is presented to demonstrate the magnitude and complexity of the Commonwealth's financial structure as well as give some details of the various funds.

OTHER SPECIAL FUNDS

This appendix contains a brief presentation of all active Commonwealth funds not given an expanded treatment in the other sections of the budget. Previously, the funds shown in this section were given occasional analytical review and information concerning these funds was presented on a selected basis to the extent that they had impact on annual budget considerations.

In a limited number of cases expenditures from funds presented in this section are included in other presentations.

Generally, the Commonwealth uses a modified accrual accounting system wherein receipts are credited on a cash basis and expenditures are reflected when disbursed or committed. All financial data shown herein is on a strictly cash basis, which means that the beginning and ending balances are cash plus investments. Receipts include only those items actually received and credited to the funds by the Department of Revenue. Disbursements represent checks drawn by the Treasury Department and do not include commitments, encumbrances or vouchers payable.

Several funds carrying long-term investments show an adjustment to reflect the current market value of those investments as of June 30, 1984.

This format for displaying financial data was chosen for its simplicity and easy adaptability to all funds. As such, the data may not present the best statement of the funds' condition nor accurately describe the operating characteristics of the funds.

One recurring detail on the financial statements requires further explanation. In those funds with complement, the State share of retirement is taken from general revenue of the fund and paid into a restricted account within the fund from which payments are made to the State Employees' Retirement Fund by the Governor's Office. Receipts and disbursements shown as a result of such transactions may not be equal within any given fiscal year.

A more comprehensive explanation of these funds is available in "Report on the Funds of the Commonwealth of Pennsylvania" prepared by the Legislative Budget and Finance Committee. Additional details are also available from the Office of the Budget.

The vast majority of Commonwealth day-to-day activities are financed from the General Fund; however, over time a large number of other funds have been created to more closely relate specific revenue sources to specific programs or to identify particular government programs or activities. These special funds are categorized into six groups to aid in identifying their purpose. These groups are defined below.

Special Revenue Funds — These funds are used to account for certain taxes and other revenue earmarked by law to be utilized for a particular purpose.

Working Capital Funds — This group includes those funds established to provide capital for some enterprise or operation. Initial fund capital is ordinarily derived as an advance from the General Fund.

Bond Funds — Bond Funds are used to account for the receipt and disbursement of bond sale proceeds.

Sinking Funds — Sinking Funds accrue moneys for the payment of interest and principal on long-term debt.

Trust and Agency Funds — These funds are used to account for assets held by the Commonwealth as trustee or agent for individuals, private organizations and other governmental units.

Enterprise and Other Funds — This group accommodates the operation of public service programs financed wholly or mostly by user charges.

ADMINISTRATION FUND

This fund was created for the administrative costs associated with the Unemployment Compensation Law and the State system of public employment offices (Office of Employment Security). While the fund can receive funds from any source, the majority of revenue results from moneys requisitioned from the Commonwealth's account in the Federal Unemployment Trust Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 10,217	\$ 10,725
Receipts:		
Federal Unemployment Trust Fund	\$ 137,306	\$ 131,948
Federal CETA Funds	691	. . . .
Other	26,882	24,151
Total Receipts	164,879	156,099
Total Funds Available	\$ 175,096	\$ 166,824
Disbursements:		
Executive Offices	\$ 14,792	\$ 15,260
Labor and Industry	149,579	142,100
Total Disbursements	-164,371	-157,360
Cash Balance, Ending	\$ 10,725	\$ 9,464

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 (Pennsylvania State University). The income derived from the investment of the money in the fund plus appropriations which may be made from time to time by the General Assembly serve as revenue to the fund. Moneys 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. The net investment adjustment shown below is to reflect the carrying value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 639	\$ 668
Receipts:		
Interest on Securities	\$ 49	\$ 79
Total Receipts	<u>49</u>	<u>79</u>
Total Funds Available	\$ 688	\$ 747
Disbursements:		
Treasury	\$ 20	\$ 20
Total Disbursements	<u>-20</u>	<u>-20</u>
Cash Balance, Ending	<u>\$ 668</u>	<u>\$ 727</u>

CAPITAL DEBT FUND

Annual appropriations by the General Assembly for payment of interest and principal due on general obligation bonds are credited to this fund. Money in the fund is used solely for the payment of interest and principal due on general obligation bonds. If more money is available than is needed to pay the interest and principal falling due in any one particular fiscal year, such additional money 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 33	\$ 40,561
Receipts:		
Transfer from Other Funds	\$ 329,312	\$ 351,531
Rentals — Pier 124	2,754	2,762
Rentals — State - Aided and State-Related Institutions	6,161	6,000
Interest Subsidy — Higher Education Construction Projects	158	158
Sale of Refunding Bonds	40,000	. . . .
Accrued Interest on Bonds Sold	541	500
Interest on Securities	503	805
Total Receipts	379,429	\$ 361,756
Total Funds Available	\$ 379,462	\$ 402,317
Disbursements:		
Treasury	\$ 338,901	\$ 402,317
Total Disbursements	-338,901	-402,317
Cash Balance, Ending	\$ 40,561	. . . .

CAPITAL FACILITIES FUND

Revenue for this fund derives principally from the sale of general obligation bonds. Such bond debt may not exceed one and three quarter times the average of the annual tax revenues deposited in the preceding five years. This fund has at least one account for each category of capital projects, and interest earned on investment or deposit of moneys in the fund is credited to the account in the fund to which such invested or deposited money was originally credited. Moneys in this fund are used to meet the financial costs of capital projects as authorized by Capital Budget Acts.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
	<u> </u>	<u> </u>
Cash Balance, Beginning	\$ 92,768	\$ 124,927
Receipts:		
Sale of Bonds	\$ 141,396	\$ 192,000
Interest on Securities	4,060	5,000
Sale of Notes	40,000	. . . .
Other	1,138	1,000
Total Receipts	<u>186,594</u>	<u>208,000</u>
Total Funds Available	\$ 279,362	\$ 332,927
Disbursements:		
General Services	\$ 92,372	\$ 128,399
Community Affairs .....	. . . .	30,000
Transportation	61,867	58,900
Treasury	196	193
Total Disbursements	<u>-154,435</u>	<u>-217,492</u>
Cash Balance, Ending	<u>\$ 124,927</u>	<u>\$ 105,435</u>

CAPITOL RESTORATION TRUST FUND

This fund was created in 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning .....	.....	\$ 52
Receipts:		
Contributions and Sales	\$ 52	.....
Other .....	.....	\$ 2
Total Receipts	\$ 52	2
Total Funds Available	\$ 52	\$ 54
Disbursements:		
Capitol Preservation Committee .....	.....	.....
Total Disbursements .....	.....	.....
Cash Balance, Ending	\$ 52	\$ 54

CATASTROPHIC LOSS TRUST FUND

The purpose of this fund is to pay medical and rehabilitative expenses in excess of \$100,000 to residents of Pennsylvania injured in a motor vehicle accident as provided by The Motor Vehicle Financial Responsibility Law. The fund is administered by a nine-person administrative board in the Insurance Department. The fund is financed by an annual fee levied on specific classes of motor vehicles registered in Pennsylvania. The effective date of the law is October 1, 1984, therefore, there are no expenses or revenue for fiscal year 1983-84 but an estimated nine months of expenditures for fiscal year 1984-85.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning
Receipts:		
Vehicle Fee	\$ 35,000
Interest	1,750
Total Receipts	36,750
Total Funds Available	\$ 36,750
Disbursements:		
Insurance	\$ 10,150
Total Disbursements	-10,150
Cash Balance, Ending	\$ 26,600

COAL AND CLAY MINE SUBSIDENCE INSURANCE FUND

This fund was created in 1961 to provide insurance to home owners in mining areas against damages resulting from subsidence. Revenue is derived from premiums paid by policy-holders for subsidence insurance.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 4,225	\$ 5,193
Receipts:		
Premiums Collected	\$ 1,186	\$ 1,150
Interest	438	450
Other	39	. . . .
Total Receipts	<u>1,663</u>	<u>1,600</u>
Total Funds Available	\$ 5,888	\$ 6,793
Disbursements:		
Executive Offices	\$ 35	\$ 38
Environmental Resources	660	819
Total Disbursements	<u>-695</u>	<u>-857</u>
Cash Balance, Ending	<u>\$ 5,193</u>	<u>\$ 5,936</u>

COAL LANDS IMPROVEMENT FUND

This fund was created in 1965 to finance the restoration of land acquired by the Commonwealth through eminent domain or amicable methods which has been defaced by open pit or strip mining and has been declared a health hazard. Initially the fund was provided a \$1 million appropriation but subsequent revenue is derived from the sale of restored land and interest on investments.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 117	\$ 128
Receipts:		
Interest	\$ 11	\$ 9
Total Receipts	11	9
Total Funds Available	\$ 128	\$ 137
Disbursements:		
Environmental Resources .....	.....	.....
Total Disbursements .....	.....	.....
Cash Balance, Ending	\$ 128	\$ 137

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 income and interest from the \$20,000 perpetual endowment created by the estate of Colonel Conrad Weiser. The net investment adjustment shown below is to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 33	\$ 30
Receipts:		
Interest on Securities		\$ 1
Redemption of Securities		
Total Receipts		<u>1</u>
Total Funds Available	<u>\$ 33</u>	<u>\$ 31</u>
Disbursements:		
Historical and Museum Commission	<u>\$ 3</u>	<u>\$ 8</u>
Total Disbursements	-3	-8
Cash Balance, Ending	<u><u>\$ 30</u></u>	<u><u>\$ 23</u></u>

DISASTER RELIEF FUND

Act 4 of the 1972 Second Special Legislative Session provided authority for implementation of a \$140 million bond issue for redevelopment of flooded areas within the Commonwealth destroyed by the great storms and flood of September, 1971 and June, 1972. This was amended in October, 1978 to include the flood of July, 1977 and to increase the bond authority by \$50 million to \$190 million. The proceeds from these bonds are paid into the Disaster Relief Fund which is administered by the Department of Community Affairs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 7,866	\$ 4,473
Receipts:		
Bond Proceeds .....	.....	\$ 5,000
Interest Earned	\$ 623	.....
Total Receipts	623	5,000
Total Funds Available	\$ 8,489	\$ 9,473
Disbursements:		
Community Affairs	\$ 4,016	\$ 8,500
Total Disbursements	-4,016	-8,500
Cash Balance, Ending	\$ 4,473	\$ 973

DISASTER RELIEF REDEMPTION FUND

This fund is used for the payment of interest and principal due on bonds which were issued to create revenue for the Disaster Relief Fund. Money in the fund in excess of that needed to pay the interest and principal due in any one fiscal period may be used for the purchase and retirement of all or any part of such bonds issued which are still outstanding. The receipts of this fund include repayment of any moneys provided from the Disaster Relief Fund and annual General Fund appropriations of the amount necessary to insure sufficient money is available to pay interest and principal due on Disaster Relief bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 9	\$ 9
Receipts:		
Transfer from General Fund	\$ 13,912	\$ 13,753
Interest on Securities .....	.....	.....
Total Receipts	<u>13,912</u>	<u>13,753</u>
Total Funds Available	<u>\$ 13,921</u>	<u>\$ 13,762</u>
Disbursements:		
Treasury	\$ 13,912	\$ 13,762
Total Disbursements	<u>-13,912</u>	<u>-13,762</u>
Cash Balance, Ending	<u>\$ 9</u>	<u>.....</u>

EMPLOYMENT FUND FOR THE BLIND

This fund, administered by the Department of Public Welfare, was created June 13, 1967, to make loans to blind persons to purchase equipment, stock, merchandise and accessories necessary to put into operation a vending or refreshment stand or other suitable business enterprises in some suitable location to be leased or arranged for by the Department of Public Welfare.

Monies credited to this fund include: (1) repayment of money advanced to blind persons for the purchase of merchandise, equipment, stock and accessories; (2) rental fees paid by blind persons for leasing equipment and accessories purchased, owned, installed and maintained by the Department of Public Welfare; (3) percentage of the profits from vending machines in State buildings wherein a restaurant or cafeteria is operated by the Department of General Services and (4) any grants or contributions from the Federal government.

At no time is the fund to exceed the sum of \$150,000.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 160	\$ 494
Receipts:		
Federal Reimbursement — Business Enterprise Program	\$ 462	\$ 200
Vending Stand Equipment Rentals	292	300
Vending Machine Receipts	87	150
Other	39	50
	880	700
Total Receipts	880	700
Total Funds Available	\$ 1,040	\$ 1,194
Disbursements:		
Public Welfare	\$ 546	\$ 1,100
	546	1,100
Total Disbursements	-546	-1,100
Cash Balance, Ending	\$ 494	\$ 94

ENERGY DEVELOPMENT FUND

The Energy Development Fund was created by Act 280 of 1982. The fund provides the vehicle to accomplish the purposes of the Pennsylvania Energy Development Authority including the sale of bonds. Activities of the fund include preparation of the energy development plan, payment of initial administrative costs, the making of grants and loans for limited research which will 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning .....	.....	\$ 1,893
Receipts:		
Transfer from General Fund	\$ 500	\$ 1,500
Oil Overcharge Funds Transfer	1,400	.....
Interest	1	350
Total Receipts	\$ 1,901	1,850
Total Funds Available	\$ 1,901	\$ 3,743
Disbursements:		
Commerce	\$ 8	\$ 2,650
Total Disbursements	-8	-2,650
Cash Balance, Ending	\$ 1,893	\$ 1,093

FIRE INSURANCE TAX FUND

The revenue for the Fire Insurance Tax Fund results from the two percent tax paid upon premiums received from foreign (out-of-state) fire insurance companies on business done within the Commonwealth. All money in the fund, except interest, is paid to incorporated local governments in Pennsylvania based on the amount of foreign fire insurance sold in that city, town, township or borough. 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. Interest earned on money in this fund is transferred to the State Insurance Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 22,032	\$ 21,975
Receipts:		
Foreign Fire Insurance Premiums Tax Payable to Municipalities	\$ 21,853	\$ 22,200
Interest	1	1
Total Receipts	21,854	22,201
Total Funds Available	\$ 43,886	\$ 44,176
Disbursements:		
Revenue	\$ 21,911	\$ 22,000
Total Disbursements	-21,911	-22,000
Cash Balance, Ending	\$ 21,975	\$ 22,176

HIGHER EDUCATION ASSISTANCE FUND

Moneys in this fund are currently used for the following purposes: (1) maintenance of a monetary reserve to be used for all expenses associated with loans guaranteed by the Pennsylvania Higher Education Assistance Agency (PHEAA); (2) provision of scholarships; (3) provision of grants to nonsectarian private postsecondary educational institutions; (4) provision of grants to institutions of higher learning for the purpose of helping the institution secure Federal funds to provide direct financial aid to students; and (5) payment of PHEAA administrative costs. Revenue to this fund is derived from appropriations by the General Assembly of General Fund money, gifts, Federal funds and interest earnings and servicing fees. The net investment adjustment item is shown below to reflect the current market value of long term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 90,137	\$ 125,884
Receipts:		
Transfer from General Fund	\$ 98,533	\$ 112,467
Interest Earning	13,507	14,182
Federal Revenue	76,937	82,027
Other	51,065	53,618
Total Receipts	240,042	262,294
Total Funds Available	\$ 330,179	\$ 388,178
Disbursements:		
Executive Offices	\$ 1,088	\$ 1,344
Pennsylvania Higher Education Assistance Agency ..	199,986	231,983
Net Investment Adjustment	3,221	. . . .
Total Disbursements	-204,295	-233,327
Cash Balance, Ending	\$ 125,884	\$ 154,851

HIGHWAY BEAUTIFICATION FUND

The Highway Beautification Fund was created by Act 5, 1966, Third Special Session. Activities include control of outdoor advertising, control of junkyards and landscaping and scenic development. Although General Fund monies were initially appropriated to establish the fund, highway beautification activities are now supported fully by Federal aid, licenses and fees, fines, penalties and interest.

Each year the Governor issues executive authorizations which establish the amount to be spent by the Department of Transportation in each of the three highway beautification activities.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 644	\$ 691
Receipts:		
Licenses and Fees	\$ 306	\$ 320
Federal Highway Beautification Funds	15	835
Other	60	74
Total Receipts	381	1,229
Total Funds Available	\$ 1,025	\$ 1,920
Disbursements:		
Transportation	\$ 334	\$ 954
Treasury .....	.....	1
Total Disbursements	-334	-955
Cash Balance, Ending	\$ 691	\$ 965

HISTORICAL PRESERVATION FUND

This fund was created for expenditure by the Historical and Museum Commission for the preservation, care and maintenance of State historical properties, museums and records and for the financing of historical research and publication programs. Money in the fund can also be used to purchase publications and souvenirs of a historical nature for sale at Commission administered properties. This fund is made up of moneys arising from the sale of publications of the Pennsylvania Historical and Museum Commission and all moneys received from admission fees or other sales by the Commission at the State historical properties and/or museums. Most of the revenue results from admission fees and sale of publications and souvenirs.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 782	\$ 797
Receipts:		
Admission Fees	\$ 459	\$ 465
Other	292	220
Total Receipts	751	685
Total Funds Available	\$ 1,533	\$ 1,482
Disbursements:		
Historical and Museum Commission	\$ 736	\$ 1,049
Total Disbursements	-736	-1,049
Cash Balance, Ending	\$ 797	\$ 433

INDUSTRIAL DEVELOPMENT FUND

To this fund are credited General Fund appropriations made by the General Assembly to the Pennsylvania Industrial Development Authority (PIDA). The moneys are used to make loans to local industrial development agencies to stimulate economic activity in areas of high unemployment. Repayments of loans, while not credited to this fund, are used by PIDA to make additional loans.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 7,135	\$ 300
Receipts:		
Transfer from General Fund	\$ 15,000	\$ 15,000
Interest on Securities	575	500
Total Receipts	<u>15,575</u>	<u>15,500</u>
Total Funds Available	\$ 22,710	\$ 15,800
Disbursements:		
Commerce	\$ 22,410	\$ 15,000
Total Disbursements	<u>-22,410</u>	<u>-15,000</u>
Cash Balance, Ending	<u>\$ 300</u>	<u>\$ 800</u>

LAND AND WATER DEVELOPMENT FUND

This fund was created in 1968 to finance projects to eliminate land and water scars, air pollution and subsidence due to past coal mining operations, to aid political subdivisions in constructing or improving sewage treatment plants, to develop public outdoor recreation lands and to aid local governments in acquiring land for recreation purposes. In addition, administrative expenses incurred in support of any of these activities may be paid with monies in this fund. Revenue is derived from the sale of Land and Water Development Bonds as approved by the electorate on May 16, 1967. The bond proceeds are not to exceed \$500 million.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 6,559	\$ 6,923
Receipts:		
Sale of Bonds	\$ 9,811	\$ 9,802
Federal Augmentations	973	83
Other	490	. . . .
Total Receipts	11,274	9,885
Total Funds Available	\$ 17,833	\$ 16,808
Disbursements:		
Executive Offices	\$ 469	. . . .
Fish Commission	110	. . . .
Game Commission	225	. . . .
Community Affairs	939	\$ 600
Historical and Museum Commission	239	. . . .
Environmental Resources	8,928	6,755
Total Disbursements	-10,910	-7,355
Cash Balance, Ending	\$ 6,923	\$ 9,453

LAND AND WATER DEVELOPMENT SINKING FUND

Moneys in this fund result from annual appropriations by the General Assembly and from interest and dividends on invested balances in this fund and in the Land and Water Development Fund. These moneys are used solely for payment of interest and principal due on outstanding Land and Water Development Bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 42	\$ 63
Receipts:		
Transfer from General Fund	\$ 36,537	\$ 37,966
Interest on Securities	396	291
Accrued Interest on Bonds Sold	25	52
Total Receipts	<u>36,958</u>	<u>38,309</u>
Total Funds Available	<u>\$ 37,000</u>	<u>\$ 38,372</u>
Disbursements:		
Treasury	\$ 36,937	\$ 38,372
Total Disbursements	<u>-36,937</u>	<u>-38,372</u>
Cash Balance, Ending	<u>\$ 63</u>	<u>63</u>

LIQUID FUELS TAX FUND

The Liquid Fuels Tax Fund was created in 1931 by an act of the General Assembly to assist in funding the local roads system. One-half cent per gallon of the tax on gasoline and diesel fuel is deposited into the fund for semi-annual distribution to county governments and payment of registration fees for vehicles operated by mass transportation systems. After payment of fees, remaining funds are allocated to the counties on a road mileage-population 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 819	\$ 443
Receipts:		
Tax on Gasoline	\$ 20,528	\$ 21,552
Tax on Diesel Fuel	3,738	4,081
Total Receipts	24,266	25,633
Total Funds Available	\$ 25,085	\$ 26,076
Disbursements:		
Revenue	\$ 24,642	\$ 25,201
Total Disbursements	-24,642	-25,201
Cash Balance, Ending	\$ 443	\$ 875

LIQUOR LICENSE FUND

This fund serves as a pass-through account for fees for hotel, restaurant and club liquor and/or beer licenses. These fees are returned semi-annually to the municipalities in which the licensees are located. Interest earned on fund deposits is credited to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 2,515	\$ 2,451
Receipts:		
Liquor License Fees	\$ 5,309	\$ 5,314
Beer License Fees	127	127
Other	1	.....
Total Receipts	5,437	5,441
Total Funds Available	\$ 7,952	\$ 7,892
Disbursements:		
Liquor Control Board	\$ 5,501	\$ 5,501
Total Disbursements	-5,501	-5,501
Cash Balance, Ending	\$ 2,451	\$ 2,391

MANUFACTURING FUND

This fund, created in 1915, codified the laws dealing with prison inmate labor. Receipts come from the sale of inmate produced goods to government agencies or government assisted nonprofit organizations.

Expenditures are made for the purchase of raw materials, machinery, inmate wages, non-inmate labor and other costs involved in the sale and manufacture of goods.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 191	\$ 498
Receipts:		
Sale of Manufactured Products	\$ 13,487	\$ 14,600
Other	613	700
Total Receipts	14,100	15,300
Total Funds Available	\$ 14,291	\$ 15,798
Disbursements:		
Executive Offices	\$ 510	\$ 600
Corrections	13,283	14,498
Total Disbursements	-13,793	-15,098
Cash Balance, Ending	\$ 498	\$ 700

MEDICAL PROFESSIONAL LIABILITY CATASTROPHE LOSS FUND

This fund was created in 1975 to make available professional liability insurance at a reasonable cost to health care providers and to establish a system through which injured parties can obtain a prompt determination and adjudication of their claims. Revenue is derived by levying an annual surcharge on health care providers.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 34,788	\$ 35,527
Receipts:		
Surcharges	\$ 53,440	\$ 81,794
Interest	2,854	3,542
Other	75	.....
Total Receipts	56,369	85,336
Total Funds Available	\$ 91,157	\$ 120,863
Disbursements:		
Executive Offices	\$ 55,630	\$ 69,503
Total Disbursements	-55,630	-69,503
Cash Balance, Ending	\$ 35,527	\$ 51,360

MINORITY BUSINESS DEVELOPMENT FUND

This fund was created in 1974 to accommodate the operations of the Pennsylvania Minority Business Development Authority. Receipts come from loan repayments, transfer of General Fund appropriations and interest. The Authority also has the power to issue bonds or other obligations which would provide another source of income. To date this has not been done.

Expenditures are made for loans to minority business enterprises and for operating expenses of the Authority.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 3,539	\$ 2,921
Receipts:		
Transfer from General Fund	\$ 2,000	\$ 2,000
Loan Principal Repayments	462	615
Loan Interest	349	369
Other	368	492
Total Receipts	3,179	3,476
Total Funds Available	\$ 6,718	\$ 6,397
Disbursements:		
Commerce	\$ 3,797	\$ 4,094
Total Disbursements	-3,797	-4,094
Cash Balance, Ending	\$ 2,921	\$ 2,303

NURSING HOME LOAN DEVELOPMENT FUND

This fund serves as a depository for proceeds from the sale of General Obligation Bonds approved by referendum May 21, 1974. Net proceeds are transferred to the Nursing Home Loan Fund as needed. Interest earnings in this fund and bond proceeds not required for nursing home loans are paid into the Nursing Home Loan Sinking Fund for debt retirement.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 12,068	\$ 10,206
Receipts:		
Bond Proceeds .....	.....	.....
Total Receipts .....	.....	.....
Total Funds Available	\$ 12,068	\$ 10,206
Disbursements:		
Treasury	\$ 1,862	\$ 4,287
Total Disbursements	-1,862	-4,287
Cash Balance, Ending	<u>\$ 10,206</u>	<u>\$ 5,919</u>

NURSING HOME LOAN FUND

Loans to nursing homes for repairs, reconstruction and rehabilitation to meet safety code standards are made from this fund. Loans are made from bond proceeds transferred from the Nursing Home Loan Development Fund. Repayments of loans are transferred from this fund to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning .....	.....	.....
Receipts:		
Transfer from Nursing Home Loan Development Fund	\$ 1,862	\$ 4,287
Loan Principal and Interest payments .....	.....	.....
Total Receipts	\$ 1,862	\$ 4,287
Total Funds Available	\$ 1,862	\$ 4,287
Disbursements:		
Commerce	\$ 1,862	\$ 4,287
Total Disbursements	-1,862	-4,287
Cash Balance, Ending .....	.....	.....

NURSING HOME LOAN SINKING FUND

Moneys in this fund are used solely for the redemption of Nursing Home Bonds at maturity and all interest payable on such bonds. The moneys used for this purpose are derived from earnings received from investment or deposit of balances in this fund and in the Nursing Home Loan Development Fund which are credited to this fund. An annual appropriation by the General Assembly necessary for payment of the interest and principal falling due for nursing home loan bonds is also credited to this fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 34	\$ 141
Receipts:		
Transfer from General Fund	\$ 4,691	\$ 4,030
Interest on Securities	907	1,000
Accrued Interest on Bonds Sold .....	.....	15
Total Receipts	<u>5,598</u>	<u>5,045</u>
Total Funds Available	<u>\$ 5,632</u>	<u>\$ 5,186</u>
Disbursements:		
Treasury	\$ 5,491	\$ 5,186
Total Disbursements	<u>-5,491</u>	<u>-5,186</u>
Cash Balance, Ending	<u>\$ 141</u>	<u>.....</u>

NUTRITION EDUCATION AND TRAINING FUND

As a result of successful antitrust litigation against the National Broiler Marketing Association, et. al, the Attorney General of the Commonwealth of Pennsylvania, the State Treasurer and the Secretary of Education entered into an agreement with the United States District Court in January, 1983 to establish the Nutrition Education and Training Fund to hold the proceeds of the court's award.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 226	\$ 199
Receipts:		
Interest	\$ 20	\$ 20
Total Receipts	20	20
Total Funds Available	\$ 246	\$ 219
Disbursements:		
Education	\$ 47	\$ 56
Total Disbursements	-47	-56
Cash Balance, Ending	\$ 199	\$ 163

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 those 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 Commissions. Those revenues are paid into the Game and Fish Funds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 5,930	\$ 6,090
Receipts:		
Rents and Royalties	\$ 3,945	\$ 2,972
Interest	506	510
Other	113	. . . .
Total Receipts	4,564	3,482
Total Funds Available	\$ 10,494	\$ 9,572
Disbursements:		
Executive Offices	\$ 80	\$ 83
Environmental Resources	4,324	5,062
Total Disbursements	-4,404	-5,145
Cash Balance, Ending	\$ 6,090	\$ 4,427

PENNSYLVANIA CAPITAL LOAN FUND

The Pennsylvania Capital Loan Program began in 1982 with funding from the U.S. Appalachian Regional Commission and the U.S. Economic Development Administration to provide low interest loans to businesses for capital development projects. Act 109 of July, 1984 created this fund and provided additional funding from the \$190 million Pennsylvania Economic Revitalization Fund bond issue. This fund is also supported by a legislative appropriation.

Loans are used by manufacturing, industrial and export service businesses for the purchase of land, building machinery equipment and working capital. County and regional economic development organizations assist the Department in packaging and reviewing the loan applications.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning
Receipts:		
Loan Principal	\$ 465
Transfer from restricted receipts	985
Interest	210
Appalchia Regional Commission	1,500
Economic Development Administration
General Fund	1,000
Pennsylvania Economic Revitalization Fund	5,000
Other	25
Total Receipts	9,185
Total Funds Available	\$ 9,185
Disbursements:		
Commerce	\$ 4,500
Total Disbursements	-4,500
Cash Balance, Ending	\$ 4,685

PENNSYLVANIA ECONOMIC REVITALIZATION FUND

On June 26, 1984 the Economic Revitalization Fund was created by Act 104. The fund provides the vehicle to accomplish economic revitalization efforts through a \$190 million bond issue authorized by the electorate by referendum on April 10, 1984. There are ten major components to the program: (1) Minority Economic Development; (2) Employee Ownership Assistance; (3) Business Infrastructure Development; (4) Family Farm Assistance Program; (5) Small Business Incubators; (6) Pennsylvania Capital Loan Program; (7) Corps Program; (9) Vocational Education Equipment Program; and (10) Engineering School Equipment Program. All of these are three year programs with the exception of the Youth Conservation Corps.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning
Receipts:		
Sale of Bonds	\$ 73,000
Bond Discount/Cost of Issuance	—1,606
Transfer from General Fund	\$ 12,000
Interest	2,755
Total Receipts	\$ 86,149
Total Funds Available	\$ 86,149
Disbursements:		
Agriculture	\$ 1,000
Commerce	35,550
Community Affairs	3,000
Education	27,000
Environmental Resources	16,500
Total Disbursements	-83,050
Cash Balances, Ending	\$ 3,099

PENNSYLVANIA ECONOMIC REVITALIZATION SINKING FUND

Annual appropriations from General Fund by the General Assembly are deposited into this fund, and together with interest earned in this fund and interest earned and transferred from the Pennsylvania Economic Revitalization Fund, are used to pay interest and principal payments due on outstanding Economic Revitalization Fund bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning
Receipts:		
Transfer from General Fund	\$ 2,592
Transfer from Pennsylvania Economic Revitaliza- tion Fund
Interest
Accrued Interest on Bonds Sold	50
Refunding Bond Issued	40,000
Total Receipts	42,642
Total Funds Available	\$ 42,642
Disbursements:		
Treasury	\$ 42,642
Total Disbursements	-42,642
Cash Balance, Ending

PENNSYLVANIA HISTORICAL AND MUSEUM COMMISSION TRUST FUND

This fund, approved under special Act No. 113 (P.L. 185), approved May 21, 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 67	\$ 62
Receipts:		
Interest on Securities	\$ 3	\$ 1
Redemption of Securities .....	.....	.....
Net Investment Adjustment .....	.....	.....
Total Receipts	<u>3</u>	<u>1</u>
Total Funds Available	\$ 70	\$ 63
Disbursements:		
Historical and Museum Commission	\$ 8	\$ 2
Total Disbursements	<u>-8</u>	<u>-2</u>
Cash Balance, Ending	<u>\$ 62</u>	<u>\$ 61</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 that Act provides for payment of retirement allowances to officers, employees, fireman and police of political subdivisions (county, cities, boroughs, townships of the first and second class).

Any municipality may elect by ordinance to join the system. Revenues are generated from the contributions of the members of the system and investment earnings.

The Board established under Act 15 has control over the system's operation. The net investment adjustment shown below is to reflect current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	91,399	107,074
Receipts:		
Contributions	10,826	15,388
Other	3,233	20
Interest	7,623	7,660
Total Receipts	21,682	23,068
Total Funds Available	\$ 113,081	\$ 130,142
Disbursements:		
Executive Offices	\$ 49	. . . .
Municipal Employees Retirement Board	\$ 5,046	\$ 4,670
Net Investment Adjustment	912	. . . .
Total Disbursements	-6,007	-4,670
Cash Balance, Ending	\$ 107,074	\$ 125,472

**PHARMACEUTICAL ASSISTANCE
(CONTRACT FOR THE ELDERLY)
FUND**

This fund was created by Act 63 of 1983 in order to provide a limited pharmaceutical assistance program for the Commonwealth's senior citizens who are 65 years of age or over, and whose annual income does not exceed the maximum specified in the Act for program eligibility. Funds not expended in the fiscal year in which they were appropriated shall be available for use in the following fiscal year. For additional information on the program, refer to the Department of Aging in volume two of the Governor's Executive Budget.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning .....	.....	\$ 99,674
Receipts:		
Transfer from Lottery Fund	\$ 100,000	\$ 115,600
Interest on Securities	1,343	7,000
Total Receipts	101,343	122,600
Total Funds Available	\$ 101,343	\$ 222,274
Disbursements:		
Aging	\$ 1,669	\$ 63,098
Total Disbursements	-1,669	-63,098
Cash Balance, Ending	\$ 99,674	\$ 159,176

PROJECT 70 LAND ACQUISITION FUND

This fund was created in 1965 to finance the Commonwealth's cost of acquiring land for recreation, conservation or historical purposes and to aid local governments in acquiring land for the same purposes. As of December 31, 1970, all unencumbered money in this fund was paid into the Project 70 Land Acquisition Sinking Fund and currently this fund is inactive with the exception of some encumbrances due to pending litigation. Revenue for the fund was provided by a bond issue approved by the electorate on November 4, 1963 with the proceeds not to exceed \$70 million.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 666	\$ 652
Receipts:		
Other .....	.....	.....
Total Receipts .....	.....	.....
Total Funds Available	<u>\$ 666</u>	<u>\$ 652</u>
Disbursements:		
Environmental Resources	\$ 14	\$ 15
Total Disbursements	<u>-14</u>	<u>-15</u>
Cash Balance, Ending	<u><u>\$ 652</u></u>	<u><u>\$ 637</u></u>

PROJECT 70 LAND ACQUISITION SINKING FUND

Annual appropriations by the General Assembly for payment of interest and principal falling due on Project 70 Bonds are credited to this fund. In addition, interest resulting from investment or deposit of money in the Project 70 Land Acquisition Fund is credited to this fund. All unencumbered moneys in the Project 70 Land Acquisition Fund as of December 31, 1970, were transferred to this fund. Moneys reimbursed to the Commonwealth by political subdivisions for inappropriate use of Project 70 are credited to this fund if the Project 70 Land Acquisition Fund is no longer active. Moneys in this fund are used solely to pay interest accruing on Project 70 bonds and for the redemption of such bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 16	\$ 86
Receipts:		
Transfer from General Fund	\$ 5,493	\$ 4,298
Sale of Real Estate	6	10
Interest on Securities	64	25
Total Receipts	5,563	4,333
Total Funds Available	\$ 5,579	\$ 4,419
Disbursements:		
Treasury	\$ 5,493	\$ 4,419
Total Disbursements	-5,493	-4,419
Cash Balance, Ending	\$ 86	. . . .

PURCHASING FUND

Created in 1933, this fund finances the purchase of materials, supplies and equipment by the Department of General Services for use of other departments, boards and commissions. Also 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 2,609	\$ 3,572
Receipts:		
Reimbursement from other agencies	\$ 26,870	\$ 27,000
General Fund Loan	7,500	7,500
Other	620	600
Total Receipts	34,990	35,100
Total Funds Available	\$ 37,599	\$ 38,672
Disbursements:		
Executive Office	\$ 182	\$ 200
General Services*	33,845	37,000
Total Disbursements	-34,027	-37,200
Cash Balance, Ending	\$ 3,572	\$ 1,472

*Includes repayment of General Fund loan.

REAL ESTATE RECOVERY FUND

This fund was established in 1980 to reimburse aggrieved persons the amount unpaid upon judgements, from competent jurisdiction, 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 759	\$ 894
Receipts:		
Additional License Fees	\$ 78	\$ 55
Interest	87	89
Total Receipts	165	144
Total Funds Available	\$ 924	\$ 1,038
Disbursements:		
State	\$ 30	\$ 60
Total Disbursements	-30	-60
Cash Balance, Ending	\$ 894	\$ 978

REHABILITATION CENTER FUND

This fund was created May 13, 1969, for the operation of the Johnstown Rehabilitation Center and is funded from fees for services rendered by the center. Most of these services are rendered to vocational rehabilitation clients.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 851	\$ 608
Receipts:		
Clients Fees	\$ 8,891	\$ 9,624
Other	1,001	1,125
Total Receipts	9,892	10,649
Total Funds Available	\$ 10,743	\$ 11,257
Disbursements:		
Executive Offices	\$ 862	\$ 902
Labor and Industry	9,273	9,643
Total Disbursements	-10,135	-10,545
Cash Balance, Ending	\$ 608	\$ 712

SCHOOL EMPLOYES' 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.

The employer contribution, which is shared equally by the employing school district and the Commonwealth, is determined by the fund's actuary. The Commonwealth contribution is made by an annual appropriation from the General Fund and paid quarterly 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 cash balance shown in the statement includes substantial investment assets. The net investment discount item is included to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$5,863,095	\$6,555,677
Receipts:		
Transfer from General Fund — Employer Contribution	\$ 352,851	\$ 368,500
Transfers from State Retirement System	1,754	2,000
Contribution of School Employees	216,954	201,000
Returned Contributions of School Employees	8,255	8,500
Contributions of School Districts	299,059	345,000
Interest on Securities	529,447	600,000
Other	534	1,000
Total Receipts	1,408,854	1,526,000
Total Funds Available	\$7,271,949	\$8,081,677
Disbursements:		
Executive Offices	\$ 526	\$ 550
Treasury	40	25
Public School Employees' Retirement Board	624,782	700,000
Net Investment Adjustment	90,924	.....
Total Disbursements	-716,272	-700,575
Cash Balance, Ending	\$6,555,677	\$7,381,102

SINKING FUND

Appropriations by the General Assembly constitute the major source of revenue to this fund. This one sinking fund existed prior to the practice of having a sinking fund for each separate bond fund. Moneys are held in this fund to cover the possible redemption of Commonwealth notes and bonds which had maturity dates from 1841 through 1871. There has been no activity on these old outstanding obligations, reportedly, since 1929. The redemption value of those obligations is \$141,320.06. Money not needed to pay principal or interest on Commonwealth debt may also be used to suppress insurrection or defend the State in war, in accordance with the Constitution of the Commonwealth of Pennsylvania. Money in this fund may be invested only in United States or Commonwealth bonds. Interest accumulating on moneys remaining in the fund is credited to the State School Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 91	\$ 141
Receipts:		
Transfer of Securities	\$ 50	.....
Total Receipts	50	.....
Total Funds Available	\$ 141	\$ 141
Disbursements:		
Treasury .....	.....	.....
Total Disbursements .....	.....	.....
Cash Balance, Ending	\$ 141	\$ 141

SOCIAL SECURITY CONTRIBUTION FUND

This fund was established to hold both employers' and employees' share of social security deductions of Commonwealth and local government or other instrumentality employes for payment of Social Security benefits under the Federal Insurance Contribution Act (FICA). Withdrawals from the Fund are made to the Federal Agency in amounts required to extend the benefits of eligible employes under the Federal old-age and survivors insurance system and for payment of refunds and overpayments made by a political subdivision.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 4,598	\$ 50,716
Receipts:		
State Employes	\$ 469,397	\$ 470,297
Public School Employes	402,008	402,903
Political Subdivisions Employes	253,364	256,265
Other	3,272	3,600
Total Receipts	<u>1,128,041</u>	<u>1,133,065</u>
Total Funds Available	<u>\$1,132,639</u>	<u>\$1,183,781</u>
Disbursements:		
Labor and Industry	\$1,081,923	\$1,179,819
Total Disbursements	<u>-1,081,923</u>	<u>-1,179,819</u>
Cash Balance, Ending	<u>\$ 50,716</u>	<u>\$ 3,962</u>

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, while loans for existing facilities are restricted to municipalities in fifth through 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 4,175	\$ 4,578
Receipts:		
Interest	\$ 447	\$ 600
Transfer From General Fund .....	.....	2,100
Total Receipts	447	2,700
Total Funds Available	\$ 4,622	\$ 7,278
Disbursements:		
Environmental Resources	\$ 44	\$ 4,236
Total Disbursements	-44	-4,236
Cash Balance, Ending	\$ 4,578	\$ 3,042

SPECIAL ADMINISTRATION FUND

The purpose of this fund, administered by the Department of Labor and Industry, is to cover those administrative expenses of the Unemployment Compensation Law not properly and validly chargeable to the Administration Fund. The receipts of the fund are generated from interest and penalties collected from claimants and employers under provisions of the Unemployment Compensation Law. All moneys in excess of \$200,000 in the fund at the end of the fiscal year are transferred to the Unemployment Compensation Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 378	\$ 615
Receipts:		
Interest and Penalties	\$ 4,260	\$ 7,000
Other	155	350
Total Receipts	4,415	7,350
Total Funds Available	\$ 4,793	\$ 7,965
Disbursements:		
Labor and Industry	\$ 4,178	\$ 7,500
Total Disbursements	-4,178	-7,500
Cash Balances, Ending	\$ 615	\$ 465

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 moneys 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.

The net investment adjustment item is shown below to reflect the current market value of long term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 25	\$ 26
Receipts:		
Miscellaneous	\$ 2	\$ 2
Net Investment Adjustment .....	. . . .	. . . .
Total Receipts	<u>2</u>	<u>2</u>
Total Funds Available	<u>\$ 27</u>	<u>\$ 28</u>
Disbursements:		
Treasury	\$ 1	\$ 2
Total Disbursements	<u>-1</u>	<u>-2</u>
Cash Balance, Ending	<u>\$ 26</u>	<u>\$ 26</u>

STATE EMPLOYEES' RETIREMENT FUND

This fund was created in 1924 to accumulate reserves for the payment of pensions to former State employes.

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 employes, and employes of nonstate 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.

Revenue to the fund comes from employe contributions, employer contributions from the Commonwealth and other employers, and income derived from investments of the fund. 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 reserves for the payment of future benefits.

Management of the fund and payment of benefits is overseen by the State Employees' Retirement Board.

The cash balance shown in the statement includes substantial investment assets; the net investment adjustment item is to reflect the carrying value of long term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$3,884,428	\$4,442,787
Receipts:		
Contributions of Employes	\$ 152,280	\$ 123,350
State Share Contribution	459,277	446,280
Casualty Premium Tax	10,904	9,670
Interest on Securities	394,799	385,500
Other	238	150
Total Receipts	1,017,498	964,950
Total Funds Available	\$4,901,926	\$5,407,737
Disbursements:		
State Employes Retirement System	\$ 382,366	\$ 412,140
Treasury	20	. . . .
Executive Offices	223	. . . .
Net Investment Adjustment	76,530	109,382
Total Disbursements	-459,139	-521,522
Cash Balance, Ending	\$4,442,787	\$4,886,215

STATE INSURANCE FUND

Created in 1915, this fund finances expenditures relating to the rebuilding, restoring or replacing of buildings, structures, equipment or other property owned by the Commonwealth which have been damaged or destroyed by fire or other casualty. This includes natural or man made disasters. Revenue is derived from interest earned by the fund, interest received from the Fire Insurance Tax Fund and from reimbursements by insurance companies. If needed, money may also be directly appropriated to this fund. Any amount in the fund in excess of \$3 million on December 31st of each year shall be transferred to the General Fund. This fund satisfies the requirements of the Federal Government for Disaster Insurance program.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 3,446	\$ 3,808
Receipts:		
Recovered Damages	\$ 256	\$ 200
Interest	1,245	1,200
Total Receipts	1,501	1,400
Total Funds Available	\$ 4,947	\$ 5,208
Disbursements:		
General Services	\$ 1,139	\$ 1,470
Total Disbursements	-1,139	-1,470
Cash Balance, Ending	\$ 3,808	\$ 3,783

STATE RESTAURANT FUND

This fund was created in 1943 to finance the purchase and maintenance of equipment for the operation of the restaurant in the State Capitol as well as any other restaurants in other State Office Buildings. Revenue is derived from the profits earned from the operation of the restaurant and vending machines in the Main Capitol Building and other State Office Buildings

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 382	\$ 413
Receipts:		
Revenue from General Operations	\$ 3	\$ 3
Other	32	35
Total Receipts	35	38
Total Funds Available	\$ 417	\$ 451
Disbursements:		
General Services	\$ 4	\$ 4
Total Disbursements	-4	-4
Cash Balance, Ending	\$ 413	\$ 447

STATE SCHOOL FUND

The 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. Recent changes in the escheat law and lack of interest earnings from the Sinking Fund or investment of moneys in the State School Fund have resulted in a low revenue level; this 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 to equalization of educational opportunities, and paying part of the cost of repair or alteration of local public school or State college buildings when they are required to satisfy requirements of the Department of Labor and Industry or other relevant governmental agency.

Expenditures from the fund are made at the direction of the State Board of Education. The net investment adjustment item is shown below to reflect the current market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 467	\$ 419
Receipts:		
Historical and Museum Commission; Sale of Unappropriated Lands .....	.....	.....
Sinking Fund: Interest	\$ 7	\$ 7
Treasury: Interest	34	.....
Other .....	.....	.....
Total Receipts	41	7
Total Funds Available	\$ 508	\$ 426
Disbursements:		
Education	\$ 39	\$ 38
Net Investment Adjustment	50	.....
Total Disbursements	-89	-38
Cash Balance, Ending	\$ 419	\$ 388

STATE STORES FUND

The State Stores Fund serves as the general operating fund for the Liquor Control Board. To this fund are credited revenues from the sale of goods in State Liquor Stores, fees not credited to the Liquor License Fund, fines and penalties, losses and damages recovered and loans from the General Fund to provide working capital. Expenditures cover all costs associated with the operation and administration of the Liquor Stores System and enforcement of the Liquor Control Law. Any surplus is transferred to the General Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 27,039	\$ 14,765
Receipts:		
Fees	\$ 5,961	\$ 5,900
Fines and Penalties	571	600
Sale of Goods	744,670	777,369
Recovered Losses and Damages	640	650
General Fund Loans	83,000	66,000
Other	15,360	15,500
Total Receipts	850,202	866,019
Total Funds Available	\$ 877,241	\$ 880,784
Disbursements:		
Executive Offices	\$ 12,309	\$ 12,500
Liquor Control Board*	850,167	862,361
Total Disbursements	-862,476	-874,861
Cash Balance, Ending	\$ 14,765	\$ 5,923

*Includes repayment of General Fund Loan

STATE TREASURY ARMORY FUND

Created in accordance with Act 126 of 1979 and 92 of 1975, this fund receives monies derived from the sale of any armory building, armory site or other real estate. Funds shall be expended solely for the purchase of equipment, furniture and fixtures or for the construction of new armories in the Commonwealth.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 166	\$ 217
Receipts:		
Interest	\$ 15	\$ 22
Sale of Armories and/or Land	36	.....
Total Receipts	51	22
Total Funds Available	\$ 217	\$ 239
Disbursements:		
Treasury .....	.....	.....
Total Disbursements .....	.....	.....
Cash Balance, Ending	\$ 217	\$ 239

STATE WORKMEN'S INSURANCE FUND

The State Workmen's Insurance Fund (SWIF) was created by the Act of June 2, 1915, and operates within the Department of Labor and Industry. It is a self-sustaining fund providing workmen's compensation insurance to employers, including those refused policies by private insurance firms. SWIF is subject to underwriting rules, classifications 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.

The net investment adjustment shown at the end of the "Actual Year" reflects the current market value of long-term investments as of June 30, as shown in Treasury Department records.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 601,316	\$ 620,324
Receipts:		
Premiums	\$ 34,263	\$ 35,000
Other	71,367	73,000
Net Investment Adjustment	-22,469	. . . .
Total Receipts	83,161	108,000
Total Funds Available	\$ 684,477	\$ 728,324
Disbursements:		
Executive Offices	\$ 508	\$ 526
Labor and Industry	63,645	64,728
Total Disbursements	-64,153	-65,254
Cash Balance, Ending	\$ 620,324	\$ 663,070

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 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 11,622	\$ 11,775
Receipts:		
Licenses and Fees	\$ 1,531	\$ 1,750
Interest	1,117	1,120
Forfeiture of Bonds	850	600
Trust Account Collateral	124	500
Other	360	300
Total Receipts	3,982	4,270
Total Funds Available	\$ 15,604	\$ 16,045
Disbursements:		
Executive Offices	\$ 101	\$ 105
Environmental Resources	3,728	6,753
Total Disbursements	-3,829	-6,858
Cash Balance, Ending	\$ 11,775	\$ 9,187

TAX NOTE SINKING FUND

Moneys in this fund are used solely for the payment of principal and interest on tax anticipation notes. Repayment of tax anticipation notes must be accomplished before the end of the fiscal period in which the notes were issued. Moneys in this fund derive from transfers from the General Fund or Motor License Fund. The amount of money transferred from either of these two funds during one fiscal year is proportionate to the amount each such fund received from the sale of tax anticipation notes.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning .....	.....	.....
Receipts:		
Transfer from General Fund	\$1,013,891	\$ 890,100
Total Receipts	<u>\$1,013,891</u>	<u>\$ 890,100</u>
Total Funds Available	\$1,013,891	
Disbursements:		
Treasury	\$1,013,891	\$ 890,100
Total Disbursements	<u>-1,013,891</u>	<u>-890,100</u>
Cash Balance, Ending	<u>.....</u>	<u>.....</u>

UNEMPLOYMENT COMPENSATION BENEFIT PAYMENT FUND

Employers' 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 14	\$ 2
Receipts:		
Regular Unemployment Compensation Program ...	\$1,264,459	\$1,210,000
Federal Supplemental Compensation	381,201	165,000
Extended Benefits	29,747	. . . .
Other	7,517	5,050
Total Receipts	1,682,924	1,380,050
Total Funds Available	\$1,682,938	\$1,380,052
Disbursements:		
Labor and Industry	\$1,682,936	\$1,380,050
Total Disbursements	-1,682,936	-1,380,050
Cash Balance, Ending	\$ 2	\$ 2

UNEMPLOYMENT COMPENSATION CONTRIBUTION FUND

This fund was created to hold moneys collected from employers under the Unemployment Compensation Law and, except for refunds of collections or transfers to the Special Administration Fund, the moneys are transferred to the United States Treasury for credit to the Commonwealth's account in the Federal Unemployment Trust Fund established under Section 904 of the Social Security Act.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 84	\$ 4
Receipts:		
Contributions of Employers	\$1,482,128	\$1,510,000
Contributions of Employess .....	.....	77,000
Total Receipts	<u>1,482,128</u>	<u>1,587,000</u>
Total Funds Available	<u>\$1,482,212</u>	<u>\$1,587,004</u>
Disbursements:		
Labor and Industry	\$1,482,208	\$1,587,000
Total Disbursements	<u>-1,482,208</u>	<u>-1,587,000</u>
Cash Balance, Ending	<u>\$ 4</u>	<u>\$ 4</u>

UNEMPLOYMENT COMPENSATION INTEREST FUND

This fund was created to pay the interest due on the Federal Unemployment Compensation Title XII Advances. The receipts in this fund are generated by employers under provisions of the Unemployment Compensation Law as amended in July, 1983. Funds are to be used exclusively for interest payments; however, if funds collected exceed interest payment requirements, such excess funds are to be used for benefit payments.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning .....	. . . .	\$ 30,660
Receipts:		
Employer's Interest Taxes	\$ 30,411	\$ 102,000
Other	249	2,000
Total Receipts	30,660	104,000
Total Funds Available	\$ 30,660	\$ 134,660
Disbursements:		
Labor and Industry .....	. . . .	\$ 57,000
Total Disbursements .....	. . . .	-57,000
Cash Balance, Ending	\$ 30,660	\$ 77,660

VIETNAM CONFLICT VETERAN'S COMPENSATION FUND

Created in 1968, this fund provides payments to residents of the Commonwealth who were in active service in the Vietnam Theatre of Operations, as defined for the award of the Vietnam Service Medal, or their beneficiaries. The maximum compensation is \$750 except in case of death when it is \$1,000. Salaries and other necessary expenses for the proper administration of the Vietnam Conflict Veteran's Compensation Act are also paid from the fund. Revenue was derived from a bond issue that was approved by the electorate on November 6, 1973.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 368	\$ 406
Receipts:		
Interest	\$ 38	\$ 40
Total Receipts	38	40
Total Funds Available	\$ 406	\$ 446
Disbursements:		
Military Affairs .....	.....	.....
Total Disbursements .....	.....	.....
Cash Balance, Ending	\$ 406	\$ 446

VIETNAM CONFLICT VETERANS' COMPENSATION SINKING FUND

The moneys in this fund are derived from appropriations by the General Assembly. Moneys in this fund are used to redeem or pay interest on bonds issued to develop revenue for the Vietnam Conflict Veterans' Compensation Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 8	\$ 8
Receipts:		
Transfer from General Fund	\$ 4,598	\$ 4,586
Total Receipts	4,598	4,586
Total Funds Available	\$ 4,606	\$ 4,594
Disbursements:		
Treasury	\$ 4,598	\$ 4,594
Total Disbursements	-4,598	-4,594
Cash Balance, Ending	\$ 8	8

VOCATIONAL REHABILITATION FUND

This fund, administered by the State Board of Vocational Rehabilitation (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 achievement of an 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) and interest earned.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 3,036	\$ 1,311
Receipts:		
Transfer from General Fund	\$ 10,400	\$ 11,000
Federal Vocational Rehabilitation Funds	46,387	53,000
Other	3,302	3,175
Total Receipts	60,089	67,175
Total Funds Available	\$ 63,125	\$ 68,486
Disbursements:		
Executive Offices	\$ 2,768	\$ 2,825
Labor and Industry	59,046	64,461
Total Disbursements	-61,814	-67,286
Cash Balance, Ending	\$ 1,311	\$ 1,200

VOLUNTEER COMPANIES LOAN FUND

On November 2, 1975, a voter referendum authorized a \$10,000,000 bond issue to be used for acquisition and replacement of volunteer fire, ambulance and rescue company equipment and facilities. A second voter referendum in November 1981, authorized an additional \$15,000,000 to be added to the fund. Act 208 of 1976 established a revolving loan fund known as the "Volunteer Companies Loan Fund" administered by the Pennsylvania Emergency Management Agency. As the low interest loans are repaid by the volunteer companies, the monies are returned to the fund for reuse.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 9,442	\$ 4,426
Receipts:		
Loan Principal Repayments	\$ 3,179	\$ 4,200
Loan Interest	477	630
Interest on Securities	670	203
Miscellaneous	6	4
Total Receipts	<u>4,332</u>	<u>5,037</u>
Total Funds Available	<u>\$ 13,774</u>	<u>\$ 9,463</u>
Disbursements:		
Pennsylvania Emergency Management Agency	\$ 9,348	\$ 9,463
Total Disbursements	<u>-9,348</u>	<u>-9,463</u>
Cash Balance, Ending	<u>\$ 4,426</u>	<u>\$ 4,426</u>

VOLUNTEER COMPANIES LOAN SINKING FUND

Moneys in this fund derive from appropriations by the General Assembly. Funds are used solely for the purpose of redeeming or paying interest on bonds issued to provide revenue for the Volunteer Companies Loan Fund.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	60	\$ 63
Receipts:		
Transfer from General Fund	\$ 2,746	\$ 2,009
Interest on Securities	3	3
Accrued Interest on Bonds Sold .....	. . . .	. . . .
Total Receipts	<u>2,749</u>	<u>2,012</u>
Total Funds Available	\$ 2,809	\$ 2,075
Disbursements:		
Treasury	\$ 2,746	\$ 2,075
Total Disbursements	<u>-2,746</u>	<u>-2,075</u>
Cash Balance, Ending	<u>\$ 63</u>	<u>. . . .</u>

WATER FACILITIES LOAN FUND

This fund was created by Act 167 of 1982 in order to implement the water project loan referendum approved by the electorate on November 3, 1981. That referendum authorized the Commonwealth to incur an indebtedness of \$300 million for use as loans to repair, construct, reconstruct, rehabilitate, extend and improve water supply systems or to repair, reconstruct or rehabilitate flood control facilities, dams and port facilities.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 9,798	\$ 48,753
Receipts:		
Sale of Bonds	\$ 39,212	\$ 49,000
Total Receipts	<u>39,212</u>	<u>49,000</u>
Total Funds Available	\$ 49,010	\$ 97,753
Disbursements:		
Environmental Resources	\$ 257	\$ 9,651
Total Disbursements	<u>-257</u>	<u>-9,651</u>
Cash Balance, Ending	<u>\$ 48,753</u>	<u>\$ 88,102</u>

WATER FACILITIES LOAN REDEMPTION FUND

Moneys in this fund result from annual appropriations by the General Assembly and from interest and dividends on moneys in the Water Facilities Loan Fund. These moneys are used solely for payment of interest and principal due on outstanding Water Facilities Loan Bonds.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 44	\$ 884
Receipts:		
Transfer from General Fund	\$ 400	\$ 1,970
Interest on Securities	1,128	2,286
Accrued Interest on Bonds Sold	112	52
Total Receipts	1,640	4,308
Total Funds Available	\$ 1,684	\$ 5,192
Disbursements:		
Treasury	\$ 800	\$ 5,192
Total Disbursements .....	.....	-5,192
Cash Balance, Ending	\$ 884	.....

WILD RESOURCES 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 is to be used to collect 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 will 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)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 197	\$ 546
Receipts:		
Tax Check-Offs	\$ 387	\$ 360
Interest on Securities	14	35
Voluntary Donations	12	10
Total Receipts	<u>413</u>	<u>405</u>
Total Funds Available	<u>\$ 610</u>	<u>\$ 951</u>
Disbursements:		
Environmental Resources	\$ 64	\$ 375
Total Disbursements	<u>-64</u>	<u>-375</u>
Cash Balance, Ending	<u><u>\$ 546</u></u>	<u><u>\$ 576</u></u>

WORKMEN'S COMPENSATION ADMINISTRATION FUND

This fund was created by Act No. 2 of 1976 to finance the expenses of the Department of Labor and Industry in administering the Pennsylvania Workmen's Compensation Act and the Pennsylvania Occupational Disease Act. 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.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 8,300	\$ 8,057
Receipts:		
Assessments	\$ 9,160	\$ 9,210
Other	1,694	1,640
Total Receipts	10,854	10,850
Total Funds Available	\$ 19,154	\$ 18,907
Disbursements:		
Executive Offices	\$ 949	\$ 989
Labor and Industry	10,148	10,175
Total Disbursements	-11,097	-11,164
Cash Balance, Ending	\$ 8,057	\$ 7,743

WORKMEN'S COMPENSATION SECURITY FUND

The purpose of this fund is payment of valid claims for compensation provided by the Workmen's Compensation Law to individuals who are insured by an insolvent stock company. Expenses for administration of the fund are also covered. One percent of the net written premiums by every stock insurance company received for Workmen's Compensation insurance policies written in the Commonwealth during the preceeding annual reporting period is credited to the fund. Such payments are required only if the balance (less known liabilities) of the fund is determined to be less than five percent of the loss reserves of all such stock companies for payments of benefits under the Workmen's Compensation Law. The net investment adjustment shown below is to reflect the curent market value of long-term investments as of June 30.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 130,087	\$ 154,823
Receipts:		
Premium Contributions	\$ 10,244	\$ 10,500
Other	14,240	17,000
Net Investment Adjustment	357	.....
Total Receipts	24,841	27,500
Total Funds Available	\$ 154,928	\$ 182,323
Disbursements:		
Insurance	\$ 105	\$ 105
Total Disbursements	-105	-105
Cash Balance, Ending	\$ 154,823	\$ 182,218

WORKMEN'S COMPENSATION SUPERSEDEAS FUND

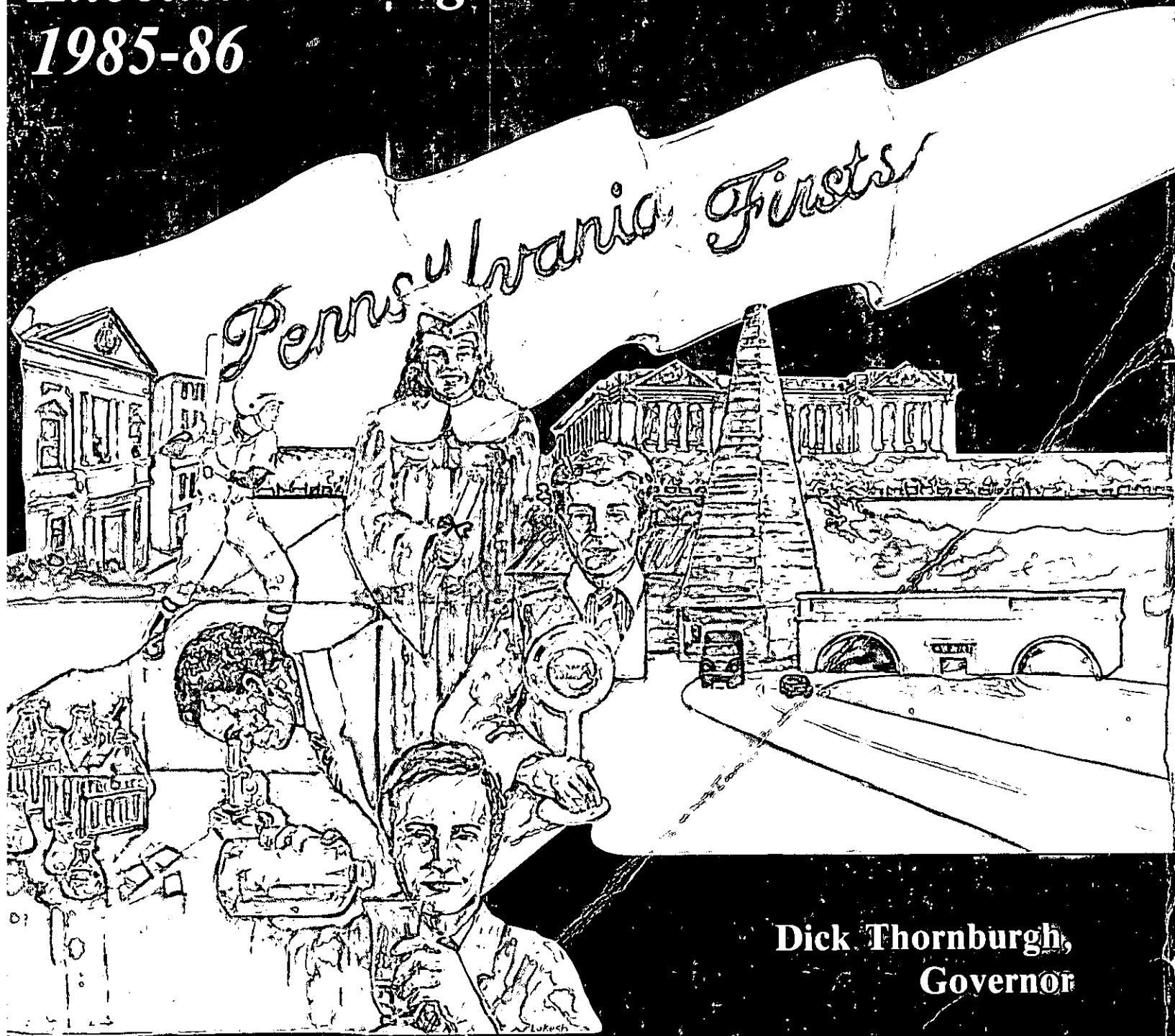
The purpose of this fund is to reimburse insurers for payments made by them to claimants under the Workmen's Compensation Act who are later determined to be ineligible. The fund is maintained by annual assessments on insurers and self-insurers and is administered by the Department of Labor and Industry.

Statement of Cash Receipts and Disbursements

	(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Estimated
Cash Balance, Beginning	\$ 59	\$ 60
Receipts:		
Assessments	\$ 1,600	\$ 1,600
Other	38	42
Total Receipts	<u>1,638</u>	<u>1,642</u>
Total Funds Available	<u>\$ 1,697</u>	<u>\$ 1,702</u>
Disbursements:		
Labor and Industry	\$ 1,637	\$ 1,652
Total Disbursements	<u>-1,637</u>	<u>-1,652</u>
Cash Balance, Ending	<u><u>\$ 60</u></u>	<u><u>\$ 50</u></u>

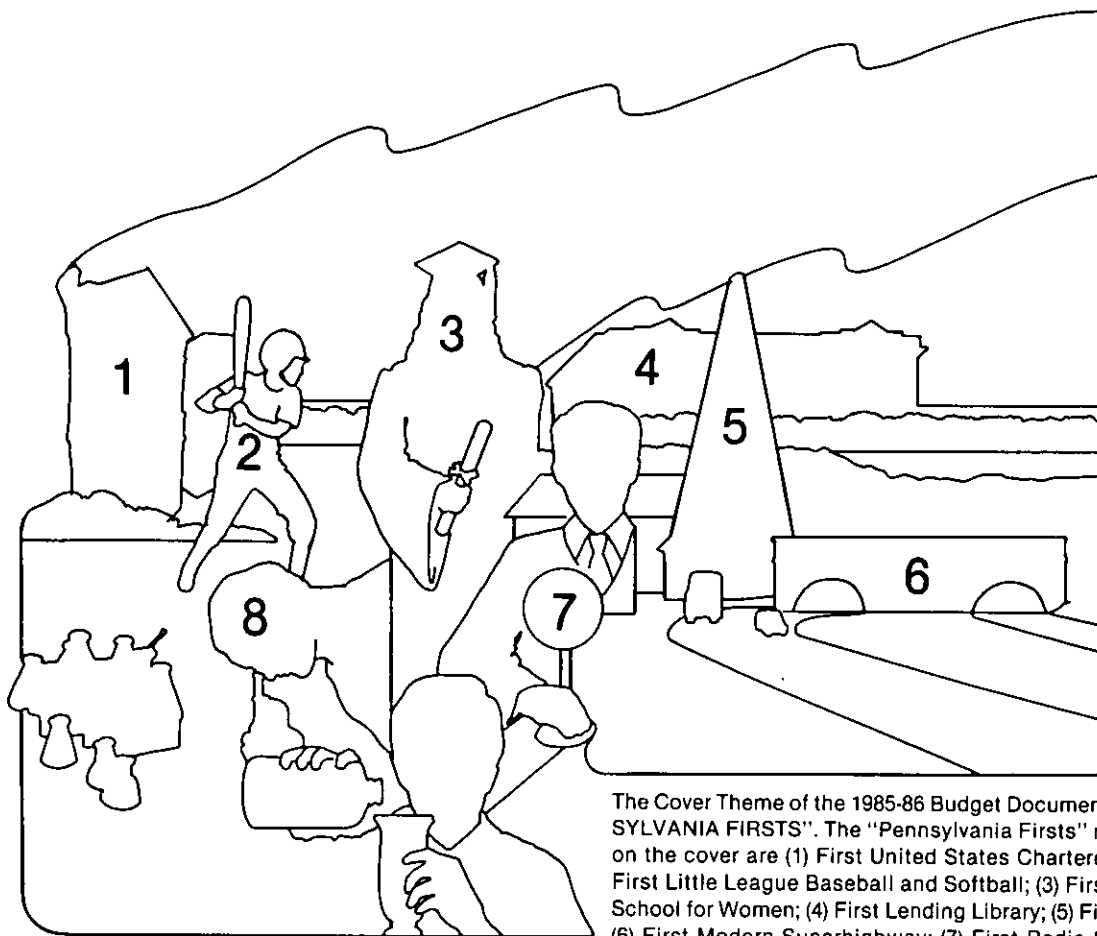
Governor's Executive Budget 1985-86

Pennsylvania Firsts



**Dick Thornburgh,
Governor**

COMMONWEALTH OF PENNSYLVANIA



The Cover Theme of the 1985-86 Budget Document is "PENNSYLVANIA FIRSTS". The "Pennsylvania Firsts" represented on the cover are (1) First United States Chartered Bank; (2) First Little League Baseball and Softball; (3) First Graduate School for Women; (4) First Lending Library; (5) First Oil Well; (6) First Modern Superhighway; (7) First Radio Station and (8) First Medical College. These "Pennsylvania Firsts" are shown and described on the section dividers of the Budget Document.

FOREWORD

This Volume II, contains the departmental budgetary detail presented both on a departmental-appropriation and a program-subcategory basis. In order to expedite use of the volume, pages containing departmental-appropriation materials are tinted.

Financial statements for all funds, revenue summaries and detail and fund summaries as well as the proposed Capital Budget are carried in Volume I.

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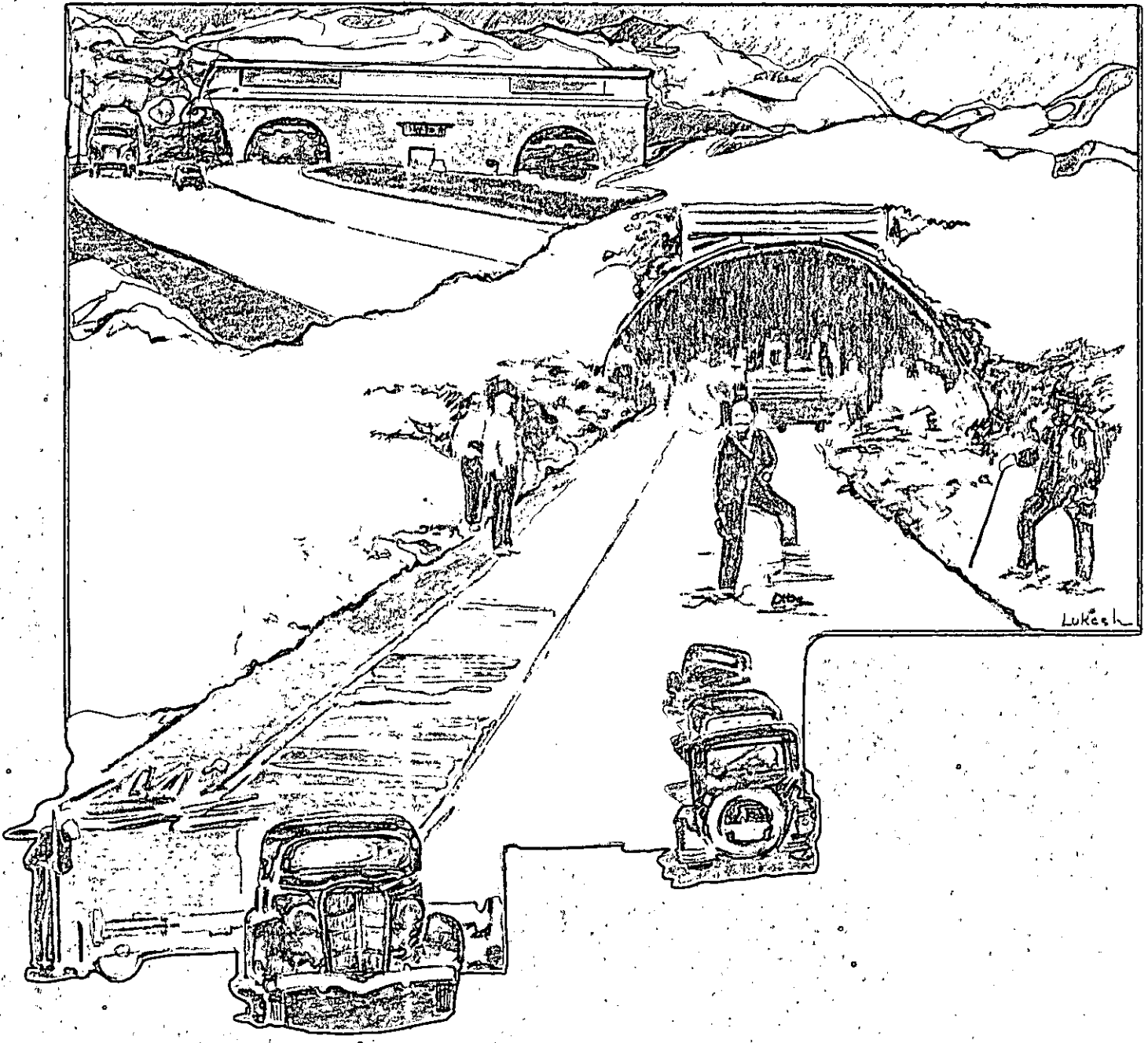
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Commonwealth Summaries

FIRST MODERN SUPERHIGHWAY

In 1940 Pennsylvania opened the first high-speed, multi-lane highway in the country, the Pennsylvania Turnpike, which set the pattern for modern super-highways throughout the nation. Initially connecting Harrisburg and Pittsburgh, the turnpike later was expanded from the western boundary of the state to the Delaware River.

Pennsylvania's tradition as a transportation center began early, leading the nation by 1832 with its more than 3,000 miles of improved roads. The Commonwealth's state-run highway system has grown to more than 43,000 miles of improved roads, one of the largest in the nation.

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Budget	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Governor's Office							
General Fund	\$ 2,987	\$ 3,299	\$ 3,512	\$ 3,548	\$ 3,690	\$ 3,838	\$ 3,992
Executive Offices							
General Fund	\$ 44,450	\$ 50,552	\$ 55,257	\$ 56,916	\$ 58,750	\$ 60,661	\$ 62,649
Motor License Fund	3,426	3,563	3,692	3,840	3,994	4,154	4,320
TOTAL	<u>\$ 47,876</u>	<u>\$ 54,115</u>	<u>\$ 58,949</u>	<u>\$ 60,756</u>	<u>\$ 62,744</u>	<u>\$ 64,815</u>	<u>\$ 66,969</u>
Lieutenant Governor's Office							
General Fund	\$ 594	\$ 661	\$ 684	\$ 711	\$ 739	\$ 769	\$ 800
Attorney General							
General Fund	\$ 20,630	\$ 22,514	\$ 24,639	\$ 25,620	\$ 26,639	\$ 27,701	\$ 28,802
Auditor General							
General Fund	\$ 23,035	\$ 24,601	\$ 25,546	\$ 26,567	\$ 27,630	\$ 63,734	\$ 64,883
Treasury							
General Fund	\$ 288,792	\$ 328,596	\$ 373,277	\$ 423,001	\$ 470,392	\$ 496,146	\$ 528,090
Motor License Fund	173,060	174,540	174,569	177,216	178,359	175,322	175,347
Banking Department Fund	5	5	5	5	5	5	5
Boating Fund	5	5	5	5	5	5	5
Fair Fund	5	5	10	10	10	10	10
Farm Products Show Fund	5	5	5	5	5	5	5
Fish Fund	5	5	5	5	5	5	5
Game Fund	6	6	6	6	6	6	6
Lottery Fund	8	8	20	20	20	20	20
Milk Marketing Fund	5	10	10	10	10	10	10
Racing Fund	10	10	10	10	10	10	10
TOTAL	<u>\$ 461,906</u>	<u>\$ 503,195</u>	<u>\$ 547,922</u>	<u>\$ 600,293</u>	<u>\$ 648,827</u>	<u>\$ 671,544</u>	<u>\$ 703,513</u>
Aging							
General Fund	\$ 1,462	.....	.....	.....	.....	.....	.....
Lottery Fund	129,840	\$ 194,765	\$ 180,089	\$ 189,596	\$ 196,050	\$ 202,978	\$ 210,551
TOTAL	<u>\$ 131,302</u>	<u>\$ 194,765</u>	<u>\$ 180,089</u>	<u>\$ 189,596</u>	<u>\$ 196,050</u>	<u>\$ 202,978</u>	<u>\$ 210,551</u>
Agriculture							
General Fund	\$ 28,589	\$ 30,305	\$ 22,596	\$ 23,185	\$ 23,918	\$ 24,780	\$ 25,556
Fair Fund	1,645	1	1	1	1	1	1
Farm Products Show Fund	1,470	1,730	1,797	1,825	1,649	1,682	1,715
Racing Fund	19,495	15,960	14,673	15,167	12,673	12,680	12,688
TOTAL	<u>\$ 51,199</u>	<u>\$ 47,996</u>	<u>\$ 39,067</u>	<u>\$ 40,178</u>	<u>\$ 38,241</u>	<u>\$ 39,143</u>	<u>\$ 39,960</u>
Banking							
Banking Department Fund	\$ 6,401	\$ 7,090	\$ 7,064	\$ 7,347	\$ 7,641	\$ 7,947	\$ 8,265
Civil Service Commission							
General Fund	\$ 1	\$ 1	\$ 360	\$ 1	\$ 1	\$ 1	\$ 1
Commerce							
General Fund	\$ 49,552	\$ 79,115	\$ 87,368	\$ 75,629	\$ 73,899	\$ 74,182	\$ 73,475
Community Affairs							
General Fund	\$ 26,034	\$ 22,871	\$ 25,722	\$ 26,028	\$ 26,345	\$ 26,677	\$ 27,020

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

(continued)

	(Dollar Amounts in Thousands)						
	1982-83 Actual	1983-84 Available	1984-85 Budget	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated
Corrections							
General Fund	\$ 140,335	\$ 161,247	\$ 185,801	\$ 200,665	\$ 224,819	\$ 240,557	\$ 257,396
Crime Commission							
General Fund	\$ 2,093	\$ 2,170	\$ 2,293	\$ 2,385	\$ 2,480	\$ 2,579	\$ 2,682
Education							
General Fund	\$3,701,057	\$4,035,626	\$4,268,451	\$4,447,480	\$4,686,914	\$4,972,211	\$5,341,040
Motor License Fund	2,518	2,605	2,552	2,552	2,503	2,502	2,503
Revenue Sharing Trust Fund	2,500	.....	.....	.....	.....	.....	.....
TOTAL	\$3,706,075	\$4,038,231	\$4,271,003	\$4,450,032	\$4,689,417	\$4,974,713	\$5,343,543
Emergency Management							
General Fund	\$ 2,659	\$ 4,953	\$ 2,553	\$ 2,655	\$ 2,761	\$ 2,871	\$ 2,986
Environmental Resources							
General Fund	\$ 122,663	\$ 135,773	\$ 148,690	\$ 154,320	\$ 159,884	\$ 159,442	\$ 164,198
Fish Commission							
General Fund	\$ 4	\$ 4	\$ 155	\$ 155	\$ 5	\$ 5	\$ 5
Boating Fund	3,614	4,036	4,265	4,349	4,399	4,404	4,410
Fish Fund	14,591	15,908	16,406	17,055	17,730	18,432	19,162
TOTAL	\$ 18,209	\$ 19,948	\$ 20,826	\$ 21,559	\$ 22,134	\$ 22,841	\$ 23,577
Game Commission							
Game Fund	\$ 32,009	\$ 35,749	\$ 29,328	\$ 27,896	\$ 21,420	\$ 20,952	\$ 20,388
General Services							
General Fund	\$ 105,579	\$ 111,180	\$ 115,319	\$ 119,437	\$ 120,299	\$ 118,809	\$ 117,989
Motor License Fund	13,170	21,210	21,171	26,171	21,171	23,171	25,171
Boating Fund	2	2	2	2	2	2	2
Banking Department Fund	305	292	291	296	299	296	297
Fish Fund	62	63	63	63	63	63	63
Lottery Fund	587	413	198	202	205	202	203
Revenue Sharing Trust Fund .....	.....	368	384	.....	.....	.....	.....
TOTAL	\$ 119,705	\$ 133,528	\$ 137,428	\$ 146,171	\$ 142,039	\$ 142,543	\$ 143,725
Health							
General Fund	\$ 114,178	\$ 122,605	\$ 129,801	\$ 133,685	\$ 137,699	\$ 141,848	\$ 146,140
Higher Education Assistance Agency							
General Fund	\$ 98,533	\$ 110,387	\$ 127,342	\$ 134,053	\$ 147,683	\$ 157,498	\$ 167,944
Historical and Museum Commission							
General Fund	\$ 10,375	\$ 11,427	\$ 12,719	\$ 13,119	\$ 13,536	\$ 13,969	\$ 13,920
Housing Finance Agency							
General Fund	\$ 5,000	\$ 25,750	\$ 25,850	\$ 25,955	\$ 1,257	\$ 902	.....
Insurance							
General Fund	\$ 7,067	\$ 7,268	\$ 7,598	\$ 7,902	\$ 8,218	\$ 8,547	\$ 8,889
Labor and Industry							
General Fund	\$ 52,135	\$ 62,224	\$ 45,112	\$ 45,367	\$ 45,665	\$ 46,003	\$ 46,433
Military Affairs							
General Fund	\$ 22,261	\$ 23,788	\$ 25,188	\$ 26,153	\$ 27,157	\$ 28,453	\$ 29,541

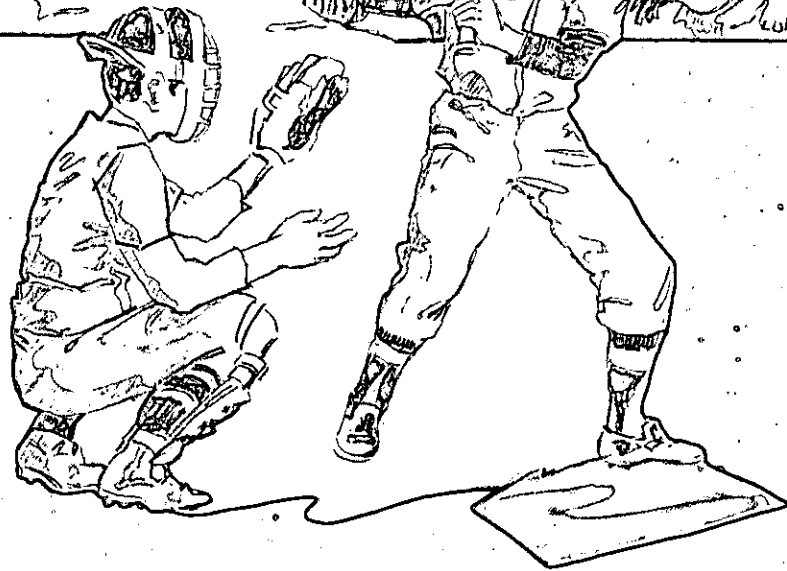
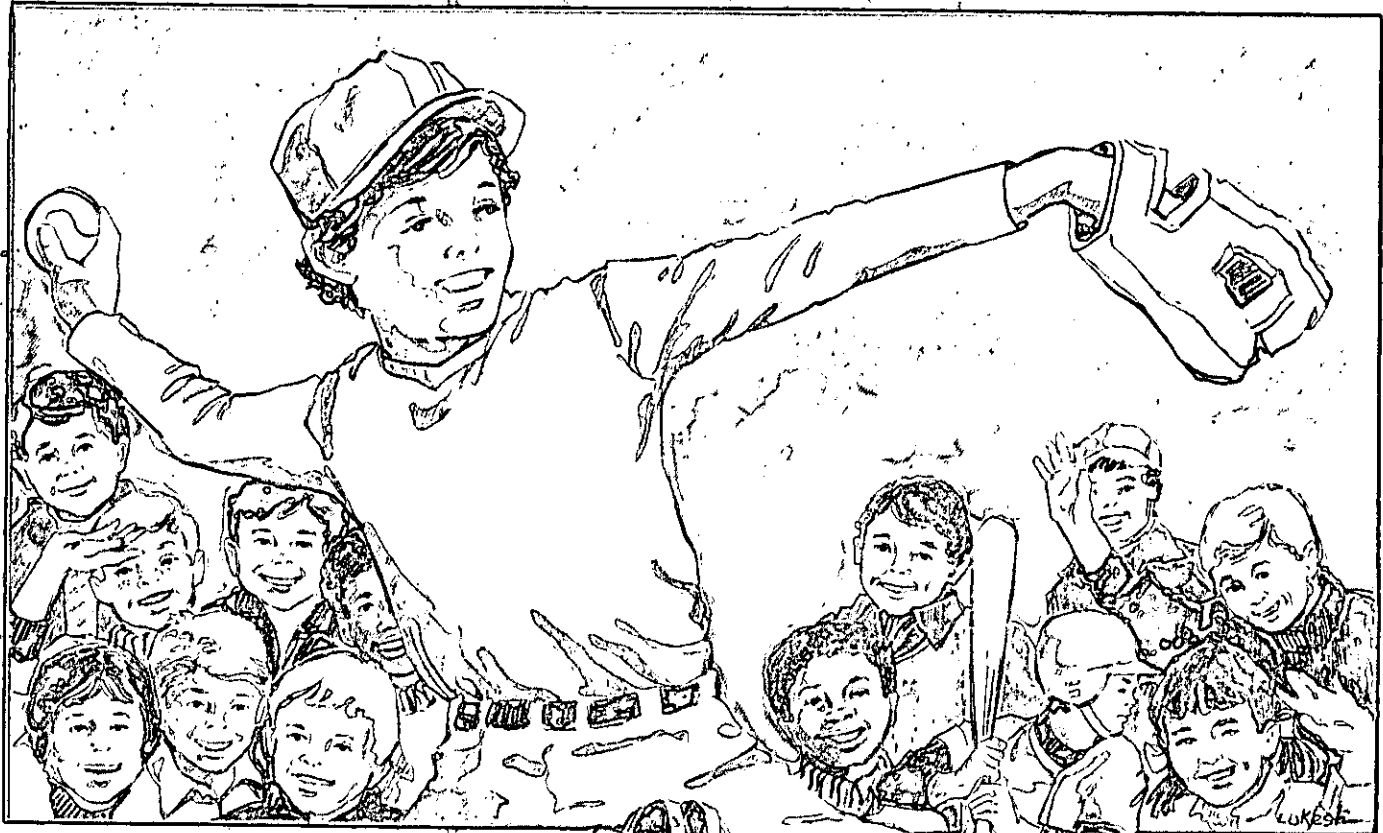
FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

(continued)

	(Dollar Amounts in Thousands)						
	1982-83 Actual	1983-84 Available	1984-85 Budget	1985-86 Estimated	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated
Milk Marketing Board							
General Fund	\$ 950	\$ 3,600	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
Milk Marketing Fund	741	804	815	676	676	676	676
TOTAL	\$ 1,691	\$ 4,404	\$ 1,765	\$ 1,626	\$ 1,626	\$ 1,626	\$ 1,626
Probation and Parole							
General Fund	\$ 20,671	\$ 21,951	\$ 23,253	\$ 24,219	\$ 25,228	\$ 26,274	\$ 27,366
Public Television Network							
General Fund	\$ 7,624	\$ 9,000	\$ 10,431	\$ 10,848	\$ 11,282	\$ 11,733	\$ 12,202
Public Welfare							
General Fund	\$ 2,542,831	\$ 2,608,108	\$ 2,667,618	\$ 2,775,835	\$ 2,900,570	\$ 3,033,141	\$ 3,173,785
Lottery Fund	100,000	167,239	169,635	170,600	171,512	172,498	173,568
TOTAL	\$ 2,642,831	\$ 2,775,347	\$ 2,837,253	\$ 2,946,435	\$ 3,072,082	\$ 3,025,639	\$ 3,347,353
Revenue							
General Fund	\$ 135,486	\$ 145,579	\$ 152,274	\$ 157,765	\$ 163,491	\$ 169,461	\$ 175,688
Motor License Fund	11,025	11,735	12,228	12,407	12,509	12,613	12,719
Lottery Fund	417,981	441,518	421,399	451,865	457,984	464,351	470,968
Racing Fund	146	213	145	148	151	154	157
TOTAL	\$ 564,638	\$ 599,045	\$ 586,046	\$ 622,185	\$ 634,135	\$ 646,579	\$ 659,532
Securities Commission							
General Fund	\$ 1,691	\$ 1,949	\$ 2,154	\$ 2,240	\$ 2,330	\$ 2,423	\$ 2,520
State							
General Fund	\$ 3,421	\$ 3,749	\$ 3,692	\$ 3,823	\$ 3,960	\$ 4,107	\$ 4,248
State Employees' Retirement System							
General Fund	\$ 1,157	\$ 7,879	\$ 1,403	\$ 1,431	\$ 1,460	\$ 1,489	\$ 1,519
State Police							
General Fund	\$ 55,487	\$ 61,728	\$ 67,847	\$ 70,561	\$ 73,382	\$ 76,319	\$ 79,372
Motor License Fund	123,001	131,553	148,112	154,037	160,198	166,605	173,270
TOTAL	\$ 178,488	\$ 193,281	\$ 215,959	\$ 224,598	\$ 233,580	\$ 242,924	\$ 252,642
Tax Equalization Board							
General Fund	\$ 896	\$ 941	\$ 974	\$ 1,013	\$ 1,053	\$ 1,095	\$ 1,140
Transportation							
General Fund	\$ 177,333	\$ 186,162	\$ 190,661	\$ 197,117	\$ 203,746	\$ 211,420	\$ 219,400
Motor License Fund	902,966	991,673	1,015,184	966,788	953,860	942,052	938,329
Lottery Fund	67,491	86,026	91,243	94,763	97,056	100,539	103,243
TOTAL	\$ 1,147,790	\$ 1,263,861	\$ 1,297,088	\$ 1,258,668	\$ 1,254,662	\$ 1,254,011	\$ 1,260,972
Legislature							
General Fund	\$ 76,322	\$ 88,188	\$ 94,938	\$ 98,735	\$ 102,685	\$ 106,792	\$ 111,064
Judiciary							
General Fund	\$ 97,188	\$ 101,279	\$ 107,702	\$ 110,922	\$ 114,271	\$ 117,753	\$ 121,377

FIVE-YEAR DEPARTMENTAL SUMMARY BY FUND

	(Dollar Amounts in Thousands)						
	1983-84 Actual	1984-85 Available	1985-86 Recommended	1986-87 Estimated	1987-88 Estimated	1988-89 Estimated	1989-90 Estimated
Commonwealth Total							
General Fund	\$ 7,991,122	\$ 8,617,030	\$ 9,039,730	\$ 9,429,996	\$ 9,894,788	\$10,435,140	\$11,045,062
Motor License Fund	1,229,166	1,336,879	1,377,508	1,343,011	1,332,594	1,326,419	1,331,659
Banking Department Fund	6,711	7,387	7,360	7,648	7,945	8,248	8,567
Boating Fund	3,621	4,043	4,272	4,356	4,406	4,411	4,417
Fair Fund	1,650	6	11	11	11	11	11
Farm Products Show Fund	1,475	1,735	1,802	1,830	1,654	1,687	1,720
Fish Fund	14,658	15,976	16,474	17,123	17,798	18,500	19,230
Game Fund	32,015	35,755	29,334	27,902	21,426	20,958	20,394
Lottery Fund	715,907	889,969	862,584	907,046	922,827	940,588	958,553
Milk Marketing Fund	746	814	825	686	686	686	686
Racing Fund	19,651	16,183	14,828	15,325	12,834	12,844	12,855
Revenue Sharing Trust Fund	2,500	368	384	.....	.....	.....	.....
GRAND TOTAL	<u>\$10,019,222</u>	<u>\$10,926,145</u>	<u>\$11,355,112</u>	<u>\$11,754,934</u>	<u>\$12,216,969</u>	<u>\$12,769,492</u>	<u>\$13,403,154</u>



Department Presentations

FIRST LITTLE LEAGUE BASEBALL AND SOFTBALL

The Little League was founded in 1939 in Williamsport as a three-team baseball league for eight-to-twelve-year-old boys. It has since expanded to become the world's largest baseball and softball competition for both boys and girls from eight to 18 years of age. Each August the Little League World Series in Williamsport brings together international competition.

Governor's Office

The Governor directs and coordinates the work of State Government and guides the programs of the agencies in the direction that assures compliance with existing legislation, definable needs and administration goals.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
Governor's Office	PII—Computerization and Word Processing	\$ 100 ^a

This Productivity Improvement Initiative will provide for the acquisition of computers to upgrade the office's electronic data processing capability which subsequently will enhance communication and management within the Governor's Office and with other agencies of the Executive Branch.

DEPARTMENT TOTAL	\$ 100
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^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume 1.

GOVERNOR'S OFFICE

Summary by Fund and Appropriation

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
General Fund			
General Government			
Governor's Office.....	\$ 2,987	\$ 3,299	\$ 3,512
GENERAL FUND TOTAL	<u>\$ 2,987</u>	<u>\$ 3,299</u>	<u>\$ 3,512</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Governor's Office			
State Funds	\$ 2,987	\$ 3,299	\$ 3,512

Provides the Governor with the necessary staff to perform the legislative, administrative and public information functions required of the office. Also provides for Pennsylvania's Liaison Office in Washington, D.C., and official entertainment and household expenses at the Governor's Home.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Governor's Office.....	<u>\$ 2,987^a</u>	<u>\$ 3,299</u>	<u>\$ 3,512</u>

^aExcludes \$50,000 for payment of dues to the Coalition of Northeastern Governors and \$40,000 for payment of dues to the Northeast-Midwest Institute. These payments are included as separate appropriations in the Treasury Department in 1984-85 and 1985-86.

GOVERNOR'S OFFICE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 2,987	\$ 3,299	\$ 3,512	\$ 3,548	\$ 3,690	\$ 3,838	\$ 3,992
Executive Direction	2,987	3,299	3,512	3,548	3,690	3,838	3,992
DEPARTMENT TOTAL	<u>\$ 2,987</u>	<u>\$ 3,299</u>	<u>\$ 3,512</u>	<u>\$ 3,548</u>	<u>\$ 3,690</u>	<u>\$ 3,838</u>	<u>\$ 3,992</u>

Executive Direction

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 2,987</u>	<u>\$ 3,299</u>	<u>\$ 3,512</u>	<u>\$ 3,548</u>	<u>\$ 3,690</u>	<u>\$ 3,838</u>	<u>\$ 3,992</u>

Program Analysis:

This program provides for the Office of the Governor, in whom the executive authority of the Commonwealth is vested. It supports the Governor in performing his functions as delegated by the State Constitution and laws passed by the General Assembly.

This program also includes funding for staff to assist with the legislative, administrative and public information functions required of the office, operation of Pennsylvania's Liaison Office in Washington, D.C., and official entertain-

ment and household expenses at the Governor's Home.

The recommended amount includes a Productivity Improvement Initiative for \$100,000 which will provide for the acquisition of computers to upgrade the office's electronic data processing capability. This initiative will enhance communication within the Governor's Office and with other agencies of the Executive Branch. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Governor's Office	<u>\$ 2,987</u>	<u>\$ 3,299</u>	<u>\$ 3,512</u>	<u>\$ 3,548</u>	<u>\$ 3,690</u>	<u>\$ 3,838</u>	<u>\$ 3,992</u>

Executive Offices

To aid the Governor, the Office of Administration performs the duties of a central management agency and coordinates the Commonwealth's Integrated Central System and Data Communications Network. The Office of the Budget performs the duties of a central management agency, prepares the annual Governor's Budget and Five Year Financial Plan based upon the Governor's priorities and analysis of program effectiveness, and provides comptroller services for the maintenance and management of all agency accounts in the Commonwealth. The Human Relations Commission and the Pennsylvania Commission for Women promote equal opportunities for all people in employment, housing, public accommodations and education. The Governor's Energy Council studies the Commonwealth's entire energy program from production to demand and provides support to regional energy centers. The Council on the Arts provides for encouragement and development of the arts in Pennsylvania. The Office of Policy Development provides the Governor with policy analysis and research in areas relating to economic development, human services, public safety, rural affairs and other issues of concern to the Commonwealth. The Commission on Crime and Delinquency provides the planning and technical assistance for the improvement of the Criminal Justice System. The Governor's Action Center provides citizens easy access to State Government. The Milrite Council seeks solutions to Pennsylvania's economic problems. The Public Employee Retirement Study Commission monitors public employee retirement plans to assure their actuarial viability. The Office of General Counsel provides legal counsel in matters affecting the operation of State agencies. The Juvenile Court Judges Commission provides technical and financial assistance to the juvenile probation staffs of the county courts. The Crime Victims Compensation Board provides financial assistance to relieve the financial hardship of individuals who have been victimized by criminal acts. The Health Facilities Hearing Board conducts preliminary hearings on appeals from decisions of the Department of Health relating to applications for certificate of need and the licensure of health care facilities. The Arbitration Panels for Health Care assist courts by conducting conciliation conferences involving medical malpractice cases.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
Crime Victims Compensation Board	PII-Automated Claims Processing	\$ 56 ^a
DEPARTMENT TOTAL		<u>\$ 56</u>

This Productivity Improvement Initiative will provide funds to purchase computers in order to improve and expedite crime victims' claim processing.

^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

EXECUTIVE OFFICES

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Fund			
General Government			
Governor's Action Center	\$ 601	\$ 583	\$ 603
Office of Administration	4,261	3,391	3,850
Office of the Budget	17,253	19,388	19,837
Econometric Data Base .....	.....	.....	110
ICS Development	2,244	3,610	3,902
ICS Production .....	.....	.....	1,000
Data Communications Network	527	800	923
Office of Policy Development	555	600	712
Human Resources Committee .....	.....	286	295
Task Force on Rural Issues	38	125	129
Milrite Council	170	216	222
Human Relations Commission	4,544	4,867	5,041
Council on the Arts	562	585	773
Commission for Women	178	195	202
Governor's Energy Council	960	1,311	1,852
Commission on Crime and Delinquency	1,483	1,580	1,827
Office of General Counsel	1,148	1,210	1,396
Juvenile Court Judges Commission	372	378	547
Crime Victims Compensation Board	346	389	459
Health Facilities Hearing Board	140	172	179
Public Employe Retirement Study Commission	288	350	392
Distinguished Daughters	3	4	4
Subtotal	<u>\$ 35,673</u>	<u>\$ 40,040</u>	<u>\$ 44,255</u>
Grants and Subsidies			
Grants to the Arts	\$ 4,197	\$ 5,000	\$ 6,000
Improvement of Juvenile Probation Services	2,392	2,512	2,702
Compensation to Crime Victims	2,188	2,500	2,300
Crime Victims Services .....	.....	500	.....
Subtotal	<u>\$ 8,777</u>	<u>\$ 10,512</u>	<u>\$ 11,002</u>
TOTAL STATE FUNDS	<u>\$ 44,450</u>	<u>\$ 50,552</u>	<u>\$ 55,257</u>
Federal Funds	\$ 8,429	\$ 14,625	\$ 9,536
Other Funds	28,112	30,403	31,279
GENERAL FUND TOTAL	<u>\$ 80,991</u>	<u>\$ 95,580</u>	<u>\$ 96,072</u>

EXECUTIVE OFFICES

Summary by Fund and Appropriation (Continued)

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Motor License Fund			
General Government			
Office of the Budget	\$ 3,426	\$ 3,563	\$ 3,692
<i>Total State Funds</i>	<u>\$ 3,426</u>	<u>\$ 3,563</u>	<u>\$ 3,692</u>
Other Funds	642	770	776
MOTOR LICENSE FUND TOTAL	<u>\$ 4,068</u>	<u>\$ 4,333</u>	<u>\$ 4,468</u>
 Department Total — All Funds			
General Fund	\$ 44,450	\$ 50,552	\$ 55,257
Special Funds	3,426	3,563	3,692
Federal Funds	8,429	14,625	9,536
Other Funds	28,754	31,173	32,055
TOTAL ALL FUNDS	<u>\$ 85,059</u>	<u>\$ 99,913</u>	<u>\$ 100,540</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Governor's Action Center			
State Funds	\$ 601	\$ 583	\$ 603

Provides citizens with easy access to State Government and attempts to resolve individual and family problems.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Governor's Action Center	<u>\$ 601</u>	<u>\$ 583</u>	<u>\$ 603</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Office of Administration			
State Funds	\$ 4,261	\$ 3,391	\$ 3,850
Other Funds	11,155	11,356	11,720
TOTAL	<u>\$ 15,416</u>	<u>\$ 14,747</u>	<u>\$ 15,570</u>

Provides for central management services which insure administrative efficiency and permit the control of specific administrative actions.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Office of Administration	\$ 4,261	\$ 3,391	\$ 3,850
Other Funds:			
Reimbursement — Classification and Pay	1,169	1,272	1,297
Reimbursement — C.M.I.C.	8,999	9,113	9,432
Reimbursement — BMS	951	939	958
Reimbursement — Labor Relations	32	32	33
Reimbursement — Commonwealth Management Training	4	.....	.....
TOTAL	<u>\$ 15,416</u>	<u>\$ 14,747</u>	<u>\$ 15,570</u>

GENERAL FUND

EXECUTIVE OFFICES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Office of the Budget			
State Funds	\$ 17,253	\$ 19,388	\$ 19,947
Other Funds	16,225	17,765	17,662
TOTAL	<u>\$ 33,478</u>	<u>\$ 37,153</u>	<u>\$ 37,609</u>

Prepares and oversees the annual Commonwealth Budget and assists the Governor in formulating fiscal policies and procedures in order to reduce State program costs and to promote program effectiveness. Also, provides comptroller services for the maintenance and management of all agency accounts of the various substantive programs of all departments, and provides for an audit of the Commonwealth's Financial Statement. These services are also provided to various special funds and authorities.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Office of the Budget	\$ 17,253	\$ 19,388	\$ 19,837
Econometric Data Base .....	.....	.....	110
Other Funds:			
Reimbursement — Comptroller Services	16,225	17,765	17,662
TOTAL	<u>\$ 33,478</u>	<u>\$ 37,153</u>	<u>\$ 37,609</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Integrated Central System (ICS)			
State Funds	\$ 2,244	\$ 3,610	\$ 4,902

Provides a computerized base of information and report generating capabilities for policymaking which permits the development and production of a centralized system which includes accounting, budgeting, personnel, payroll and purchasing records, and reduces the number of redundant steps inherent in independent systems.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
ICS Development	\$ 2,244	\$ 3,610	\$ 3,902
ICS Production .....	.....	.....	1,000
TOTAL	<u>\$ 2,244</u>	<u>\$ 3,610</u>	<u>\$ 4,902</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Data Communications Network			
State Funds	\$ 527	\$ 800	\$ 923
Other Funds	558	981	1,647
TOTAL	<u>\$ 1,085</u>	<u>\$ 1,781</u>	<u>\$ 2,570</u>

Provides for the integration of computer and data communications throughout the Commonwealth into a single network. The Network will provide improved and expanded data communications while reducing costs to the Commonwealth.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Data Communications Network	\$ 527	\$ 800	\$ 923
Other Funds:			
Agency Contributions	240	600	1,258
BMS — Bureau of EDP Policy and Planning	318	381	389
TOTAL	<u>\$ 1,085</u>	<u>\$ 1,781</u>	<u>\$ 2,570</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Office of Policy Development			
State Funds	\$ 593	\$ 1,011	\$ 1,136
Federal Funds	672	434	253
Other Funds	55	135	135
TOTAL	<u>\$ 1,320</u>	<u>\$ 1,580</u>	<u>\$ 1,524</u>

Provides for advancing the development of the Commonwealth through policy analysis in areas relating to economic development, human services, public safety, rural affairs and other issues of concern to the Commonwealth, and provides support to the State Planning Board.

GENERAL FUND

EXECUTIVE OFFICES

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Office of Policy Development	\$ 555	\$ 600	\$ 712
Human Resources Committee .....	.....	286	295
Task Force on Rural Issues	38	125	129
Federal Funds:			
EDA — Planning Assistance	62	100	100
CETA Title II — Economic Development Committee	33	.....	.....
Community Services Block Grant — Economic Development Committee	33	.....	.....
Social Services Block Grant — Human Resources Committee ..	272	.....	.....
EDA — Supplemental and Basic Funding	26	30	.....
Human Services Assessment	140	111	.....
National Occupational Information Coordinating Committee...	75	128	88
Centralia Mine Fire Recovery	16	65	65
Developmental Disabilities Planning Council — Human Resources Committee	15	.....	.....
Other Funds:			
State Clearinghouse	55	75	75
Population Projection System .....	.....	60	60
TOTAL	<u>\$ 1,320</u>	<u>\$ 1,580</u>	<u>\$ 1,524</u>

Milrite	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 170	\$ 216	\$ 222

Seeks solutions to Pennsylvania's economic problems by focusing on those problems which require the cooperation of labor, business and government, and which affect firms and establishments currently doing business in Pennsylvania.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Milrite	<u>\$ 170</u>	<u>\$ 216</u>	<u>\$ 222</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Human Relations Commission			
State Funds	\$ 4,544	\$ 4,867	\$ 5,041
Federal Funds	1,018	1,295	1,200
TOTAL	\$ 5,562	\$ 6,162	\$ 6,241

Administers the Pennsylvania Human Relations Act and the Fair Educational Opportunities Act, both of which prohibit discrimination because of race, color, religious creed, handicap or disability, national origin, age or sex.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Human Relations Commission	\$ 4,544	\$ 4,867	\$ 5,041
Federal Funds:			
EEOC — Special Project Grant	860	1,100	1,050
HUD — Special Project Grant	158	175	130
Office of Revenue Sharing — Special Project Grant .....	. . . .	20	20
TOTAL	\$ 5,562	\$ 6,162	\$ 6,241

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Council on the Arts			
State Funds	\$ 562	\$ 585	\$ 773
Federal Funds	132	138	49
TOTAL	\$ 694	\$ 723	\$ 822

Administers a program to help enrich the artistic and cultural experience of Pennsylvanians.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Council on the Arts	\$ 562 ^a	\$ 585	\$ 822
Federal Funds:			
National Endowment for the Arts — Basic State Grant	132	138	49
TOTAL	\$ 694	\$ 723	\$ 822

^aActually appropriated as \$521,000 for the Council on the Arts and \$41,000 for the Council's Public Relations Office.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Commission for Women			
State Funds	\$ 178	\$ 195	\$ 202
Other Funds	4	.....	.....
TOTAL	<u>\$ 182</u>	<u>\$ 195</u>	<u>\$ 202</u>

Provides women with information in regard to their legal rights as well as accepting and referring inquiries and helping to eliminate discriminatory practices at all levels of society.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Commission for Women	\$ 178	\$ 195	\$ 202
Other Funds:			
National Women's Education Fund	4	.....	.....
TOTAL	<u>\$ 182</u>	<u>\$ 195</u>	<u>\$ 202</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Governor's Energy Council			
State Funds	\$ 960	\$ 1,311	\$ 1,852
Federal Funds	5,851	11,815	7,111
Other Funds	115	.....	.....
TOTAL	<u>\$ 6,926</u>	<u>\$ 13,126</u>	<u>\$ 8,963</u>

Provides for coordinated analysis of the Commonwealth's energy needs and priorities to insure that the demands for energy are met in order of their importance and also to guarantee the economic stability and environmental sanctity of the Commonwealth. Also provides support to Pennsylvania regional energy centers.

GENERAL FUND | **EXECUTIVE OFFICES**

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Governor's Energy Council	\$ 960	\$ 1,311 ^a	\$ 1,852
Federal Funds:			
Energy Extension Services	597	610	357
State Energy Conservation Plan (ECPA)	1,505	1,450	937
Small Scale Appropriate Technology Grant	6	150	50
Institutional Conservation	439	400	125
HUD — Energy Conservation and Solar Bank	1,332	3,000	2,500
ARC — Industry Coal Conversion Assistance	38	.....	.....
Oil Overcharges — Energy Extension Services	407	593	.....
Oil Overcharges — State Energy Conservation Plan (ECPA) ...	461	304	12
Oil Overcharges — Institutional Conservation	566	3,533	2,400
Oil Overcharges — Low Income Energy Assistance	500	500	.....
Oil Overcharges — Energy Conservation .....	.....	1,035	700
Low Income Weatherization .....	.....	240	.....
Fuel Oil Survey .....	.....	.....	30
Other Funds:			
Energy Council — Chevron Funds	115	.....	.....
TOTAL	<u>\$ 6,926</u>	<u>\$ 13,126</u>	<u>\$ 8,963</u>

Commission on Crime and Delinquency	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 1,483	\$ 1,580	\$ 1,827
Federal Funds	226	239	172
Other Funds .....	.....	166	115
TOTAL	<u>\$ 1,709</u>	<u>\$ 1,985</u>	<u>\$ 2,114</u>

Provides the planning for the improvement of the criminal justice system and technical assistance to all segments of the criminal justice system.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Commission on Crime and Delinquency	\$ 1,483	\$ 1,580	\$ 1,827
Federal Funds:			
Plan for Juvenile Justice	165	185	157
Criminal Justice Statistical Analysis Center	38	39	5
Jail Overcrowding and Technical Assistance	23	15	10
Other Funds:			
Crime Victims Services .....	.....	78	.....
Deputy Sheriffs Education and Training .....	.....	88	115
TOTAL	<u>\$ 1,709</u>	<u>\$ 1,985</u>	<u>\$ 2,114</u>

^aActually appropriated as \$1,011,000 for the Governor's Energy Council and \$300,000 for the Energy Centers.

GENERAL FUND**EXECUTIVE OFFICES**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Office of General Counsel			
State Funds	\$ 2,006	\$ 2,149	\$ 2,581
Federal Funds	140	194	.....
TOTAL	<u>\$ 2,146</u>	<u>\$ 2,343</u>	<u>\$ 2,581</u>

Provides legal counsel in matters affecting the operation of the State agencies. Also, this agency provides grants to crime victims, assistance to juvenile probation offices and conducts hearings on appeals concerning licensure of health care facilities.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Office of General Counsel	\$ 1,148	\$ 1,210	\$ 1,396
Juvenile Court Judges Commission	372	378	547
Crime Victims Compensation Board	346	389	459
Health Facilities Hearing Board	140	172	179
Federal Funds:			
Statistical Analysis Center	140	194	.....
TOTAL	<u>\$ 2,146</u>	<u>\$ 2,343</u>	<u>\$ 2,581</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Public Employe Retirement Study Commission			
State Funds	\$ 288	\$ 350	\$ 392

Provides an ongoing mechanism to monitor public employe retirement plans and develops a coordinated public employe pension policy in the Commonwealth.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Public Employe Retirement Study Commission	<u>\$ 288</u>	<u>\$ 350</u>	<u>\$ 392</u>

GENERAL FUND	EXECUTIVE OFFICES
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	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Distinguished Daughters			
State Funds	\$ 3	\$ 4	\$ 4

Provides payment for the ceremonies of the distinguished daughters of Pennsylvania.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Distinguished Daughters	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 4</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants to the Arts			
State Funds	\$ 4,197	\$ 5,000	\$ 6,000
Federal Funds	390	510	751
TOTAL	<u>\$ 4,587</u>	<u>\$ 5,510</u>	<u>\$ 6,751</u>

Provides funds for grants to arts organizations in order to enrich the artistic and cultural experience of Pennsylvanians.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Grants to the Arts	\$ 4,197	\$ 5,000	\$ 6,000
Federal Funds:			
National Endowment for the Arts — Basic State Grant	267	342	440
National Endowment for the Arts — Interarts	50	60	175
National Endowment for the Arts — Artists-in-Schools	73	90	110
National Endowment for the Arts — Folk Arts .....	. . . .	18	26
TOTAL	<u>\$ 4,587</u>	<u>\$ 5,510</u>	<u>\$ 6,751</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Improvement of Juvenile Probation Services			
State Funds	\$ 2,392	\$ 2,512	\$ 2,702

Provides grants to county juvenile probation agencies for upgrading their services. The grants are used to provide additional staff and to raise the quality of juvenile probation staff through minimum standards and training programs.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Improvement of Juvenile Probation Services	<u>\$ 2,392</u>	<u>\$ 2,512</u>	<u>\$ 2,702</u>

GENERAL FUND	EXECUTIVE OFFICES
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	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Compensation to Crime Victims			
State Funds	\$ 2,188	\$ 2,500	\$ 2,300

Provides payments to alleviate economic hardships of persons who have been injured during the commission of a crime where the injured party is a victim or a bystander to that crime. In cases where the bystander or victim is killed, payments are made to the victim's dependents.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Compensation to Crime Victims	<u>\$ 2,188</u>	<u>\$ 2,500</u>	<u>\$ 2,300</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Crime Victims Services			
State Funds	\$ 500	.....

Provides grants to district attorneys and other criminal justice agencies which provide crime victims' services.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Crime Victims Services	<u>.....</u>	<u>\$ 500</u>	<u>.....</u>

GENERAL GOVERNMENT

	1983-84	(Dollar Amounts in Thousands)	
	Actual	1984-85	1985-86
Office of the Budget		Available	Budget
State Funds	\$ 3,426	\$ 3,563	\$ 3,692
Other Funds	642	770	776
TOTAL	<u>\$ 4,068</u>	<u>\$ 4,333</u>	<u>\$ 4,468</u>

Provides comptroller services for the maintenance and management of all agency accounts of the substantive programs of all departments. These services are also provided to the various departments funded out of the Motor License Fund.

	1983-84	(Dollar Amounts in Thousands)	
	Actual	1984-85	1985-86
Source of Funds		Available	Budget
Appropriation:			
Office of the Budget	\$ 3,426	\$ 3,563	\$ 3,692
Other Funds:			
Reimbursement — Federal Sources	152	116	127
Reimbursement — Comptroller Services	490	654	649
TOTAL	<u>\$ 4,068</u>	<u>\$ 4,333</u>	<u>\$ 4,468</u>

Restricted Receipts Not Included in Department Total

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Federal Juvenile Justice and Delinquency Prevention	\$ 2,226	\$ 2,000	\$ 2,000
Arbitration Panels for Health Care	404	494	500
Crime Victim Payments .....	.....	2,000	2,000
Federal Crime Victim Payments .....	.....	.....	700
Victim/Witness Services .....	.....	500	1,000
Federal Criminal Justice Assistance .....	.....	2,000	3,000
Federal Crime Victim Assistance .....	.....	2,000	3,000
TOTAL	<u>\$ 2,630</u>	<u>\$ 8,994</u>	<u>\$ 12,200</u>

EXECUTIVE OFFICES

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 30,514	\$ 34,126	\$ 37,067	\$ 38,497	\$ 40,035	\$ 41,638	\$ 43,305
Executive Direction	29,366	32,916	35,671	37,045	38,525	40,068	41,672
Legal Services	1,148	1,210	1,396	1,452	1,510	1,570	1,633
Reduction of Discriminatory Practices	\$ 4,722	\$ 5,062	\$ 5,243	\$ 5,453	\$ 5,671	\$ 5,898	\$ 6,134
Prevention and Elimination of Discriminatory Practices	4,722	5,062	5,243	5,453	5,671	5,898	6,134
Cultural Enrichment	\$ 4,759	\$ 5,585	\$ 6,773	\$ 6,804	\$ 6,836	\$ 6,869	\$ 6,904
Development of Artists and Audiences	4,759	5,585	6,773	6,804	6,836	6,869	6,904
Commonwealth Economic Development ...	\$ 960	\$ 1,311	\$ 1,852	\$ 1,926	\$ 2,003	\$ 2,083	\$ 2,166
Energy Management and Conservation ..	960	1,311	1,852	1,926	2,003	2,083	2,166
Personal Economic Development	\$ 2,534	\$ 2,889	\$ 2,759	\$ 2,719	\$ 2,736	\$ 2,753	\$ 2,771
Income Maintenance	2,534	2,889	2,759	2,719	2,736	2,753	2,771
Control and Reduction of Crime	\$ 4,247	\$ 4,970	\$ 5,076	\$ 5,171	\$ 5,270	\$ 5,373	\$ 5,480
Criminal and Juvenile Justice Planning and Coordination	1,483	2,080	1,827	1,900	1,976	2,055	2,137
Reintegration of Juvenile Delinquents ...	2,764	2,890	3,249	3,271	3,294	3,318	3,343
Consumer Protection	\$ 140	\$ 172	\$ 179	\$ 186	\$ 193	\$ 201	\$ 209
Medical Malpractice Arbitration and Health Facilities Hearings	140	172	179	186	193	201	209
DEPARTMENT TOTAL	<u>\$ 47,876</u>	<u>\$ 54,115</u>	<u>\$ 58,949</u>	<u>\$ 60,756</u>	<u>\$ 62,744</u>	<u>\$ 64,815</u>	<u>\$ 66,969</u>

Executive Direction

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Commonwealth can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 25,940	\$ 29,353	\$ 31,979	\$ 33,205	\$ 34,531	\$ 35,914	\$ 37,352
Special Funds	3,426	3,563	3,692	3,840	3,994	4,154	4,320
Federal Funds	672	434	253	253	188	188	188
Other Funds	28,635	31,007	31,940	33,212	34,476	35,852	37,283
TOTAL	\$ 58,673	\$ 64,357	\$ 67,864	\$ 70,510	\$ 73,189	\$ 76,108	\$ 79,143

Program Analysis:

This program provides administrative support and policy direction in order to implement and maintain the substantive programs of the Commonwealth.

The Governor's Action Center provides citizen access to State government. In fiscal year 1983-1984, almost 92,500 Pennsylvanians received information, referral or problem-solving services through the agency's statewide toll-free telephone hotline. In addition, the agency stands ready to serve as a rumor control center in times of crisis. Working closely and cooperatively with other governmental agencies, the Governor's Action Center is able to demonstrate that State government is responsive to citizen needs.

The Office of Administration provides a wide range of functions for the Commonwealth. The Office of Personnel Services provides personnel services to 2,000 employees in the areas of classification and pay, placement, labor relations, training, and affirmative action. The Division of State Employment is responsible for the coordination of hiring non-civil service positions in all agencies under the Governor's jurisdiction.

In addition, the Bureau of Personnel is responsible for the design, development, coordination, implementation, and monitoring of personnel management, policy and programs designed to support the Governor's overall direction in managing the State work force. The Bureau of Labor Relations negotiates and administers collective bargaining agreements between the Commonwealth and the various unions representing State employees under the provisions of the Public Employee Relations Act of 1970. The Bureau of Affirmative Action is responsible for carrying out the mission and intent of the Governor in all areas related to affirmative action in State government.

Also, the Bureau of Management Services conducts management studies to affect policy and systems changes in State programs to improve the operation, administration and organizational structuring of these programs. The Central Management Information Center is the data process-

ing service center for all Commonwealth central administrative systems. The Center manages and maintains the Commonwealth's payroll, personnel, accounting and retirement systems for all agencies under the Governor's jurisdiction.

The recommended amount for the Office of Administration includes an additional \$150,000 to establish an Office of the Inspector General and an additional \$180,000 to enhance administrative and personnel services.

The Office of the Budget assists the Governor in formulating fiscal policies and procedures, and administers them for the Governor. The Office of the Budget prepares the Commonwealth Budget for delivery to the General Assembly. The office also prepares fiscal notes and reviews proposed regulations as mandated by Act 149 of 1978. Emphasis continues to be placed on the review of State programs to reduce costs and to promote program effectiveness.

In addition, the Office of the Budget provides accounting, auditing, and financial advisory and supportive services to all Commonwealth agencies. The office has been instrumental in providing much of the direction and staff support essential to successfully accomplish fiscal and management improvement, with an emphasis on professionalism in accounting systems, auditing, and budget analysis to meet financial management objectives.

The recommended amount for the Office of the Budget includes an additional \$191,000 for enhanced audit activities and an additional \$67,000 for budget preparation automation. Also, a separate line item of \$110,000 is recommended for the Pennsylvania Econometric Data Base initiative. This initiative will improve and enhance revenue analysis, reduce the likelihood of redundant data bases, and provide capability to commercially available data bases and staff in both the Executive and Legislative branches of government to assess economic scenarios.

The Bureau of EDP Policy and Planning, which is funded from the Data Communications Network appropriation,

Executive Direction (continued)

Program Analysis: (continued)

provides executive direction in areas relating to EDP and data communications management. The Bureau develops and implements EDP policy to promote efficiency and productivity in Commonwealth data processing operations and is responsible for the development and implementation of a Commonwealth EDP Master Plan which establishes direction for major Commonwealth-wide EDP initiatives. The Bureau is also responsible for the development and implementation of a Commonwealth Master Contingency Plan to provide for the recovery of Commonwealth EDP services in the event of a disaster, and is charged with establishing an Interagency Data Exchange function to provide a clearinghouse for agency data exchange requests and a vehicle to exchange information among Commonwealth agencies.

In addition, the Bureau is also responsible for the development, implementation and management of an integrated Commonwealth Data Communications Network. The Network, when implemented, will result in increased efficiency and economy in data communications operations for Commonwealth agencies. The Network will also make more feasible the sharing of resources and information both within and between agencies. The recommended amount includes an additional \$95,000 to extend implementation of the Network to additional State agencies.

The Integrated Central System facilitates policymaking and, when fully implemented, will provide integrated accounting, budgeting, payroll, purchasing and personnel systems. This improves the effectiveness of managing the Commonwealth's operations as well as improving efficiency and controlling costs by decreasing paper flow, expediting processes and improving managers' productivity. Since the accounting system module will be nearly complete by July 1985, during the 1985-86 fiscal year, the ICS Project Team will change the emphasis from accounting system development to personnel and payroll system development. The recommended amounts include an additional \$184,000 for ICS development of the personnel, payroll and budgeting systems and a separate line item appropriation of \$1 million for ICS production. The latter is for the on-going costs of report generation and transaction processing in the newly completed accounting module.

The Office of Policy Development provides policy research and analytical support to the Governor and his Cabinet in areas relating to economic development, human services, public safety, rural issues and other issues of concern to the Commonwealth. The office develops new program initiatives and suggests changes to existing programs, assesses the feasibility of proposals to improve existing programs, coordinates the implementation of Commonwealth policy, and monitors and develops responses to Federal ac-

tions. The Office of Policy Development also provides support to the State Planning Board in examining long-term trends affecting Pennsylvania, and in examining long-range objectives and action alternatives for economic development, community conservation and human services.

Economic development initiatives will continue to be undertaken by the Economic Development Committee of the Cabinet in responding to key economic development opportunities throughout Pennsylvania. The Human Resources Committee of the Cabinet facilitates the coordination of human resources issues and projects which require interdepartmental action. The Committee serves as the vehicle through which human service agencies coordinate programs and establishes measures to enhance and improve program effectiveness. The Task Force on Rural Issues was established statutorily in 1984 and will consist of 12 members, six to be appointed by the Legislature and six to be appointed by the Governor. The Task Force will engage in rural issues research, and will identify and make recommendations concerning rural needs and problems.

The recommended amount for the Office of Policy Development includes an additional \$90,000 to coordinate the analysis and assessment process for the 11 programs established as part of the \$190 million bond-financed Pennsylvania Economic Revitalization Fund (PERF). The Office of Policy Development will provide assistance and guidance to the five agencies involved in implementation of the Economic Revitalization Fund Programs to insure that adequate data are collected and appropriate analyses conducted in order to assess whether the objectives of each program are being achieved. The Pennsylvania Economic Revitalization Fund (PERF) is shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

The Milrite Council examines impediments to the development of industry and jobs in Pennsylvania by focusing on those problems requiring the cooperation of labor, business and government, and which affect firms and establishments currently doing business in Pennsylvania. The Council will continue to provide technical assistance to firms and unions throughout Pennsylvania which seek to cooperatively improve productivity of Pennsylvania businesses and the quality of working life for Pennsylvania workers.

The Public Employee Retirement Study Commission provides an ongoing mechanism to monitor public employee retirement plans and to develop a coordinated public employee pension policy in the Commonwealth. The Commission administers the municipal pension system actuarial reporting program and prepares actuarial notes for all proposed legislation affecting State or municipal pension plans.

Executive Direction (continued)

Program Analysis: (continued)

The Commission also provides technical assistance to the General Assembly and the Governor on relevant matters relating to consideration of public pension legislation. The recommended amount for the Commission includes an additional \$30,000 to administer the Municipal Pension Plan

Funding Standard and Recovery Act (Act 205 of 1984).

Distinguished Daughters provides payment for selected women designated as Distinguished Daughters of Pennsylvania to attend ceremonies at the Governor's Home.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Governor's Action Center	\$ 601	\$ 583	\$ 603	\$ 627	\$ 652	\$ 678	\$ 705
Office of Administration	4,261	3,391	3,850	4,004	4,164	4,331	4,504
Office of the Budget	17,253	19,388	19,837	20,630	21,455	22,313	23,206
Econometric Data Base .....	.....	.....	110	62	64	67	70
ICS Development	2,244	3,610	3,902	4,058	4,220	4,389	4,565
ICS Production .....	.....	.....	1,000	1,040	1,082	1,125	1,170
Data Communications Network	527	800	923	960	998	1,038	1,080
Office of Policy Development	555	600	712	740	770	801	833
Human Resources Committee .....	.....	286	295	307	319	332	345
Task Force on Rural Issues	38	125	129	134	139	145	151
Milrite	170	216	222	231	240	250	260
Public Employee Retirement Study							
Commission	288	350	392	408	424	441	459
Distinguished Daughters	3	4	4	4	4	4	4
GENERAL FUND TOTAL	\$ 25,940	\$ 29,353	\$ 31,979	\$ 33,205	\$ 34,531	\$ 35,914	\$ 37,352
MOTOR LICENSE FUND							
Office of the Budget	\$ 3,426	\$ 3,563	\$ 3,692	\$ 3,840	\$ 3,994	\$ 4,154	\$ 4,320

Legal Services

OBJECTIVE: To provide legal advice to the Governor and the Cabinet, and to supervise, coordinate and administer legal services for the Commonwealth.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 1,148</u>	<u>\$ 1,210</u>	<u>\$ 1,396</u>	<u>\$ 1,452</u>	<u>\$ 1,510</u>	<u>\$ 1,570</u>	<u>\$ 1,633</u>

Program Analysis:

The Office of the General Counsel is headed by the General Counsel who serves as the chief legal advisor to the Governor and directs the legal activities of the Executive Branch.

This office has the responsibility to appoint the Chief Counsel in each agency, and supervise, coordinate and administer legal services. The office renders such legal advice and representation prior to initiation of any action concerning matters and issues arising in connection with the exercise of the governmental power in the operation of agencies under the Governor's jurisdiction.

There are two major areas of responsibility for the General Counsel. First, this office provides general legal assistance to the Governor. The office reviews and approves for form and legality all Commonwealth deeds, leases, contracts, rules and regulations. It also is responsible for initiating appropriate proceedings or defending the Commonwealth when the Attorney General refuses or fails to

initiate appropriate proceedings. Second, the General Counsel has the authority to intervene in any action by or against an agency under the Governor's jurisdiction whenever the Governor shall request. This authority is not altered even if the Attorney General conducts the case.

The General Counsel also serves as the Chief Administrative Officer of the Office of General Counsel, the Bureau of Correction, the Juvenile Court Judges Commission, the Crime Victims Compensation Board, the Health Facilities Hearing Board and the Arbitration Panels for Health Care.

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 Commission on Charitable Organizations, the Local Government Records Committee, the Medical Advisory Board, the Board of Finance and Revenue and the Civil Disorder Commission.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of General Counsel	<u>\$ 1,148</u>	<u>\$ 1,210</u>	<u>\$ 1,396</u>	<u>\$ 1,452</u>	<u>\$ 1,510</u>	<u>\$ 1,570</u>	<u>\$ 1,633</u>

Prevention and Elimination of Discriminatory Practices

OBJECTIVE: To insure equal opportunities and participation for all individuals regardless of race, color, religious creed, handicap or disability, ancestry, age or sex in all areas of employment, housing, public accommodations and education.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4,722	\$ 5,062	\$ 5,243	\$ 5,453	\$ 5,671	\$ 5,898	\$ 6,134
Federal Funds	1,018	1,295	1,200	1,170	1,165	1,150	1,100
Other Funds	4	.....	.....	.....	.....	.....	.....
TOTAL	\$ 5,744	\$ 6,357	\$ 6,443	\$ 6,623	\$ 6,836	\$ 7,048	\$ 7,234

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Human Relations Commission:							
Formal complaint investigation:							
Complaints pending	2,320	3,094	4,094	5,904	6,094	7,094	8,094
New complaints filed	3,978	4,200	4,200	4,200	4,200	4,200	4,200
Complaints closed	3,204	3,200	3,200	3,200	3,200	3,200	3,200
Projected complaints pending	3,094	4,094	5,094	6,094	7,094	8,094	9,094
Pattern complaints closed	22	25	25	25	25	25	25
Informal complaints received	16,915	16,000	16,000	16,000	16,000	16,000	16,000
Commission For Women:							
Information to organizations and individuals	113,750	106,500	108,000	109,500	111,000	112,500	113,750
Public education efforts	75	85	90	95	98	100	102

Program Analysis

This program, as administered by the Human Relations Commission, is mandated to enforce the Commonwealth's laws which prohibit discrimination because of race, color, religious creed, sex, age, ancestry, national origin, and handicap or disability. The Commission's jurisdiction includes employment, housing, public accommodations, education and racial tension situations.

The processing of formal complaints continues to be a major activity of the Commission but substantial resources are also being devoted to providing technical assistance to anyone who requests guidance in avoiding illegal discriminatory acts. Industry, for example, has been active in requesting the Commission to review affirmative action plans, labor contracts, maternity leave policies and personnel policies in order to prevent financially expensive settlements of back wages and benefits due because of illegal

discrimination. Promoting voluntary compliance is a cost-effective method of reducing discrimination in the Commonwealth.

The Commission is also involved with major outreach programs to provide information to community leaders and public officials regarding the Pennsylvania Human Relations Act and its procedures.

The number of new complaints filed in 1983-84 was a record 29 percent increase over 1982-83 complaints filed. There has also been a 21 percent increase in the number of informal complaints as more individuals are contacting the Commission to request informal assistance and to inquire about their rights. In many cases, the assistance provided requires considerable time and effort without the need for a formal complaint. The number of complaints received far surpassed projections of a year ago. The program measures

Prevention and Elimination of Discriminatory Practices (continued)

Program Analysis: (continued)

have been adjusted accordingly to reflect the increase in complaint activity. The number of cases closed was about the same as the previous year. However, for the first time in five years, the Commission's backlog increased.

In the past several years, the Commission has streamlined its procedure for processing formal complaints of discrimination. The rapid charge processing system and other procedural changes have helped to assure maximum productivity.

The Commission's efforts to identify and remedy systemic discrimination will continue. This approach addresses major problems of discrimination against whole classes of employees.

Litigation remains a significant feature of the Commission's workload. In 1983-84, 132 public hearings were ordered and 33 prehearing conferences and public hearings were held. Ninety-two of those cases were settled prior to the public hearing. In addition, the Commission was involved in 40 cases in State and Federal courts.

The Commission for Women, in its mandate to develop policy and programs in areas where there are still inequalities, researches the needs for programs that work to ensure full equality for women.

Assessing need for programs and developing policy are achieved by agency personnel conducting identification of areas of need, research and analysis, investigation of significant private programs that could serve as models, consultations with agencies with responsibility in the area involved, and convening conferences of experts in the specific areas. These efforts constitute a major set of activities and require a significant portion of the Commission's budget and time.

Also according to its mandate, the Commission disseminates information to the public. The main purpose of the public information program is to educate Penn-

sylvania women about their rights, the many State government programs available to help them, and the major initiatives taken by State government that help Pennsylvania women to achieve equality of opportunity and treatment. This is achieved in five major ways: by publishing a bi-monthly periodical mailed directly to individuals and organizations; by printing more detailed publications on single areas of interest to women, provided on request; by distributing informational articles to the press and other media; through personal and public appearances; and by responding to citizens who request assistance.

Requests for the bi-monthly periodical rise steadily, and meeting the increased demand is an important commitment. An increase in the size of the publication is planned to incorporate information on programs and initiatives of other agencies. Mailing costs have been minimized through computerization but postage and printing remain major and increasing costs.

Out-of-date publications are due for revision and reprint in 1985-86. In addition, research indicates the need for booklets on new subjects. An increase is planned in news releases and articles to more efficiently answer frequently asked questions.

Also, citizens seeking assistance with discrimination receive prompt and complete response, with evaluation of their complaints, information, explanation and, if appropriate, possible courses of action for redress.

New program measures are included to more accurately reflect the output of this program. The program measure, information to organizations and individuals, includes periodic mailings and responses to individual requests. The program measure, public education efforts, includes news releases, broadcast appearances, speeches and other personal appearances.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)					1988-89	1989-90
	1983-84	1984-85	1985-86	1986-87	1987-88		
GENERAL FUND							
Human Relations Commission	\$ 4,544	\$ 4,867	\$ 5,041	\$ 5,243	\$ 5,453	\$ 5,671	\$ 5,898
Commission for Women	178	195	202	210	218	227	236
GENERAL FUND TOTAL	<u>\$ 4,722</u>	<u>\$ 5,062</u>	<u>\$ 5,243</u>	<u>\$ 5,453</u>	<u>\$ 5,671</u>	<u>\$ 5,898</u>	<u>\$ 6,134</u>

Development of Artists and Audiences

OBJECTIVE: To increase public exposure to quality artistic and cultural programs and to stimulate a climate that offers opportunities and encouragement to artists in every art form.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4,759	\$ 5,585	\$ 6,773	\$ 6,804	\$ 6,836	\$ 6,869	\$ 6,904
Federal Funds	522	648	800	780	780	730	730
TOTAL	\$ 5,281	\$ 6,233	\$ 7,573	\$ 7,584	\$ 7,616	\$ 7,599	\$ 7,634

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Attendance at supported events (in thousands)	49,850	50,000	53,000	56,500	57,500	58,500	59,500
Site visits and consultations	14,500	14,900	15,000	16,000	16,250	16,500	16,700
Award applications reviewed	1,752	1,800	1,950	2,215	2,253	2,281	2,320
Awards made	698	799	850	945	980	1,015	1,050
Information services (circulation in thousands)	128	130	135	135	136	137	138

Program Analysis:

The Commonwealth encourages cultural development in the arts through matching grants-in-aid to arts organizations and through service programs initiated by the Council on the Arts. The organizations and artists served are very diverse and range from small community organizations that engender and support local arts programs to world-renowned orchestras.

In economic terms, the arts are a significant industry. In 1983-84, applicants to the Council on the Arts have reported attendance of approximately 50 million, employment of approximately 10,000 people, and budgets of more than \$300 million, reflecting operations only. In an effort to substantiate these figures and expand the data base on the arts industry, the Pennsylvania Council on the Arts will require additional information in 1985-86, covering the value of real estate, collections, and other holdings as well as employment, taxes, and annual operating costs. The agency will then be able to track the growth of the arts industry and maintain a base for calculating the economic impact of the arts.

The Pennsylvania Council on the Arts functions in three ways to support and assist the arts in the Commonwealth: a grants program that responds to applications; program

initiatives that address issues and problems that are beyond the capacity of a single arts institution; and staff services and technical assistance to arts organizations. The first two involve direct expenditure of grant funds as well as the administrative costs of staff, panelists and specialists. The third is carried out by the program staff, panelists and Council members, and is supported entirely by the administrative appropriation.

Matching grants are made to nonprofit arts organizations for general support, support of specific arts projects, technical assistance, touring, and administrative and artistic development. With Federal funds, fellowships are awarded to individual artists for creative work. In 1983-84 and 1984-85, the Council on the Arts received the largest amount granted to a State arts agency from the National Endowment for the Arts for touring.

The second method of assistance to the arts, program initiatives, addresses basic issues and challenges standard assumptions, and is an essential element in any program that is to do more than subsidize the status quo. Examples of such initiatives are: a minority arts directory, now in second printing, which addresses the particular problems of access to minority arts groups by the mainstream and access to

Development of Artists and Audiences (continued)

Program Analysis: (continued)

mainstream resources by minority organizations and artists; an initiative in literature which addresses the problems of distribution of books of poetry and fiction by Pennsylvania writers; and an initiative in community arts which addresses services to the local arts constituency through the development of integrated data systems for compatible software. A cooperative initiative, developed over the last two years with the State Folklife Program of the Department of Community Affairs, addresses the preservation of traditional crafts by placing apprentices with master artisans in rural and minority communities such as Portuguese lace makers in Bethlehem, spinners and weavers in Washington County, and quilters in the mountains of central Pennsylvania.

The third function of the Council in support of the arts is technical assistance and staff services to arts organizations. Site visits, consultations, and evaluations are the basis of the development and monitoring of programs. Field work is primarily a function of the program directors. They assist arts organizations in analyzing their problems and in planning solutions through their field work with staff and boards of directors, telephone conversations and correspondence, and by the initiation of special service projects, seminars and workshops.

The Council process depends on 14 advisory panels, each chaired by a Council member and composed of nine professionals in each program area. The peer review panels are the cornerstone of the decision making process and provide the method that assures applications receive the most informed and objective review possible. Panels also review program structure and make recommendations on the needs of their fields to the staff and to the Council.

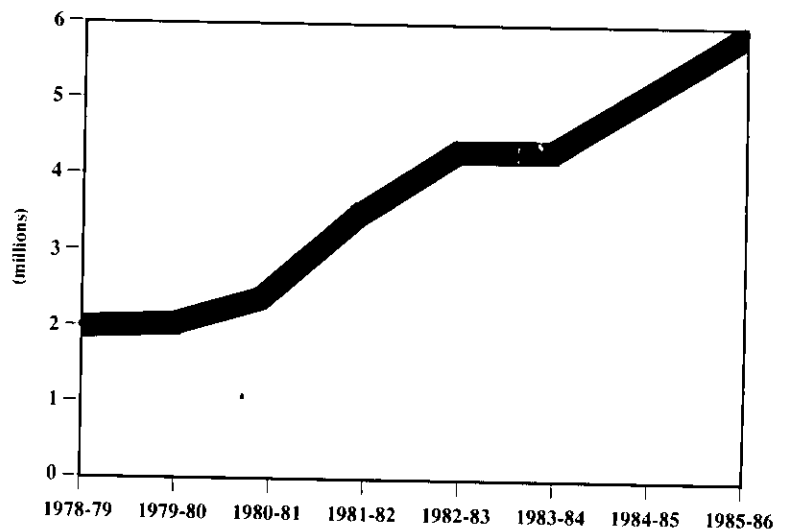
The program measure, site visits and consultations, has been adjusted upward for all years due to decreased on-site visits and increased telephone consultations. The program

measure, attendance at supported events, has been adjusted upward as a result of better documentation resources with acquired EDP equipment.

The recommended amount for the Council on the Arts includes an additional \$120,000 in order to increase the use of Federal funds for programs and an additional \$46,000 to enhance grant accounting, management and information retrieval. The recommended amount for Grants to the Arts includes an additional \$1 million to meet the needs of an increasing number of grant applications.

The chart included in this program shows the increase in State funds for grants to the arts from 1978-79 to present. The chart includes the 1985-86 recommended amount.

Grants To The Arts



Program Costs by Appropriation

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Council on the Arts	\$ 562	\$ 585	\$ 773	\$ 804	\$ 836	\$ 869	\$ 904
Grants to the Arts	4,197	5,000	6,000	6,000	6,000	6,000	6,000
GENERAL FUND TOTAL	<u>\$ 4,759</u>	<u>\$ 5,585</u>	<u>\$ 6,773</u>	<u>\$ 6,804</u>	<u>\$ 6,836</u>	<u>\$ 6,869</u>	<u>\$ 6,904</u>

Energy Management and Conservation

OBJECTIVE: To increase public awareness of energy problems and to encourage public participation in the reduction of energy consumption.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 960	\$ 1,311	\$ 1,852	\$ 1,926	\$ 2,003	\$ 2,083	\$ 2,166
Federal Funds	5,851	11,815	7,111	2,999	2,999	2,999	2,999
Other Funds	115	.....	.....	.....	.....	.....	.....
TOTAL	\$ 6,926	\$ 13,126	\$ 8,963	\$ 4,925	\$ 5,002	\$ 5,082	\$ 5,165

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Energy Center Efficiency Team Surveys ...	1,506	2,200	730	700	700	700	700
Workshop Attendance	1,300	1,500	660	600	600	600	600
Institutional Conservation Program Technical Assistance Studies	89	175	90	90	90	90	90
Institutional Conservation Program energy conservation measures funded by category:							
Schools	534	81	60	60	60	60	60
Hospitals	84	34	28	28	28	28	28
Residential Energy and Solar Projects	1,645	4,031	5,284	2,500	2,500	2,500	2,500

Program Analysis:

Pennsylvania's economy is enhanced by the stabilization of energy prices and the availability of energy supplies. The Governor's Energy Council is responsible for increasing the Commonwealth's energy stability. In addition, the Council identifies improvements and new opportunities for expanding Pennsylvania's role as an energy supplier.

The Governor's Energy Council programs are designed to achieve the goals of the Pennsylvania Energy Policy which was revised in September 1984. The goals continue to be economic efficiency in the use of energy, reliability and low cost, greater use of Pennsylvania's indigenous energy resources, and fairness in energy pricing practices. The Council also develops and coordinates programs which implement Federal energy initiatives.

Five major policy initiatives implemented by the Energy Council include: an investigation of regulatory reform designed to increase efficiencies in electrical generation and delivery; cofunding of cogeneration/coal conversion project studies; promotion of Pennsylvania's abundant renewable resources including use of waste to energy technology; development of a computer model for use by

industry in making energy conservation investments; and energy conservation for State buildings through third-party financing and boiler tune-ups. A related project was intervention on behalf of the Commonwealth in the Philadelphia Electric Company's Limerick proceeding before the Public Utility Commission in order to determine the additional energy capacity needed.

The Council has continued to shift the emphasis of conservation programs away from general information to specific information. A major new Federal program, the Solar Energy and Energy Conservation Bank, has contributed to this effort by providing grants to homeowners for both conservation projects and solar hot water systems. The Energy Council has maximized use of the Solar Bank funds by utilizing existing delivery systems such as utilities or housing authorities to administer the funds locally. This program has the added benefit of encouraging greater utility investment in conservation and renewable energy resources. The utility program will be expanded to provide conservation grants to multi-family housing and nonprofit organizations. The program measure for this project reflects

Energy Management and Conservation (continued)

Program Analysis: (continued)

an increase in 1984-85 and 1985-86 as a result of program maturation and a decrease in 1983-84 from previous projections due to unanticipated delays in project approvals by the Department of Housing and Urban Development.

The ten Pennsylvania Energy Centers (PEC) provide small business, local government and multi-family apartment owners site specific energy efficiency surveys. These surveys identify energy conservation projects which have a payback of one year or less. Throughout the four year life of the PEC program, a total of 21,500 visits have been conducted resulting in a savings of over 250,000 barrels of oil equivalency, a savings of approximately \$7 million. The centers are contractually required to demonstrate energy savings of two barrels of oil equivalency for every 30 dollars spent.

Pennsylvania's schools and hospitals are aided in reducing energy consumption through the Energy Council's administration of an Institutional Conservation Program (ICP) which provides funds for making energy efficiency capital improvements. The majority of the Institutional Conservation project funds are appropriated by the U.S. Department of Energy directly to the institution based upon the review and recommendation of the Council. The Council is also responsible for ensuring the funds are spent properly by a school or hospital once they have received the grant. A total of \$23.9 million has been granted to Pennsylvania's schools and another \$10.6 million to its hospitals. The program saves over 485 million barrels of oil equivalency annually.

The decrease in the program measure for workshop attendance reflects the Governor's Energy Council's decision to discontinue general statewide workshops. Evaluation of the program revealed that the Pennsylvania Energy Centers can deliver workshops more economically and the necessity for the workshops to be targeted toward local needs. The

early energy center contracts concentrated on maximizing the number of energy efficiency team visits conducted but evaluation of the program indicated the need for reorienting the visit to achieve the maximum energy savings through more selective and intensive visits. Therefore, the number of visits has decreased.

Fluctuations are evident in the program measures for the Institutional Conservation Program. More projects were funded in 1983-84 than anticipated due to the low monetary cap placed on each project in an attempt to encourage more applications. In 1984-85, additional Federal funds were made available as a result of oil overcharge settlements. For this reason, the monetary cap was raised which enabled the funding of larger projects which were previously deterred from participating in the program. The 1985-86 program measures for this program reflect additional decreases due to limited oil overcharge funds.

The recommended amount includes additional State funds of \$100,000 for a Coal Export Marketing initiative and an additional \$400,000 for the Pennsylvania Energy Centers. The former initiative will promote Pennsylvania's coal in order to be considered more frequently by coal buyers and traders representing international markets. The later initiative will allow the Energy Centers to continue operating throughout the 1985-86 fiscal year. Traditional Federal funds and oil overcharge funds which have provided most of the support for the centers will decrease significantly in the 1985-86 fiscal year. In addition, \$500,000 is recommended for the Pennsylvania Energy Development Authority in the Department of Commerce for Community Resource Recovery, Coal Conversion and Cogeneration, and Agricultural Waste to Energy initiatives.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Governor's Energy Council	<u>\$ 960</u>	<u>\$ 1,311</u>	<u>\$ 1,852</u>	<u>\$ 1,926</u>	<u>\$ 2,003</u>	<u>\$ 2,083</u>	<u>\$ 2,166</u>

Income Maintenance

OBJECTIVE: To increase economic stability by providing financial assistance to those who have suffered financial loss as a result of being injured during the commission of a crime.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 2,534</u>	<u>\$ 2,889</u>	<u>\$ 2,759</u>	<u>\$ 2,719</u>	<u>\$ 2,736</u>	<u>\$ 2,753</u>	<u>\$ 2,771</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Claim backlog	1,590	969	589	213	145	119	37
Claims submitted	1,500	1,725	1,984	2,282	2,624	3,018	3,471
Claims paid	721	1,000	1,180	1,200	1,350	1,600	1,800
Claims denied	1,400	1,105	1,180	1,150	1,300	1,500	1,700

Program Analysis:

Since its inception in March 1977, the Crime Victims Compensation Board has been responding to the suffering of crime victims. The Board's major goal continues to be the compensation of innocent crime victims in an expeditious manner while avoiding duplicate and fraudulent payments.

For individuals to receive compensation, they must have incurred a minimum out-of-pocket loss of \$100 or have lost at least two continuous weeks' earnings or support unless the victim is age 60 or older at the time of the crime. In cases where the crime victim incurs serious financial loss, the individual or dependents may receive up to \$35,000. Compensation may not be paid for pain and suffering or for property loss or damage.

The program has expanded significantly since its inception in 1976. Initially, the Board received approximately 40 claims per month. Today, approximately 125 claims are received each month. One reason for this dramatic increase in claims submitted is Act 114 which was signed into law in December 1979. This Act requires that police officers notify victims of the availability of compensation. Act 114 also eliminated the \$100 minimum allowable claim requirement for victims age 60 or older.

Act 96 of 1984 expanded compensation to cover the stolen cash proceeds of a social security check in cases where it can be determined that social security is the victim's primary source of income. The Board may now award compensation when the claimant and offender are related so long as

they do not reside together and the offender will not benefit from the award. In addition, any family member who assumes the liability of funeral expenses for a homicide victim may be compensated. The maximum award of compensation was increased from \$25,000 to \$35,000.

The program measures, claim backlog and claims submitted, reflect significant changes. The claim backlog has been reduced as a result of new efficiency measures and a level of funding needed to meet claim awards. Claims submitted continue to increase as a result of a publicity campaign to inform citizens of the program and an increased popularity of the program with the news media.

The funding for crime victims' compensation has been increased substantially as a result of faster processing of claims and the increased number of persons eligible for larger awards under Act 96 of 1984. However, less State funds are required for this program in 1985-86 as a result of the Federal Victims of Crime Act of 1984 and State Act 96 of 1984 which allows collections and disbursements of imposed court costs from an established restricted receipt account.

Also, a Productivity Improvement Initiative of \$56,000 is recommended for the Crime Victims Compensation Board to purchase computer equipment to further improve and expedite crime victims' claim processing. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Income Maintenance (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Crime Victims Compensation Board.....	\$ 346	\$ 389	\$ 459	\$ 419	\$ 436	\$ 453	\$ 471
Compensation to Crime Victims	2,188	2,500	2,300	2,300	2,300	2,300	2,300
GENERAL FUND TOTAL	<u>\$ 2,534</u>	<u>\$ 2,889</u>	<u>\$ 2,759</u>	<u>\$ 2,719</u>	<u>\$ 2,736</u>	<u>\$ 2,753</u>	<u>\$ 2,771</u>

Criminal and Juvenile Justice Planning and Coordination

OBJECTIVE: To provide criminal and juvenile justice system policy analysis, coordination and planning which will improve criminal justice programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,483	\$ 2,080	\$ 1,827	\$ 1,900	\$ 1,976	\$ 2,055	\$ 2,137
Federal Funds	226	239	172	165	168	171	174
Other Funds		166	115	120	125	130	135
TOTAL	\$ 1,709	\$ 2,485	\$ 2,114	\$ 2,185	\$ 2,269	\$ 2,356	\$ 2,446

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Jail overcrowding analyses completed/plans implemented	2	3	4	2	.....	.....	.....
Police officers attending basic and advanced crime prevention training.....	290	350	350	350	350	350	350
Police chiefs attending crime prevention training .....	.....	200	200	200	200	200	200
Fire service personnel attending arson recognition and control courses .....	.....	.....	600	600	600	600	600
Deputy sheriffs attending basic training .....	.....	.....	250	300	100	100	100

Program Analysis

The Pennsylvania Commission on Crime and Delinquency is authorized under Act 274 of 1978, as amended, to undertake criminal and juvenile justice planning, coordination and policy analysis. The Commission functions as the Commonwealth's central source of planning, statistical analysis and program development for the improvement of the State's justice system and is responsible for providing data analysis, research and legislative recommendations to the Governor's Office, General Assembly, concerned local officials and practitioners. The Commission also administers funds under the Federal Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Recent legislation added two new State Program to the responsibilities of the Commission. Act 96 of 1984 mandates the Commission to provide technical assistance and financial grants to criminal justice agencies for developing services for victims of crime; and Act 2 of 1984, the Deputy Sheriffs' Education and Training Act, establishes a Deputy Sheriffs' Education and Training Board within the Commission and requires that the Commission provide basic and

in-service training to deputy sheriffs.

With the recent passage of the Federal Omnibus Anticrime Bill, which was signed into law on October 12, 1984, two new Federal programs were created. The Justice Assistance Act of 1984 authorizes up to 50 percent matching grants to state and local governments to carry out specific programs of proven effectiveness or which offer a high probability of improving the functions of the criminal justice system. The Victims of Crime Act, among other provisions, provides financial assistance to State and local government and private agencies for victim services.

Most of this program's on-going initiatives, beyond its legislative mandates, are developed under the direction of several task forces on prison and jail crowding, victim services, corrections/mental health, courts, and criminal justice information systems. The task forces are utilized to approach specific problem areas and are comprised of a mixture of Commission members and others who represent relevant criminal justice agencies, legislators active in selected issues, concerned citizens and academic expertise.

Criminal and Juvenile Justice Planning and Coordination (continued)

Program Analysis: (continued)

This program will continue to provide technical assistance to interested counties to determine the magnitude and causes of their jail crowding problems and to develop programs for dealing with their problems. This Jail Overcrowding Technical Assistance Program, operating under the direction of the Prison and Jail Overcrowding Task Force, will also continue to make available small incentive grants to counties to assist them in reducing their overcrowded jail populations. This Task Force, in conjunction with the Corrections/Mental Health Task Force, attempts to develop and implement strategies for reducing the prison crowding problems in the State and county prison systems.

The Commission, through the assistance of its Juvenile Advisory Committee, will continue to develop and implement policy and programming relevant to pressing juvenile justice issues in the State while working closely with the Department of Public Welfare, the Juvenile Court Judges Commission and other agencies.

This program sponsors several crime prevention programs, the best known being "Pennsylvania Crime Watch." This program is designed primarily to coordinate and support the crime prevention activities of local police departments. Crime Watch is available to all of the State's 1,200 police departments and consists of training and certification of crime prevention officers; the provision of literature, engraving tools and packaged media campaign materials; and assistance with local program development. This program also offers a four day basic crime prevention course for police officers and crime prevention training for police chiefs. In addition, this program offers a crime prevention package known as "A Model for Municipal Crime Prevention Programs," which seeks to mobilize local officials and crime prevention specialists in developing community-focused crime prevention programs.

Another of this program's mandates is to provide a periodic forum within which contemporary criminal justice issues can be reviewed, researched and analyzed. The forum

function provides a valuable way for key justice system officials, legislators, and other experts to consider the need for new policies and statutory reforms for improving the criminal justice system. Forums have occurred relative to prison crowding, career criminal and domestic violence and others are anticipated on the issue of comprehensive victim services and strategies for making crime prevention a permanent function of police departments.

Based upon the findings of assessments performed during 1983-84 for all criminal justice agencies regarding their training needs, the Commission will be working with these agencies to operationalize training programs which meet system-wide needs. An example of the specialized training the Commission provides occurred through membership on the Governor's Interagency Committee on Arson. The Commission developed and now offers a six-hour course for "First-In Fire Fighters" for both paid and volunteer fire departments across the Commonwealth on detection of suspicious fire origin. The Commission has also established a pilot arson information management system which provides data collection and analysis capabilities to identify arson causal factors and predict patterns of arson which can be replicated across the State.

The program measure for fire service personnel training reflects training beginning in 1985-86 rather than the 1984-85 year as previously stated as a result of realignment of priorities within the Commission.

Additional funds are included in this program for priority criminal justice initiatives. One provides \$151,000 for the State Victims' Services Technical Assistance Program as mandated by Act 96 of 1984, training of deputy sheriffs as mandated by Act 2 of 1984, and administration of the Federal Justice Assistance and Victims of Crime Acts. A new program measure has been added to reflect the activity of the Deputy Sheriffs' Program. Another initiative provides \$40,000 to expand the Jail Overcrowding Technical Assistance Program.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Commission on Crime and Delinquency	\$ 1,483	\$ 1,580	\$ 1,827	\$ 1,900	\$ 1,976	\$ 2,055	\$ 2,137
Crime Victims Services		500					
General Fund Total	<u>\$ 1,483</u>	<u>\$ 2,080</u>	<u>\$ 1,827</u>	<u>\$ 1,900</u>	<u>\$ 1,976</u>	<u>\$ 2,055</u>	<u>\$ 2,137</u>

Reintegration of Juvenile Delinquents

OBJECTIVE: To reduce the recurrence of juvenile delinquency through replacement of criminal behavior with socially acceptable behavior.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,764	\$ 2,890	\$ 3,249	\$ 3,271	\$ 3,294	\$ 3,318	\$ 3,343
Federal Funds	140	194	.....	.....	.....	.....	.....
TOTAL	\$ 2,904	\$ 3,084	\$ 3,249	\$ 3,271	\$ 3,294	\$ 3,318	\$ 3,343

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Commitments as a percent of referrals	12.0%	12.0%	11.0%	10.5%	10.0%	10.0%	10.0%
Counties participating in juvenile probation grant programs	62	65	65	65	65	65	65
Children referred to court	31,866	28,699	28,199	27,699	27,199	26,699	26,199
Children arrested for violent crime	5,374	4,959	4,859	4,809	4,759	4,709	4,659
Intensive probation and aftercare programs operating	36	42	60	64	67	67	67
Juvenile justice personnel trained	898	850	1,124	1,288	1,388	1,388	1,350

Program Analysis:

The Juvenile Court Judges Commission is responsible for the development and improvement of juvenile probation services throughout the Commonwealth. These services focus on the effective reintegration of juvenile offenders into the community through the increased performance of the juvenile courts and their staff.

The development of statewide standards for juvenile probation, statewide training, aftercare services, a statewide statistical program, and specialized intensive probation services have had a significant impact on improving the quality of services within the Commonwealth's Juvenile Court System. The Commission has been successful in obtaining the voluntary compliance of all 67 counties in the adoption of intake standards, participation in training programs, and participation in the statewide statistical program.

The number of children referred to court during calendar year 1983 has decreased by ten percent as compared to 1982 referrals. At the same time, the number of children arrested for violent offenses has decreased by eight percent.

Although the percentage of children committed during the past year has remained constant at 12 percent as compared

to the last year's data, the actual number has decreased from 3,811 in 1982 to 3,491 in 1983, or 320 children. The average cost to provide institutional services for a child is conservatively estimated at \$25,000 per year. This reduction represents a significant cost savings to the Commonwealth.

The Commission is continuing to monitor aftercare and intensive probation programs. To date, 26 aftercare and 16 intensive probation programs are in full operation in 26 of the Commonwealth's counties. The aftercare and intensive programs have demonstrated a recidivism rate of 15 and 10 percent respectively, while the statewide average for recidivism is 30 percent. A detailed analysis of the institutional cost for the first three quarters of 1983 versus the same time frame in 1982 shows that a savings of \$913,000 has been realized through the intensive probation programs. More important, 65 children were diverted from expensive and unnecessary institutionalization.

In 1983-84, the Commission sponsored 20 different state of the art training programs for 898 juvenile justice practitioners addressing areas such as orientation for new court personnel, intermediate and advanced counselling, adoles-

Reintegration of Juvenile Delinquents (continued)

Program Analysis: (continued)

cent psychology, management theory, passive restraint and juvenile law. The grant-in-aid has made it possible for 30 officers to receive Master's Degrees in the Administration of Justice from Shippensburg University.

The Commission will also continue to work with the Department of Public Welfare, the Pennsylvania Commission on Crime and Delinquency, and other related agencies in a coordinated effort to continue the downward trend in juvenile delinquency, as well as a corresponding reduction in violent crime and institutionalized children.

The recommended amount for the Juvenile Court Judges Commission includes an additional \$153,000 for full state assumption of the Juvenile Justice Statistical Analysis Center. The recommended amount for Improvement of

Juvenile Probation Services includes an additional \$40,000 to develop a pilot program that will respond to the needs of mentally retarded juvenile offenders drawing on the experience of the nationally recognized program in Lancaster County. In addition, the recommended amount includes \$100,000 to establish a Youth Services Training Center. The Center will provide needed training to local juvenile justice and youth services personnel in dealing with such problems as child sexual abuse and violent juvenile offenders, and will disseminate information on model programs for dealing with these and other serious problems. The program measure, juvenile justice personnel trained, reflects increased training as a result of the recommended initiatives for youth services training and retarded juvenile offenders.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Juvenile Court Judges Commission	\$ 372	\$ 378	\$ 547	\$ 569	\$ 592	\$ 616	\$ 641
Improvement of Juvenile Probation Services	2,392	2,512	2,702	2,702	2,702	2,702	2,702
GENERAL FUND TOTAL	<u>\$ 2,764</u>	<u>\$ 2,890</u>	<u>\$ 3,249</u>	<u>\$ 3,271</u>	<u>\$ 3,294</u>	<u>\$ 3,318</u>	<u>\$ 3,343</u>

Medical Malpractice Arbitration and Health Facilities Hearings

OBJECTIVE: To assist persons who have sustained injury or death as a result of tort or breach of contract by a health care provider to obtain prompt and just adjudication of their claim and to conduct preliminary hearings on appeals concerning health care facilities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 140	\$ 172	\$ 179	\$ 186	\$ 193	\$ 201	\$ 209
Other Funds	404	494	500	510	520	530	540
TOTAL	\$ 544	\$ 666	\$ 679	\$ 696	\$ 713	\$ 731	\$ 749

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Arbitration Panels for Health Care:							
Court cases settled as a result of conciliation conferences	160	200	220	240	260	280	300
Conciliation conferences held	398	500	550	600	650	700	750
Total value of settlements reached (in million of dollars)	\$30	\$37.5	\$45	\$52.5	\$60	\$67.5	\$75
Time incident to disposition (in months)	1	1	1	1	1	1	1
Health Facilities Hearing Board:							
Unresolved appeals carried forward	19	29	31	34	36	37	37
New appeals filed	40	42	48	52	56	60	66
Total number of open cases	59	71	79	86	92	97	103
Appeals resolved	30	40	45	50	55	60	66
Decisions appealed to Commonwealth Court	2	4	4	4	5	5	5
Time incident to disposition of appeal (in months)	9	9	9	9	9	9	9

Program Analysis:

The Arbitration Panels for Health Care were originally established for the compulsory arbitration of all medical malpractice claims filed in Pennsylvania against health care providers subject to the Health Care Services Act of 1976.

On September 26, 1980, in *Mattos v Thompson and Frankston*, the State Supreme Court issued an opinion finding unconstitutional that section of the Health Care Services Act which gave the Arbitration Panels exclusive jurisdiction over medical malpractice claims. The court held that the procedures established under the Act impermissibly infringed upon the constitutional right to a jury trial.

As a result of that court decision, the program has undergone a major revision as a large number of claims were transferred to the court system. As of September 30, 1984, a small number of claims remain in the Office of the Administrator. However, these remaining claims are also being transferred to the courts pursuant to the Supreme Court's decision in *Heller v. Frankston*, April 18, 1984,

which ruled that the Arbitration Panels had no jurisdiction over medical malpractice claims.

Since 1981, the Office has been assisting several Courts of Common Pleas, pursuant to Section 7362 of the Judicial Code, by conducting conciliation conferences in medical malpractice claims filed with those courts. The conciliation conference program is currently undergoing modest expansion to establish geographic balance throughout the Commonwealth.

The operating expenses of the Arbitration Panels are funded through a surplus of assessments previously levied on various health care providers. General Fund monies are not required to support this program.

Program measures for the arbitration aspect of the program have been adjusted for all years to more accurately reflect changed activities due to the 1980 and 1984 State Supreme Court rulings. New program measures are included to highlight the court-supervised conciliation conference

Medical Malpractice Arbitration and Health Facilities Hearings (continued)

Program Analysis: (continued)

initiative and to project its future significance in achieving out-of-court settlements of medical malpractice cases. The previous program measures were designed to reflect the actual case load arbitrated by the Arbitration Panels prior to the 1980 and 1984 State Supreme Court rulings. The new program measures reflect case activity utilizing conciliation conferences when assistance is required from the Courts of Common Pleas.

If a medical malpractice award is in excess of \$200,000 per occurrence and \$600,000 annually for physicians and \$1 million for hospitals, the Commonwealth becomes involved through the Medical Professional Liability Catastrophe Loss Fund. The Special Funds Appendix in Volume I includes a Statement of Cash Receipts and Disbursements for this fund.

This program also includes the Health Facilities Hearing Board. This Board was created by Act 48 of 1979. Its purpose is to conduct hearings throughout the State on appeals from decisions of the Department of Health relating to applications for certificate of need and decisions pertaining to licensure of health care facilities. The decision of the Board may be appealed to Commonwealth Court.

All hearings are required by statute to be held in the area in which the health care facility is located. They are evidentiary in nature, with each party being given the opportunity to present testimony and documentation, and to examine and cross-examine witnesses. The hearings are conducted by the full Board and are stenographically recorded. Following the hearing, the Board renders a written opinion consisting of findings which the Board has based its decision. In the event of an appeal to Commonwealth Court, the appeal is heard on the basis of the record created before the Board.

Prehearing conferences are held for each appeal scheduled for hearing. The purpose of the prehearing conference is to make possible a more effective use of hearing time, to explore settlement possibilities, and to expedite the orderly conduct and disposition of the appeal.

The Board also rules on prehearing motions and in some instances, approves settlement agreements between the parties.

All program measures have been adjusted upward as a result of increased appeals concerning applications for new rehabilitation hospitals.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Health Facilities Hearing Board	\$ 140	\$ 172	\$ 179	\$ 186	\$ 193	\$ 201	\$ 209

Lieutenant Governor

The Lieutenant Governor serves as President of the Senate and Chairman of the Board of Pardons. In the case of the death, conviction on impeachment, failure to qualify or resignation of the Governor, the Lieutenant Governor shall become Governor for the remainder of the term and in the case of the disability of the Governor, the powers, duties and emoluments of the office shall devolve upon the Lieutenant Governor until the disability is removed.

OFFICE OF THE LIEUTENANT GOVERNOR

Summary by Fund and Appropriation

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
General Fund			
General Government			
Lieutenant Governor's Office	\$ 412	\$ 464	\$ 480
Board of Pardons	182	197	204
GENERAL FUND TOTAL	<u>\$ 594</u>	<u>\$ 661</u>	<u>\$ 684</u>

GENERAL FUND	LIEUTENANT GOVERNOR
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GENERAL GOVERNMENT

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Lieutenant Governor's Office				
State Funds	\$ 412	\$ 464		\$ 480

Provides for the staff and expenses of the Lieutenant Governor in the execution of his duties and expenses of the residence at Edward Martin Military Reservation.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Source of Funds				
Appropriation:				
Lieutenant Governor's Office	<u>\$ 412</u>	<u>\$ 464</u>		<u>\$ 480</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Board of Pardons				
State Funds	\$ 182	\$ 197		\$ 204

Hears petitions for clemency in all criminal cases except impeachment and recommends adjustment in the sentence. The Board is also empowered to arbitrate prerelease cases where the sentencing court and the Department of Corrections have a disagreement as to whether an inmate should be placed in this status.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Source of Funds				
Appropriation:				
Board of Pardons	<u>\$ 182</u>	<u>\$ 197</u>		<u>\$ 204</u>

LIEUTENANT GOVERNOR

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 594	\$ 661	\$ 684	\$ 711	\$ 739	\$ 769	\$ 800
Executive Direction	594	661	684	711	739	769	800
DEPARTMENT TOTAL	<u>\$ 594</u>	<u>\$ 661</u>	<u>\$ 684</u>	<u>\$ 711</u>	<u>\$ 739</u>	<u>\$ 769</u>	<u>\$ 800</u>

Executive Direction

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 594</u>	<u>\$ 661</u>	<u>\$ 684</u>	<u>\$ 711</u>	<u>\$ 739</u>	<u>\$ 769</u>	<u>\$ 800</u>

Program Analysis

The Lieutenant Governor provides direction and carries out all executive and administrative functions required of the office. Included in these functions are duties prescribed by the Constitution, such as presiding over the Senate, serving as chairman of the Board of Pardons, and assumption of the Office of the Governor for the remainder of the Governor's term if necessary as a result of death, conviction on impeachment, failure to qualify or resignation of the Governor.

In addition to these functions prescribed by law, he also serves the Governor in many other important areas and is Chairman of the Emergency Management Council and the

Governor's Energy Council. As chairman of these councils, the Lieutenant Governor is faced with the direct responsibility of coordinating relief information and assistance during crisis like the Three Mile Island accident and the severe gasoline shortage which affected all of the eastern seaboard as well as Pennsylvania. Although the immediate effects of these events have dissipated, the ongoing monitoring and planning to react to similar occurrences is a very real part of the operation of this office. Also included in this program is the Board of Pardons which reviews applications for reprieves, commutation of sentences and pardons.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Lieutenant Governor's Office	\$ 412	\$ 464	\$ 480	\$ 499	\$ 519	\$ 540	\$ 562
Board of Pardons.....	182	197	204	212	220	229	238
GENERAL FUND TOTAL	<u>\$ 594</u>	<u>\$ 661</u>	<u>\$ 684</u>	<u>\$ 711</u>	<u>\$ 739</u>	<u>\$ 769</u>	<u>\$ 800</u>

Attorney General

The State constitution provides that the Attorney General shall be the chief law officer of the Commonwealth and shall exercise such powers and perform such duties as may be imposed by law.

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

To be the Commonwealth's chief law enforcement officer charged with the responsibility for the prosecution of organized crime and public corruption. This law enforcement program includes a criminal investigations unit and drug law enforcement program as well as direction of state-wide and multi-county investigating grand juries and a Medicaid Fraud Control Section.

To represent the Commonwealth and all Commonwealth agencies and upon request the Auditor General, State Treasurer, and Public Utility Commission in any action brought by or against the Commonwealth or its agencies; to furnish upon request legal advice to the Governor or the head of any Commonwealth agency.

To review for form and legality, all proposed rules and regulations for Commonwealth agencies.

To review for form and legality all Commonwealth deeds, leases and contracts to be executed by Commonwealth agencies.

To collect, by suit or otherwise, all debts, taxes, and accounts due the Commonwealth which shall be referred to and placed with the Attorney General.

To administer the provisions relating to consumer protection as well as appoint the Advisory Committee.

To represent the Commonwealth and its citizens in any action brought for violation of the Antitrust Laws of the United States and the Commonwealth.

The Attorney General, in addition, serves as a member of the Board of Pardons, the Joint Committee on Documents, the Hazardous Substances Transportation Board, the Board of Finance and Revenue, the Pennsylvania Commission on Crime and Delinquency, the Civil Disorder Commission and the Municipal Police Officers Education and Training Commission.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1985-86 State Funds (in thousands)
Attorney General's Office	P11 — Narcotics Investigation Management System . .	\$ 100 ^a

The Productivity Improvement Initiative will improve access to narcotics investigation information for all nine regional offices by computerization.

DEPARTMENT TOTAL	<u>\$ 100</u>
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^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

ATTORNEY GENERAL

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
Attorney General's Office	\$ 20,630	\$ 22,414	\$ 24,539
Trials of Grand Juries .....	.....	100	100
TOTAL STATE FUNDS	<u>\$ 20,630</u>	<u>\$ 22,514</u>	<u>\$ 24,639</u>
Federal Funds	\$ 1,638	\$ 1,797	\$ 1,701
Other Funds	884	1,213	1,169
Other Funds—Restricted Revenue	1,728	2,033	2,214
GENERAL FUND TOTAL	<u>\$ 24,880</u>	<u>\$ 27,557</u>	<u>\$ 29,723</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 20,630	\$ 22,514	\$ 24,639
Federal Funds	1,638	1,797	1,701
Other Funds	884	1,213	1,169
TOTAL	<u>\$ 23,152</u>	<u>\$ 25,524</u>	<u>\$ 27,059</u>

Provides for administration of the department. Administers the law enforcement powers of the Attorney General, enforces the Wire Tapping Law, provides staff and expenses for grand jury investigations, investigates wrong doing on the part of State employes or Commonwealth contractors, and provides litigation services to the State agencies. Also includes a 1984-85 appropriation for trial costs resulting from statewide grand jurors.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Attorney General's Office	\$ 20,630	\$ 22,414	\$ 24,539
Trials of Grand Juries .....	. . . .	100	100
Federal Funds:			
Medicaid Fraud	1,570	1,721	1,701
Hazardous Waste Prosecution	68	. . . .	. . . .
Toxic Waste Investigation and Prosecution .....	. . . .	76	. . . .
Other Funds:			
Sale of Seized Vehicles	55	47	63
Court Ordered Restitution of Drug Purchases	134	231	207
Legal Fees Reimbursement	105	300	300
Collections — Legal	100	121	129
Reimbursement for Departmental Services	391	398	400
Consumer Protection Investigation Cost Reimbursement	8	16	10
Antitrust — Legal Fees Reimbursement	91	100	60
TOTAL	<u>\$ 23,152</u>	<u>\$ 25,524</u>	<u>\$ 27,509</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Office of Consumer Advocate			
Other Funds — Restricted Revenue	\$ 1,728	\$ 2,033	\$ 2,214

The Office of Consumer Advocate has the responsibility to represent the interest of consumers before the Pennsylvania Public Utility Commission and before any court or agency initiating proceedings in connection with any matter involving regulation by the Commission or the corresponding regulatory agency of the United States Government.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Other Funds:			
Office of Consumer Advocate ^a	<u>\$ 1,728</u>	<u>\$ 2,033</u>	<u>\$ 2,214</u>

^aAppropriation from a restricted revenue account.

ATTORNEY GENERAL

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 2,648	\$ 3,077	\$ 3,323	\$ 3,455	\$ 3,593	\$ 3,736	\$ 3,886
Legal Services	\$ 6,759	\$ 7,056	\$ 7,620	\$ 7,925	\$ 8,242	\$ 8,571	\$ 8,914
Commonwealth Agencies Legal Services .	6,759	7,056	7,620	7,925	8,242	8,571	8,914
Public Protection	\$ 2,834	\$ 3,015	\$ 3,256	\$ 3,386	\$ 3,521	\$ 3,663	\$ 3,806
Public Protection	2,834	3,015	3,256	3,386	3,521	3,663	3,806
Control and Reduction of Crime	\$ 8,389	\$ 9,366	\$ 10,440	\$ 10,854	\$ 11,283	\$ 11,731	\$ 12,196
Criminal Law	8,389	9,366	10,440	10,854	11,283	11,731	12,196
DEPARTMENT TOTAL	<u>\$ 20,630</u>	<u>\$ 22,514</u>	<u>\$ 24,639</u>	<u>\$ 25,620</u>	<u>\$ 26,639</u>	<u>\$ 27,701</u>	<u>\$ 28,802</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,648	\$ 3,077	\$ 3,323	\$ 3,455	\$ 3,593	\$ 3,736	\$ 3,886
Other Funds	391	398	400	400	400	400	400
TOTAL	<u>\$ 3,039</u>	<u>\$ 3,475</u>	<u>\$ 3,723</u>	<u>\$ 3,855</u>	<u>\$ 3,993</u>	<u>\$ 4,136</u>	<u>\$ 4,286</u>

Program Analysis

General Administration and Support provides for the administrative and overhead systems which support the operations of program activities necessary for the achievement of Commonwealth and agency objectives.

The success or failure of all these supportive efforts can

only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the cost of provided services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Attorney General's Office	<u>\$ 2,648</u>	<u>\$ 3,077</u>	<u>\$ 3,323</u>	<u>\$ 3,455</u>	<u>\$ 3,593</u>	<u>\$ 3,736</u>	<u>\$ 3,886</u>

Commonwealth Agencies Legal Services

OBJECTIVE: To provide legal services for governmental agencies of the Commonwealth.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,759	\$ 7,056	\$ 7,620	\$ 7,925	\$ 8,242	\$ 8,571	\$ 8,914
Other Funds	205	421	429	438	447	457	467
TOTAL	<u>\$ 6,964</u>	<u>\$ 7,477</u>	<u>\$ 8,049</u>	<u>\$ 8,363</u>	<u>\$ 8,689</u>	<u>\$ 9,028</u>	<u>\$ 9,381</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Cases handled:							
Torts	2,179	3,307	3,635	3,995	4,395	4,825	5,300
Tax Litigation Unit	3,135	3,400	4,400	5,400	6,400	7,400	8,400
Other litigation	1,100	1,200	1,300	1,500	1,600	1,700	1,800
Deeds, leases and contracts reviewed	29,244	32,000	34,500	37,900	41,500	45,000	49,000
Rules and regulations reviewed	478	550	625	675	700	725	775
Delinquent accounts:							
Dollars collected (in thousands)	\$19,999	\$16,500	\$17,000	\$17,500	\$18,000	\$18,500	\$19,000
Cost per dollar collected	\$.07	\$.12	\$.10	\$.10	\$.10	\$.10	\$.11
New claims (priority)	29,892	23,000	24,000	25,000	26,000	27,000	28,000
Dollar Amount of New Claims (in thousands)	\$49,376	\$52,000	\$53,000	\$54,000	\$55,000	\$56,000	\$57,000

Program Analysis:

This program provides legal services for the governmental agencies of the Commonwealth as required of the Attorney General's Office by Section 204 of the Commonwealth Attorneys Act. Specifically, the Attorney General's Office represents 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; furnishes upon request legal advice to the Governor or the head of any Commonwealth agency; collects, by suit or otherwise, all debts, taxes and accounts due the Commonwealth which shall be referred to and placed with the Attorney General; and reviews for form and legality, all proposed rules and regulations of Commonwealth agencies, and all Commonwealth deeds, leases, and contracts.

The number of torts cases has increased rapidly over the last several years since the Mayle decision in July of 1978 abolished the Commonwealth's use of sovereign immunity as a defense against tort claims. Subsequently, the General Assembly reaffirmed sovereign immunity by Act 152 of 1978

except in eight specific areas where criteria for limited liability were established: (1) vehicle liability; (2) medical professional liability; (3) personal property; (4) Commonwealth real estate, highways and sidewalks; (5) potholes and other dangerous conditions; (6) care, custody, or control of domestic animals; (7) liquor store sales; and (8) National Guard activities. The increase in claims are within the areas where the Commonwealth has limited liability.

There are approximately 3,300 tort cases pending, with approximately 20 to 25 new cases received each week. The number of other cases in litigation is significantly higher than reported in last year's budget. Approximately 500 of these cases are filed by prisoners in State Correctional Institutions. The increasing caseload can be absorbed with current staff as they gain in expertise from disposing of cases of this type.

The number of rules and regulations reviewed was much lower than anticipated last year. The Attorney General, as in the case of torts, has no control over the quantity of cases submitted, but must effectively react to them.

The dollars collected for delinquent accounts was higher

Commonwealth Agencies Legal Services (continued)

Program Analysis: (continued)

than expected for 1983-84 due to the clearance of a backlog of hospital claims from the Department of Public Welfare, and the development of an automated phone system by the Department of Revenue.

Two new program measures have been added to provide additional information concerning legal service activities: cases handled by the Tax Litigation Unit and value of new delinquent account claims filed.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Attorney General's Office.....	<u>\$ 6,759</u>	<u>\$ 7,056</u>	<u>\$ 7,620</u>	<u>\$ 7,925</u>	<u>\$ 8,242</u>	<u>\$ 8,571</u>	<u>\$ 8,914</u>

Public Protection

OBJECTIVE: To represent and protect the interests of citizens of the Commonwealth in areas of consumer protection, antitrust enforcement, charitable trusts and organizations and civil rights.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,834	\$ 3,015	\$ 3,256	\$ 3,386	\$ 3,521	\$ 3,663	\$ 3,806
Other Funds	1,827	2,149	2,284	2,383	2,485	2,590	2,700
TOTAL	<u>\$ 4,661</u>	<u>\$ 5,164</u>	<u>\$ 5,540</u>	<u>\$ 5,769</u>	<u>\$ 6,006</u>	<u>\$ 6,253</u>	<u>\$ 6,506</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer protection:							
Consumer complaints concerning business practices investigated and mediated	15,600	18,500	18,500	18,500	18,500	18,500	18,500
Dollar value of recoupment to consumers regarding business practices (in thousands)	\$1,300	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
Legal actions in which costs and penalties were assessed	112	100	110	115	120	120	120
Legal actions completed	72	50	55	60	70	70	70
Voluntary compliances	103	120	120	120	120	120	120
Rate cases argued by consumer advocate	24	36	49	N/A	N/A	N/A	N/A
Antitrust:							
Investigations initiated	81	63	70	70	70	70	70
Court actions brought	2	2	2	2	2	2	2
Dollars paid or agreed to be paid to the Commonwealth or directly to its citizens (in thousands)	\$1,900	\$3,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Settlements with or without court action	30	10	10	10	10	10	10
Court actions brought other than consumer protection or antitrust	150	160	160	160	160	160	160

Program Analysis:

Activities within this subcategory are keyed specifically to: decreasing the incidence of fraud and deceptive business practices and securing recovery of damages to the Commonwealth and its citizens which result from these practices; enforcing Federal antitrust laws which encourage free enterprise and competition; providing for enforcement of laws dealing with charitable trusts and organizations; protecting the civil rights of Pennsylvania citizens; and providing for the representation of the consumer before the Public Utility Commission.

This program involves five entities within the Public Protection Division of the Attorney General's Office: the Of-

fice of Consumer Advocate; the Antitrust Section; the Bureau of Consumer Protection; the Charitable Trusts and Organization Section; and the Civil Rights Task Force.

The Bureau of Consumer Protection was created by the Legislature in 1968. There are six offices throughout the State. It has responsibility for enforcing nine Acts: (1) the Unfair Trade Practices and Consumer Protection Law, (2) the Generic Drug Law, (3) the Mobile Home Park law, (4) the Hearing Aid Sales Registration Law, (5) the Utility Service Tenants Rights Acts, (6) the Landlord Tenant Act, (7) the Home Improvement Finance Act, (8) the Motor Vehicles Sales and Finance Act and (9) the Goods and Services In-

Public Protection (continued)

Program Analysis: (continued)

stallment Sales Act. Also, the Bureau enforces unfair debt collection practice regulations and regulations dealing with automobile purchase and repair fraud.

In fiscal year 1983-84, the Bureau assisted in the development of the Automobile "Lemon law". Under the law, the Bureau drafted a disclosure statement which the manufacturer is required to provide at the point of sale. The Bureau is currently monitoring overall manufacturer compliance with Lemon Law requirements.

A larger number of legal actions were completed in 1983-84 than anticipated primarily because of an increased desire on the part of litigants to settle.

The amount of civil costs and investigative costs recovered increased to over \$240,000, a 20 percent increase over fiscal year 1983-84.

The second program area involves antitrust activities. The Antitrust Section is responsible for protecting the competitive free enterprise system in the Commonwealth; it is also responsible for recovering damages for the Commonwealth and for its citizens which result from unlawful anticompetitive conduct. The program staff also conducts training programs and is now reviewing State regulations of various commissions and boards to determine which are unnecessary and anti-competitive. The amount of money collected in 1983-84 anti-trust cases was expected to be unusually large because of the anticipated settlement in the Mid-Atlantic Toyota, anti-trust litigation. However, the settlement instead is occurring in the 1984-85 fiscal year.

The third program deals with charitable trusts. The Attorney General is charged with broad responsibilities for the

enforcement of charitable trusts and overseeing nonprofit corporations under common law *parens patriae* doctrine. This is a common law doctrine which allows the State to act on behalf of citizens who are unable to protect themselves.

The fourth program is conducted by the Civil Rights Task Force. The Attorney General established the Task Force in an effort to expand the capabilities of the former Community Advocate Section, which it supplants. The Task Force is composed of two Regional Directors and is chaired by the Director of the Public Protection Division. The Task Force is concerned with the broad range of civil rights as well as police abuse.

The last program is conducted by the Office of Consumer Advocate which was created by the General Assembly in 1976 to represent the interests of Pennsylvania utility consumers before the Public Utility Commission and other agencies and courts which regulate the activities of public utilities.

This budget provides for the increase in investigations necessitated by the Act 74 of 1984, which substantially alters and expands the required PUC review of the gas procurement practices of all major gas utilities in Pennsylvania. The Consumer Advocate will expand substantially its own investigations of both the energy costs of electric utilities and the gas procurement practices of Pennsylvania's major gas distribution companies. An additional \$90,000 has been provided as an initiative in this budget for expert witness fees to enable the office to respond to the increased demands.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Attorney General's Office.....	\$ 2,834	\$ 3,015	\$ 3,256	\$ 3,386	\$ 3,521	\$ 3,663	\$ 3,806

Criminal Law

OBJECTIVE: To investigate and prosecute criminal activity through active enforcement of criminal laws.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 8,389	\$ 9,366	\$ 10,440	\$ 10,854	\$ 11,283	\$ 11,731	\$ 12,196
Federal Funds	1,638	1,797	1,701	1,783	1,870	1,960	2,056
Other Funds	189	278	270	270	270	270	270
TOTAL	\$ 10,216	\$ 11,441	\$ 12,411	\$ 12,907	\$ 13,423	\$ 13,961	\$ 14,522

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Investigations initiated by the Bureau of Criminal Investigations (BCI)	245	210	210	210	210	210	210
Cases presented to the state-wide investigating Grand Jury by BCI	10	16	16	16	16	16	16
Number of arrests in BCI cases	68	70	70	70	70	70	70
Investigations initiated by Medical Fraud Control Section	81	150	150	150	150	150	150
Drug law arrests:							
Cannabis (marijuana and hashish)	250	258	258	258	258	258	258
Heroin	158	129	129	129	129	129	129
Cocaine	295	258	258	258	258	258	258
Stimulants	267	323	323	323	323	323	323
Hallucinogens	46	64	64	64	64	64	64
All other arrests	196	258	258	258	258	258	258
Total	1,212	1,290	1,290	1,290	1,290	1,290	1,290
Major drug traffickers arrested	219	258	258	258	258	258	258
Drug inspections at pharmacies, hospitals, institutions, professional and retail locations	678	800	800	800	800	800	800

Program Analysis:

Under Act 164 of 1980 the Attorney General is the Commonwealth's chief law enforcement officer. As such, the agency investigates and prosecutes criminal activity through active enforcement of criminal laws in accordance with Sections 205 and 206 of the Commonwealth Attorneys Act, with particular emphasis in the areas of public corruption and organized crime through the selective use of statewide investigating grand juries and court authorized electronic surveillance.

The criminal law effort is composed of a number of diverse activities including the Organized Crime and Public

Corruption Section, the Grand Jury Section, the Special Prosecutions Section, the Hazardous Waste Prosecutions Unit, the Bureau of Criminal Investigation, the Bureau of Narcotics Investigation and Drug Control, and the Medicaid Fraud Control Section. This budget includes \$195,000 for a new Regional Grand Jury.

The Organized Crime and Public Corruption Section provides legal supervision for a variety of criminal investigations and prosecutes the cases that result from those investigations. The primary focus is on public corruption involving State officials and investigations and prosecutions

Criminal Law (continued)

Program Analysis: (continued)

under Pennsylvania's Corrupt Organizations Act. Criminal cases involving groups of people and in a number of counties are handled by this section when their size or complexity requires involvement by the Attorney General's Office. Examples of cases handled by this section are the investigation of bribery of public officials, falsification of employment documentation by State employes, food stamp fraud, counterfeit inspection sticker fraud, extortion by public officials, organized large-scale theft rings, and arson fraud rings.

In carrying out its responsibilities, the staff of the Organized Crime and Public Corruption Section maintains close liaison with the investigative agencies of the Office of Attorney General and with the appropriate investigative agencies at the State and local levels. They review investigative reports and render prosecutive opinions. When prosecuting cases, they prepare them for submission to the Investigating Grand Jury, authorize search warrants and criminal complaints pursuant to recent changes in the Pennsylvania Rules of Criminal Procedure and approve consensual electronic surveillance. Attorneys for the section present their cases in the courts throughout the Commonwealth, at both the trial and appellate level. In the public corruption area, close liaison is maintained with the State Ethics Commission to insure the appropriate interchange of information and the proper exercise of jurisdiction by the respective offices. This section also works with the Federal agencies having responsibility in the area of organized crime and with State law enforcement agencies and similar investigative bodies with such responsibilities.

The Grand Jury Section is designated to provide the necessary administrative support to the Grand Jury. It coordinates and schedules all matters to be brought before the Grand Jury in order to use the time of the Grand Jury most efficiently and to relieve the investigative agencies and the prosecuting attorneys of the responsibility for coordinating their matters with other agencies and other attorneys. The section also handles all legal matters which are directed at the functioning of the Grand Jury and responds to all attempts to prevent witnesses' appearances or to quash subpoenas for the production of documents and similar matters. It is also responsible for the numerous administrative details necessary to convene, select, and provide transportation and housing for the Grand Jury panel itself. In 1983-84 the Grand Jury Section filed 44 notices with the Statewide Grand Jury, resulting in 22 presentments being returned and 61 defendants named in the presentments.

The Special Prosecution Section is responsible for the handling of criminal matters referred by the other State

agencies and district attorneys. Among the cases handled by the section were over 30 referrals from the State Ethics Commission, several homicides referred by district attorneys, and cases processed through the Bureau of Narcotics; all extensive investigations and prosecutions arising from a widespread narcotics network in the Western part of the State.

The Hazardous Waste Prosecutions Unit opened 37 cases for investigation during the current year, in which ten individuals and corporations were sentenced for environmental crimes and \$151,000 was imposed in fines.

The Bureau of Criminal Investigation (BCI) has the responsibility of investigating State corruption, organized crime, any crime for which assistance is requested by the local district attorney, any crime in which the Attorney General supersedes a local district attorney either at the request of a local judge or on the Attorney General's own volition, any crime when assistance is requested by another State agency, and appeals of any of the aforementioned offenses.

During fiscal year 1983-84, the BCI initiated 245 investigations leading to 68 arrests and 29 prosecutions. Of this number, 27 convictions or guilty pleas have been obtained for a 93 percent conviction rate; 44 matters are awaiting trial or sentencing. Investigations conducted by the BCI resulted in recovery/restitution of \$1,377,642, and the imposition of fines totaling \$111,495.

The increased number of cases presented to the Grand Jury by the Bureau of Criminal Investigations is based on the number of currently developing cases. The measure of arrests in the Bureau of Criminal Investigations cases replaces last year's measure of prosecutions initiated in non-drug related cases because of a change in the reporting system to more accurately reflect productivity. An additional \$195,000 has been provided for the impanelment of a new Western Grand Jury.

The Bureau of Narcotics Investigation and Drug Control (BNI) has as its goals the immobilization of drug traffickers and the reduction of the availability of illicit drugs in an attempt to curtail drug abuse in Pennsylvania. BNI's operational activities can be categorized into two functions: 1) to enforce Act 64 and other drug related laws through the in-depth investigation and successful prosecution of criminal violations involving controlled substances; and 2) to assure compliance with the drug laws through regulatory inspections of the legitimate handlers of controlled substances (pharmacies, hospitals, and medical practitioners). BNI also has program and operational responsibility for the Pennsylvania State Police Drug Law Enforcement Division.

A productivity improvement initiative for \$100,000 has

Criminal Law (continued)

Program Analysis: (continued)

been provided to computerize the narcotics investigation information management system. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

The 1983-84 fiscal year was the sixth year of operation of the Medicaid Fraud Control Section. Investigations of Medicaid providers involve extensive document review and analysis followed by interviews, undercover buys and other investigative efforts in order to establish a criminal fraud case.

During the 1983-84 fiscal year the Medicaid Fraud Control Section had 81 cases under investigation and closed an additional ten cases for administrative reasons. This year additional investigators have been hired accounting for the increase to 150 cases under investigation for fiscal year 1984-85. Many of the new investigations are for nursing home providers, an area of large potential abuse.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Attorney General's Office.....	\$ 8,389	\$ 9,266	\$ 10,340	\$ 10,754	\$ 11,183	\$ 11,631	\$ 12,096
Trials of Grand Juries.....	. . . .	100	100	100	100	100	100
GENERAL FUND TOTAL	<u><u>\$ 8,389</u></u>	<u><u>\$ 9,366</u></u>	<u><u>\$ 10,440</u></u>	<u><u>\$ 10,854</u></u>	<u><u>\$ 11,283</u></u>	<u><u>\$ 11,731</u></u>	<u><u>\$ 12,196</u></u>

AUDITOR GENERAL

The Department of the Auditor General post-audits the affairs of State Government agencies and certain local government agencies, officials, and organizations. The objective is to insure conformance with established legislative and administrative regulations and to assure that all money has been disbursed legally and properly. In addition, the Auditor General examines the accounts of revenue collecting agents to assure that all money due the Commonwealth was reported and transmitted properly.

AUDITOR GENERAL

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
Auditor General's Office	\$ 17,705	\$ 18,767	\$ 19,519
Public Assistance Audit	4,672	4,951	5,114
Board of Claims	658	883	913
TOTAL STATE FUNDS	\$ 23,035	\$ 24,601	\$ 25,546
Federal Funds .....	.....	.....	\$ 768
Other Funds	\$ 6,462	\$ 6,057	6,492
GENERAL FUND TOTAL	\$ 29,497	\$ 30,658	\$ 32,806

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Auditor General's Office			
State Funds	\$ 17,705	\$ 18,767	\$ 19,519
Federal Funds .....	.....	.....	768
Other Funds	6,462	6,057	6,492
TOTAL	<u>\$ 24,167</u>	<u>\$ 24,824</u>	<u>\$ 26,779</u>

Performs regular and special post-audits of accounts and records of State agencies, liquor stores and tax collecting agents of the Commonwealth.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Auditor General's Office	\$ 17,705*	\$ 18,767*	\$ 19,519
Federal Funds:			
Reimbursement for Auditing Services .....	.....	.....	768
Other Funds:			
Reimbursement for Auditing Services	6,403	6,057	6,492
Sale of Automobiles	59	.....	.....
TOTAL	<u>\$ 24,167</u>	<u>\$ 24,824</u>	<u>\$ 26,779</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Public Assistance Audits			
State Funds	\$ 4,672	\$ 4,951	\$ 5,114

Audits public assistance payments to confirm eligibility of recipients.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Public Assistance Audits	<u>\$ 4,672</u>	<u>\$ 4,951</u>	<u>\$ 5,114</u>

*For 1983-84 actually appropriated as \$15,986,000 for the Auditor General's Office and \$1,719,000 for Auditor General's Office—Scranton; in 1984-85 actually appropriated as \$16,945,000 for the Auditor General's Office and \$1,822,000 for Auditor General's Office—Scranton.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Board of Claims			
State Funds	\$ 658	\$ 883	\$ 913

Hears and determines all claims against the Commonwealth arising from contracts that involve amounts in excess of \$300. On October 5, 1978 by an Act of the Legislature the Board of Claims was created. It was formerly known as the Board of Arbitration of Claims.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Board of Claims	<u>\$ 658</u>	<u>\$ 883</u>	<u>\$ 913</u>

Restricted Receipts Not Included in Department Total

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Insurance Premium — Police Retirement	\$ 50,591	\$ 56,643	\$ 60,000
Audit — Police Retirement	80	80	80
TOTAL	<u>\$ 50,671</u>	<u>\$ 56,723</u>	<u>\$ 60,080</u>

AUDITOR GENERAL

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Fiscal Management	\$ 18,363	\$ 19,650	\$ 20,432	\$ 21,249	\$ 22,099	\$ 22,982	\$ 23,901
Auditing	18,363	19,650	20,432	21,249	22,099	22,982	23,901
Economic Development of the Disadvantaged and Handicapped	\$ 4,672	\$ 4,951	\$ 5,114	\$ 5,318	\$ 5,531	\$ 5,752	\$ 5,982
Income Maintenance	4,672	4,951	5,114	5,318	5,531	5,752	5,982
Local Government Management .....	.....	.....	.....	.....	.....	\$ 35,000	\$ 35,000
Municipal Pension Systems .....	.....	.....	.....	.....	.....	35,000	35,000
DEPARTMENT TOTAL	<u>\$ 23,035</u>	<u>\$ 24,601</u>	<u>\$ 25,546</u>	<u>\$ 26,567</u>	<u>\$ 27,630</u>	<u>\$ 63,734</u>	<u>\$ 64,883</u>

Auditing

OBJECTIVE: To insure that all revenue to which the Commonwealth is entitled is deposited in the State Treasury and that public money is disbursed legally and properly.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 18,363	\$ 19,650	\$ 20,432	\$ 21,249	\$ 22,099	\$ 22,982	\$ 23,901
Federal Funds			768	799	831	864	898
Other Funds	6,462	6,057	6,492	6,752	7,022	7,303	7,595
TOTAL	\$ 24,825	\$ 25,707	\$ 27,692	\$ 28,800	\$ 29,952	\$ 31,149	\$ 32,394

Program Analysis

The Auditor General is required by the Fiscal Code to make all audits necessary in connection with the financial affairs of State Government. Each year, the Department makes thousands of regular and special post audits of Commonwealth agencies, persons, associations, and corporations to insure money is disbursed legally and properly. Also, the Auditor General examines the accounts of revenue collecting agents to assure that all money due the Commonwealth, totaling several billions of dollars, was reported and transmitted properly. The recommended funding level will continue to support the preparation of Commonwealth financial statements in conformance with Generally Accepted Accounting Principles (GAAP). For the fiscal year June 30, 1984 a balance sheet audit is being performed by the Auditor General and an independent certified public accounting firm. For June 30, 1985 a joint audit of General

Purpose Financial Statements of the Commonwealth will be performed.

In addition to the Auditor General's fiscal duties, there are other responsibilities imposed by law such as serving as a member of the General State Authority, the State Public School Building Authority and other major Commonwealth boards and commissions.

The Board of Claims operates within this program exercising its function as an independent judicial and administrative body with jurisdiction to hear and determine claims that equal or exceed \$300 against the Commonwealth.

Since the newly elected Auditor General took office only a short time before this budget was finalized, there was insufficient time for complete discussions of his plans and needs. Those discussions will continue and could have an impact on the amounts reflected above.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Auditor General's Office	\$ 17,705	\$ 18,767	\$ 19,519	\$ 20,300	\$ 21,112	\$ 21,956	\$ 22,834
Board of Claims	658	883	913	949	987	1,026	1,067
GENERAL FUND TOTAL	\$ 18,363	\$ 19,650	\$ 20,432	\$ 21,249	\$ 22,099	\$ 22,982	\$ 23,901

Income Maintenance

OBJECTIVE: To conduct audits of public assistance payments to determine the eligibility of persons receiving public assistance grants.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 4,672</u>	<u>\$ 4,951</u>	<u>\$ 5,114</u>	<u>\$ 5,318</u>	<u>\$ 5,531</u>	<u>\$ 5,752</u>	<u>\$ 5,982</u>

Program Analysis

The Auditor General is required by the Fiscal Code to conduct audits of public assistance payments to determine the eligibility of persons receiving public assistance grants. Recipients of public assistance are subject to continuous audit. These audits serve to adjust grants to persons either not eligible, receiving overpayments or underpayments.

The latest audit report issued, covering the 1983-84 fiscal year, shows that the Auditor General reviewed 15,514 cases. The cases audited covered approximately 5 percent of the statewide case load and, of those, 1.6 percent were found to be totally or partially ineligible.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Public Assistance Audits	<u>\$ 4,672</u>	<u>\$ 4,951</u>	<u>\$ 5,114</u>	<u>\$ 5,318</u>	<u>\$ 5,531</u>	<u>\$ 5,752</u>	<u>\$ 5,982</u>

Municipal Pension Systems

OBJECTIVE: To assist municipal pension systems through loans and disbursement of annual supplemental state assistance.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>

Program Analysis:

In late 1984, the General Assembly passed Act 205 known as the Municipal Pension Plan Funding Standard and Recovery Act. The enactment of this legislation was in response to the solvency problems facing many of the Commonwealth's municipal pension systems. The act requires the submission of municipal pension plan actuarial reports to the Public Employee Retirement Study Commission (PERSC) every two years and establishes criteria for the determination of actuarial soundness and the amount of state financed support that will be provided.

The Auditor General is basically responsible for audits of municipal pension funds for non-uniformed employees where municipalities choose to allocate state aid to those funds. The municipal pension plans for non-uniformed employees total approximately 1,300. Beginning in July 1985,

the Auditor General will be responsible for administration of the Supplemental State Assistance Account which will, from 1985 to December 1988, contain portions of the proceeds of the Foreign Casualty Premium Tax currently paid to the State Employees Retirement Board. That initial funding will be immediately available for loans to municipalities in imminent danger of defaulting on the obligations of their pension plans.

Beginning in December 1988, the Auditor General will also be responsible for disbursement of supplemental state assistance to distressed municipal pension systems based on certified state assistance amounts provided by PERSC. This assistance to distressed systems will be provided through a General Fund appropriation of up to \$35.0 million and will continue for up to 15 years.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Municipal Pension Systems	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>

Treasury Department

The Treasury Department is responsible for receiving all Commonwealth monies and for depositing such monies in State depositories approved by the Board of Finance and Revenue; for managing all securities in its custody to the best advantage of the Commonwealth; for preauditing all requisitions for the expenditures of funds; and for disbursement of all State monies upon proper authorization to those entitled to receive payment.

TREASURY DEPARTMENT
Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
State Treasurer's Office	\$ 11,340	\$ 12,221	\$ 12,617
Transition—Auditor General .....	.....	75	.....
Board of Finance and Revenue	809	931	966
Council of State Governments	106	106	108
Great Lakes Commission	25	26	28
Publishing Monthly Statements	26	28	33
Replacement Checks	70	257	100
National Conference of State Legislatures	119	126	127
Education Commission of the States	52	55	57
Advisory Commission on Intergovernmental Relations	4	4	4
National Governor's Association	78	84	92
Coalition of Northeast Governors	50	50	50
Northeast-Midwest Institute	40	40	42
National Center for State Courts .....	.....	126	128
Governmental Accounting Standards Board .....	.....	37	36
Subtotal	<u>\$ 12,719</u>	<u>\$ 14,166</u>	<u>\$ 14,388</u>
Debt Service Requirements			
Interest Obligations — Penn State University	\$ 2	\$ 16	\$ 16
Loan and Transfers Agent	93	183	228
Tax Note Expenses	190	168	168
Interest on Tax Anticipation Notes	43,890	42,500	42,500
General Obligation Debt Service	231,448	271,063	315,477
Subtotal	<u>\$ 275,623</u>	<u>\$ 313,930</u>	<u>\$ 358,389</u>
Grants and Subsidies			
Law Enforcement Officers' Death Benefit	\$ 450	\$ 500	\$ 500
Subtotal	<u>\$ 450</u>	<u>\$ 500</u>	<u>\$ 500</u>
TOTAL STATE FUNDS	<u>\$ 288,792</u>	<u>\$ 328,596</u>	<u>\$ 373,277</u>
Other Funds	\$ 916	\$ 927	\$ 946
GENERAL FUND TOTAL	<u>\$ 289,708</u>	<u>\$ 329,523</u>	<u>\$ 374,223</u>
Motor License Fund			
General Government			
Replacement Checks	\$ 24	\$ 60	\$ 60
Refunding Liquid Fuel Tax — Agricultural Use	3,413	4,000	4,200
Refunding Liquid Fuel Tax — State Share	139	400	300
Refunding Emergency Liquid Fuel Tax .....	.....	1	1
Refunding Liquid Fuel Tax — Political Subdivision Use	1,438	2,100	2,100
Administration of Refunding Liquid Fuel Tax	188	219	233
Refunding Liquid Fuel Tax — Volunteer Fire Companies, Am- bulance Services and Rescue Squads	98	150	150
Refunding Marine Liquid Fuel Tax — Boating Fund	1,460	1,600	1,750
Subtotal	<u>\$ 6,760</u>	<u>\$ 8,530</u>	<u>\$ 8,794</u>

TREASURY DEPARTMENT

Summary by Fund and Appropriation (continued)

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Motor License Fund (continued)			
Debt Service Requirements			
Capital Debt — Transportation Projects	\$ 165,716	\$ 165,346	\$ 165,031
Capital Debt — General State Authority	498	498	498
Advance Construction Interstate—Interest .....	.....	.....	60
Loan and Transfer Agent	86	166	186
Subtotal	<u>\$ 166,300</u>	<u>\$ 166,010</u>	<u>\$ 165,775</u>
TOTAL STATE FUNDS	<u>\$173,060</u>	<u>\$174,540</u>	<u>\$ 174,569</u>
Other Funds	\$ 28	\$ 28	\$ 28
MOTOR LICENSE FUND TOTAL	<u>\$ 173,088</u>	<u>\$ 174,568</u>	<u>\$ 174,597</u>
 Banking Department Fund			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
BANKING DEPARTMENT FUND TOTAL	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
 Boating Fund			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
BOATING FUND TOTAL	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
 Fair Fund			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 10
FAIR FUND TOTAL	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 10</u>
 Farm Products Show Fund			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
FARM PRODUCTS SHOW FUND TOTAL	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
 Fish Fund			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
FISH FUND TOTAL	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

TREASURY DEPARTMENT

Summary by Fund and Appropriation (continued)

		(Dollar Amounts in Thousands)	
	1982-83 Actual	1983-84 Available	1984-85 Budget
Game Fund			
General Government			
Replacement Checks	\$ 6	\$ 6	\$ 6
	<u>6</u>	<u>6</u>	<u>6</u>
GAME FUND TOTAL	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>
Lottery Fund			
General Government			
Replacement Checks	\$ 8	\$ 8	\$ 20
	<u>8</u>	<u>8</u>	<u>20</u>
LOTTERY FUND TOTAL	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 20</u>
Milk Marketing Fund			
General Government			
Replacement Checks	\$ 5	\$ 5	\$ 5
Refund Milk Marketing Licenses and Fees .....	.....	5	5
	<u>5</u>	<u>10</u>	<u>10</u>
MILK MARKETING FUND TOTAL	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 10</u>
Racing Fund			
General Government			
Replacement Checks	\$ 10	\$ 10	\$ 10
	<u>10</u>	<u>10</u>	<u>10</u>
RACING FUND TOTAL	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>
Department Total — All Funds			
General Fund	\$ 288,792	\$ 328,596	\$ 373,277
Special Funds	173,114	174,599	174,645
Other Funds	944	955	974
	<u>462,850</u>	<u>504,150</u>	<u>548,896</u>
TOTAL ALL FUNDS	<u>\$ 462,850</u>	<u>\$ 504,150</u>	<u>\$ 548,896</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Treasurer's Office			
State Funds	\$ 11,340	\$ 12,296	\$ 12,617
Other Funds	916	927	946
TOTAL	<u>\$ 12,256</u>	<u>\$ 13,223</u>	<u>\$ 13,563</u>

Receives and deposits all monies of the Commonwealth, disburses those monies, and invests surplus monies of operating funds. Audits the disbursement records and checks for public assistance payments, maintains the accounting controls for the allocation of funds and disburses all checks to recipients of those payments.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
State Treasurer's Office	\$ 11,340	\$ 12,221	\$ 12,617
Transition—Auditor General .....	.....	75	.....
Other Funds:			
Expenses — Unemployment Compensation Disbursements	787	927	946
Fees — Federal Savings Bonds	27	.....	.....
Sale of Automobiles	102	.....	.....
TOTAL	<u>\$ 12,256</u>	<u>\$ 13,223</u>	<u>\$ 13,563</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Board of Finance and Revenue			
State Funds	\$ 809	\$ 931	\$ 966

Reviews settlements made with persons, associations, or corporations by the Departments of Revenue, Auditor General and Treasury. Hears and determines petitions for monies to which the Commonwealth may not be legally entitled.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Board of Finance and Revenue	<u>\$ 809</u>	<u>\$ 931</u>	<u>\$ 966</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Council of State Governments			
State Funds	\$ 106	\$ 106	\$ 108

Promotes interstate progress, interstate cooperation and Federal-State relations through a council, composed of representatives from all the states.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Council of State Governments	<u>\$ 106</u>	<u>\$ 106</u>	<u>\$ 108</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Development, Utilization and Regulation of Water Resources			
State Funds	\$ 25	\$ 26	\$ 28

Plans and promotes a balanced program for the development, use and conservation of the water resources of the Great Lakes Basin through a commission, composed of members from states bordering the Great Lakes.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Great Lakes Commission	<u>\$ 25</u>	<u>\$ 26</u>	<u>\$ 28</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Publishing Monthly Statements			
State Funds	\$ 26	\$ 28	\$ 33

Provides for publishing statements of the General Fund and other funds of the Commonwealth.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Publishing Monthly Statements	<u>\$ 26</u>	<u>\$ 28</u>	<u>\$ 33</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 70	\$ 257	\$ 100

Provides for issuance of replacement checks in lieu of outstanding checks too old when presented and to adjust errors.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 70</u>	<u>\$ 257</u>	<u>\$ 100</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
National Conference of State Legislatures			
State Funds	\$ 119	\$ 126	\$ 127

Assists in the promotion of interstate progress and cooperation through the National Conference of State Legislatures.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
National Conference of State Legislatures	<u>\$ 119</u>	<u>\$ 126</u>	<u>\$ 127</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Education Commission of the States			
State Funds	\$ 52	\$ 55	\$ 57

Assists in the promotion of education, through the Education Commission of the States.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Education Commission of the States	<u>\$ 52</u>	<u>\$ 55</u>	<u>\$ 57</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Advisory Commission on Intergovernmental Relations			
State Funds	\$ 4	\$ 4	\$ 4

Promotes Federal, State and local relations projects including revenue/tax issues, reducing Federal regulation of state-local governments and block grant implementation. This interstate organization is composed of representatives from most states.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Advisory Commission on Intergovernmental Relations.....	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
National Governors' Association			
State Funds	\$ 78	\$ 84	\$ 92

Comprised of governors from America's fifty states and its territories, this association serves as the principle organization for coordinating ideas on programs, budgets, governmental techniques and general information concerning the states in liaison with the Congress and the Executive Branch of Government.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
National Governors' Association.....	<u>\$ 78</u>	<u>\$ 84</u>	<u>\$ 92</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Coalition of Northeastern Governors			
State Funds	\$ 50	\$ 50	\$ 50

Promotes Federal and State cooperation through a Congressional Coalition comprised of 212 bipartisan Congressman from 17 states of the Northeast—Midwest region to further regional development policy and inform its members about regional implications of Federal policies.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Coalition of Northeastern Governors	<u>\$ 50^a</u>	<u>\$ 50</u>	<u>\$ 50</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Northeast—Midwest Institute			
State Funds	\$ 40	\$ 40	\$ 42

Comprised of governors from America's northeastern states, this organization was established to bring together representatives from the public, private and labor sectors to focus on major issues of concern to the Northeast.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Northeast—Midwest Institute	<u>\$ 40^a</u>	<u>\$ 40</u>	<u>\$ 42</u>

^aIn the actual years the amount was included in the Governor's Office appropriation.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
National Center for State Courts				
State Funds	\$ 126		\$ 128

Assists in funding a research and resource center for use by all State judicial systems.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Source of Funds				
Appropriation:				
National Center for State Courts	<u>\$ 126</u>		<u>\$ 128</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Government Accounting Standards Board				
State Funds	\$ 37		\$ 36

Provides guidance and establishes standards to promote uniformity and comparability in governmental accounting and financial reporting.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available		1985-86 Budget
Source of Funds				
Appropriation:				
Governmental Accounting Standards Board	<u>\$ 37</u>		<u>\$ 36</u>

DEBT SERVICE REQUIREMENTS

Financing Commonwealth Obligations	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
State Funds	\$ 275,623	\$ 313,930	\$ 358,389

Provides for interest and principal requirements of notes and bonds issued by the Commonwealth and other expenses related to debt service.

Source of Funds	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Appropriations:			
Interest Obligations — Penn State University	\$ 2	\$ 16	\$ 16
Loan and Transfer Agents	93	183	228
Tax Note Expenses	190	168	168
General Obligation Debt Service	231,448	271,063	315,477
Executive Authorization:			
Interest on Tax Anticipation Notes	43,890	42,500	42,500
TOTAL	<u>\$ 275,623</u>	<u>\$ 313,930</u>	<u>\$ 358,389</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Law Enforcement Officers Death Benefits			
State Funds	\$ 450	\$ 500	\$ 500

Provides payments for death benefits to the surviving spouse or children of firemen or law enforcement officers killed while on duty.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Law Enforcement Officers Death Benefits	<u>\$ 450</u>	<u>\$ 500</u>	<u>\$ 500</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Board of Finance and Revenue Administration			
State Funds	\$ 6,760	\$ 8,530	\$ 8,794

Composed of five members, three of whom shall constitute a quorum, the Board is concerned generally with the approval and payment of claims against the Commonwealth for funds improperly or illegally paid into the State Treasury and with the payment of approved refund claims for taxes on liquid fuels used for agricultural purposes within the State, and provides for the reimbursement of marine fuels taxes as required by Act 65 of June 15, 1969. Act 78 of 1982 transferred the responsibility for making certain refunds from Treasury to the Department of Revenue.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Replacement Checks	\$ 24	\$ 60	\$ 60
Refunding Liquid Fuel Tax — Agricultural Use	3,413	4,000	4,200
Refunding Liquid Fuel Tax — State Share	139 ^a	400	300
Refunding Emergency Liquid Fuel Tax .....	.	1	1
Refunding Liquid Fuel Tax — Political Subdivision Use	1,438	2,100	2,100
Administration of Refunding Liquid Fuel Tax	188	219	233
Refunding Liquid Fuel Tax — Volunteer Services	98	150	150
Refunding Marine Liquid Fuel Tax — Boating Fund	1,460	1,600	1,750
 TOTAL	 <u>\$ 6,760</u>	 <u>\$ 8,530</u>	 <u>\$ 8,794</u>

^aAct 78 of 1982 transferred the responsibility for making refunds of some Liquid Fuels Tax from the Board of Finance and Revenue in Treasury to the Department of Revenue. \$6,000,000 was executive authorized to the Department of Revenue and returned (lapsed) from the Treasury appropriation.

DEBT SERVICE REQUIREMENTS

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Financing Commonwealth Obligations			
State Funds	\$ 166,300	\$ 166,010	\$ 165,775
Other Funds	28	28	28
TOTAL	<u>\$ 166,328</u>	<u>\$ 166,038</u>	<u>\$ 165,803</u>

Provides for interest and principal payments on general obligation bonds issued for highway purposes. Also provides for interest and expenses of issuing tax anticipation notes used to preserve the cash balance in the Motor License Fund, and for the loan and transfer agents.

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Capital Debt — Highway Projects	\$ 165,716	\$ 165,346	\$ 165,031
Capital Debt — Public Improvement Projects	498	498	498
Advance Construction Interstate—Interest Payments .....	.	.	60
Loan and Transfer Agent	86	166	186
Other Funds:			
Restricted Revenue — Aviation	28	28	28
TOTAL	<u>\$ 166,328</u>	<u>\$ 166,038</u>	<u>\$ 165,803</u>

**BANKING DEPARTMENT FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 5	\$ 5	\$ 5

Provides for the issuance of checks to replace those lost or too old to cash.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**BOATING FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 5	\$ 5	\$ 5

Provides for the issuance of checks to replace those lost or too old to cash.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**FAIR FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 5	\$ 5	\$ 10

Provides for the issuance of checks to replace those lost or too old to cash.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 10</u>

**FARM PRODUCTS SHOW FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 5	\$ 5	\$ 5

Provides for the issuance of checks to replace those lost or too old to cash.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**FISH FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 5	\$ 5	\$ 5

Provides for the issuance of checks to replace those lost or too old to cash.

<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Appropriation:			
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

**GAME FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 6	\$ 6	\$ 6

Provides for the issuance of checks to replace those lost or too old to cash.

<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Appropriation:			
Replacement Checks	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>

**LOTTERY FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 8	\$ 8	\$ 20

Provides for the issuance of checks to replace those lost or too old to cash. Also enables the Commonwealth to refund those monies to which it is not legally entitled.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 20</u>

**MILK MARKETING FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Replacement Checks and Refund Checks			
State Funds	\$ 5	\$ 10	\$ 10

Provides for the issuance of checks to replace those lost or too old to cash. Also provides for refund checks when an excess or duplicate fee is incorrectly paid.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	\$ 5	\$ 5	\$ 5
Executive Authorization:			
Refund Milk Marketing Licenses and Fees .....	.....	\$ 5	\$ 5
TOTAL	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 10</u>

**RACING FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Replacement Checks			
State Funds	\$ 10	\$ 10	\$ 10

Provides for the issuance of checks to replace those lost or too old to cash.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Replacement Checks	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>

TREASURY

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Fiscal Management	\$ 15,744	\$ 18,529	\$ 18,893	\$ 19,299	\$ 19,722	\$ 20,161	\$ 20,617
Disbursement	15,744	18,529	18,893	19,299	19,722	20,161	20,617
Economic Development of the Disadvantaged and Handicapped	\$ 3,739	\$ 4,044	\$ 4,160	\$ 4,306	\$ 4,458	\$ 4,616	\$ 4,781
Income Maintenance	3,739	4,044	4,160	4,306	4,458	4,616	4,781
Financing Commonwealth Obligations	\$ 441,949	\$ 479,968	\$ 524,197	\$ 576,016	\$ 623,975	\$ 646,095	\$ 677,443
Debt Service	441,949	479,968	524,197	576,016	623,975	646,095	677,443
Improving Interstate Cooperation	\$ 449	\$ 628	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644
Interstate Relations	449	628	644	644	644	644	644
Natural Resource Development and Management	\$ 25	\$ 26	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28
Development, Utilization and Regulation of Water Resources	25	26	28	28	28	28	28
DEPARTMENT TOTAL	<u>\$ 461,906</u>	<u>\$ 503,195</u>	<u>\$ 547,922</u>	<u>\$ 600,293</u>	<u>\$ 648,827</u>	<u>\$ 671,544</u>	<u>\$ 703,513</u>

Disbursement

OBJECTIVE: To receive and safeguard the monies of the Commonwealth; to manage the funds to the best advantage of the Commonwealth; and to assure that all disbursements of funds are legal and proper.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 8,930	\$ 9,940	\$ 10,023	\$ 10,420	\$ 10,833	\$ 11,262	\$ 11,708
Special Funds	6,814	8,589	8,870	8,879	8,889	8,899	8,909
Other Funds	916	927	946	984	1,023	1,064	1,106
TOTAL	\$ 16,660	\$ 19,456	\$ 19,839	\$ 20,283	\$ 20,745	\$ 21,225	\$ 21,723

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Disbursements issued	9,209,543	9,439,292	9,500,000	N/A	N/A	N/A	N/A
Interest earned on investments:							
General Fund	\$50,879	\$62,446	\$68,337	N/A	N/A	N/A	N/A
Motor Fund	10,035	23,640	23,541	N/A	N/A	N/A	N/A
TOTAL	\$60,914	\$86,086	\$91,878	N/A	N/A	N/A	N/A

Program Analysis:

The Treasury Department is required by statute to receive and deposit all monies of the Commonwealth; to invest in short-term securities any Commonwealth monies which accumulate beyond the daily needs of the various funds; to manage to the best possible advantage all securities in its custody; to preaudit all requisitions for the expenditure of funds; and to disburse all State monies upon proper authorization to those entitled to receive payment. In this connection the State Treasury is responsible for the receipt, custody and disbursement of several billions of dollars each year.

The measure checks issued has been changed to disbursements issued to reflect a more accurate accounting of monies disbursed to those authorized for payment. The recent addition of the direct deposit system has greatly reduced the number of checks issued but the number of total

disbursements whether by check or direct deposit remains high and is now included in the program measure.

The State Treasurer is also Chairman of the Board of Finance and Revenue and serves as a member of the General State Authority, various public retirement boards, the State Highway and Bridge Authority and several other important boards and commissions.

The Board of Finance and Revenue operates within this program by reviewing and deciding appeals concerning settlements made between the Commonwealth and persons, associations and corporations. The Board also administers the program for refunding certain monies to which the Commonwealth is not legally entitled. Also included within this subcategory are funds for the transition costs of the Auditor General.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Treasurer's Office	\$ 8,051	\$ 8,677	\$ 8,957	\$ 9,315	\$ 9,688	\$ 10,075	\$ 10,478
Board of Finance and Revenue	809	931	966	1,005	1,045	1,087	1,130
Replacement Checks	70	257	100	100	100	100	100
Transition—Auditor General .....	.....	75	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 8,930	\$ 9,940	\$ 10,023	\$ 10,420	\$ 10,833	\$ 11,262	\$ 11,708

Disbursement (continued)

Program Costs by Appropriation (continued)

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Replacement Checks	\$ 24	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
Refunding Liquid Fuels Tax-Agricultural Use	3,413	4,000	4,200	4,200	4,200	4,200	4,200
Refunding Liquid Fuels Tax-State Share	139	400	300	300	300	300	300
Refunding Liquid Fuel Tax-Political Subdivisions	1,438	2,100	2,100	2,100	2,100	2,100	2,100
Administration of Refunding Liquid Fuel Tax	188	219	233	242	252	262	272
Refunding Liquid Fuel Tax-Volunteer Services	98	150	150	150	150	150	150
Refunding Marine Liquid Fuel Tax-Boating Fund	1,460	1,600	1,750	1,750	1,750	1,750	1,750
Refunding Emergency Liquid Fuels Tax		1	1	1	1	1	1
MOTOR LICENSE FUND TOTAL...	<u>\$ 6,760</u>	<u>\$ 8,530</u>	<u>\$ 8,794</u>	<u>\$ 8,803</u>	<u>\$ 8,813</u>	<u>\$ 8,823</u>	<u>\$ 8,833</u>
BANKING DEPARTMENT FUND							
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
BOATING FUND							
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
FAIR FUND							
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>
FARM PRODUCTS SHOW FUND							
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
FISH FUND							
Replacement Checks	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
GAME FUND							
Replacement Checks	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 6</u>
LOTTERY FUND							
Replacement Checks	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 20</u>
RACING FUND							
Replacement Checks	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>
MILK MARKETING FUND							
Replacement Checks	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Refunding Milk Marketing Licenses and Fees		5	5	5	5	5	5
MILK MARKETING FUND TOTAL	<u>\$ 5</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>

Income Maintenance

OBJECTIVE: To provide an economic base for individuals who, because of social, mental, physical or other disability, are unable to sustain a minimally acceptable level of existence.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,739	\$ 4,044	\$ 4,160	\$ 4,306	\$ 4,458	\$ 4,616	\$ 4,781

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Average monthly number of persons receiving cash grants	708,674	705,200	693,400	702,200	716,300	725,500	736,000

Program Analysis

The Treasury Department audits the disbursement records, maintains accounting controls, and disburses all checks to recipients of Public Assistance. Approximately 35,440 Public Assistance checks are processed each working day for distribution to the recipients. This processing includes preauditing, collating, authenticating and mailing the checks to individual recipients and banks.

The Direct Delivery system distributes checks through participating banks. There are presently 543 banks which distribute approximately 21,465 checks daily. The system is in effect in Philadelphia, Pittsburgh, Harrisburg, Chester, Norristown, Bristol, Bethlehem, Erie, Scranton, Lancaster, Allentown, Marcus Hook, Reading and York. This program has reduced substantially the number of lost, stolen and

forged checks. Information from the Department of Public Welfare shows that since the program began there has been over a fifty percent reduction of replacement checks in Philadelphia, Allegheny, Dauphin and Delaware counties and a reduction of ten percent in the remaining counties covered by the Direct Delivery system.

Under the provisions of Act 101 of 1976 the Treasury Department is required to pay \$25,000 in death benefits to the surviving spouse or children of firemen or law enforcement officers of the Commonwealth killed in the performance of their duties and to reimburse political subdivisions for such payment made to survivors of their firemen or law enforcement officers.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Treasurer's Office	\$ 3,289	\$ 3,544	\$ 3,660	\$ 3,806	\$ 3,958	\$ 4,116	\$ 4,281
Law Enforcement Officers' Death Benefits	450	500	500	500	500	500	500
GENERAL FUND TOTAL	\$ 3,739	\$ 4,044	\$ 4,160	\$ 4,306	\$ 4,458	\$ 4,616	\$ 4,781

Debt Service

OBJECTIVE: To provide for interest and principal requirements of notes and bonds issued by the Commonwealth and other expenses related to debt service.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 275,649	\$ 313,958	\$ 358,422	\$ 407,603	\$ 454,429	\$ 479,596	\$ 510,929
Special Funds	166,300	166,010	165,775	168,413	169,546	166,499	166,514
Other Funds	28	28	28	4,693	19,989	29,281	28,333
TOTAL	\$ 441,977	\$ 479,996	\$ 524,225	\$ 580,709	\$ 643,964	\$ 675,376	\$ 705,776

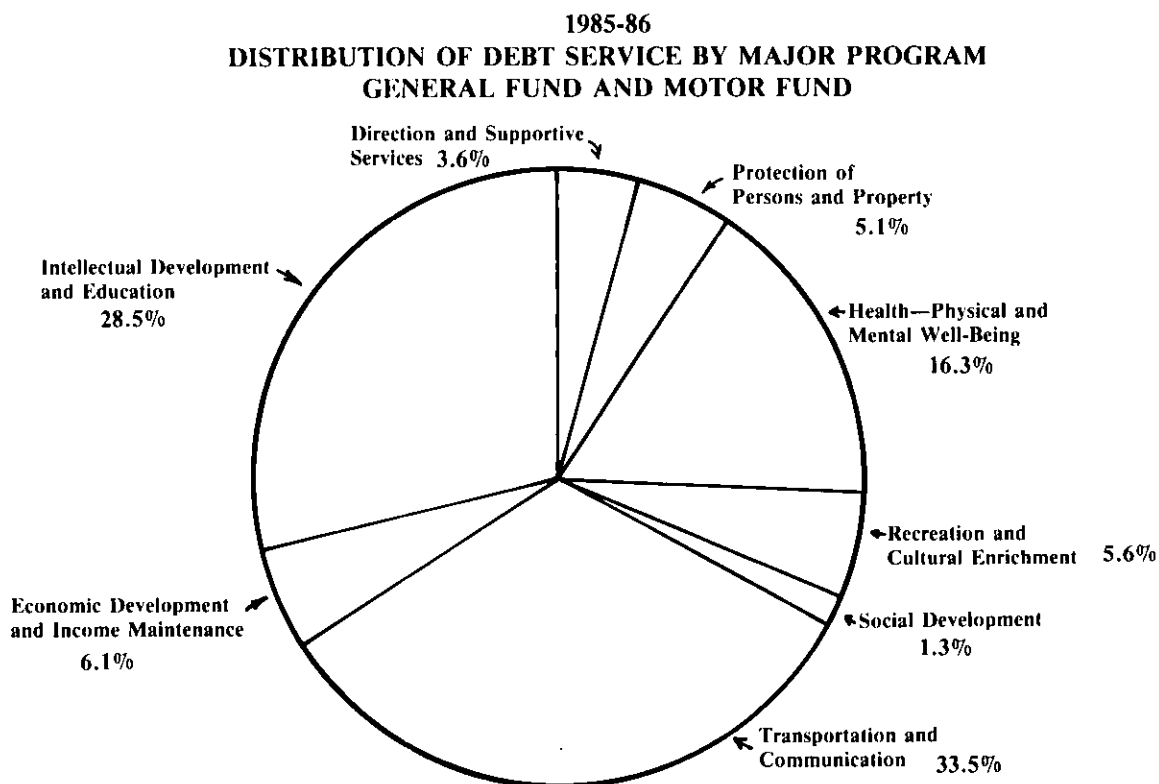
Program Analysis

The Commonwealth, through the Treasury Department, is obligated to meet the principal and interest requirements and other expenses related to debt service.

Long-term bonds are issued by the State to cover the cost of financing public improvements which are needed at an early date but represent such a heavy financial burden that they cannot be funded through current revenues. These bond issues have provided funds over the years for projects such as the acquisition and development of public recreation and historic sites and facilities; the payment of compensation

to veterans of the Vietnam Conflict; relief for victims of disasters; accomplishing economic revitalization efforts; and a wide variety of construction and renovation projects including hospitals, higher education facilities, State parks, flood control, correctional institutions, and various public buildings. Debt service also provides funds to bring nursing homes up to the standards of the State Life Safety Code.

The following chart reflects the major programs which have benefited from Commonwealth bond expenditures.



Debt Service (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Publishing Monthly Statements	\$ 26	\$ 28	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33
Interest Obligations—Penn State							
University	2	16	16	16	16	16	16
Loan and Transfer Agents	93	183	228	228	228	228	228
Tax Note Expenses	190	168	168	168	168	168	168
Interest-tax Notes	43,890	42,500	42,500	42,500	42,500	42,500	42,500
General Obligation-Debt Service	231,448	271,063	315,477	364,658	411,484	436,651	467,984
GENERAL FUND TOTAL	\$ 275,649	\$ 313,958	\$ 358,422	\$ 407,603	\$ 454,429	\$ 479,596	\$ 510,929
MOTOR LICENSE FUND							
Capital Debt-Transportation Projects	\$ 165,716	\$ 165,346	\$ 165,031	\$ 164,912	\$ 164,998	\$ 165,051	\$ 165,066
Capital Debt-Public Improvement							
Projects	498	498	498	1,215	1,262	1,262	1,262
Advance Construction Interstate—							
Interest			60	2,100	3,100		
Loan and Transfer Agent	86	166	186	186	186	186	186
MOTOR LICENSE FUND TOTAL ...	\$ 166,300	\$ 166,010	\$ 165,775	\$ 168,413	\$ 169,546	\$ 166,499	\$ 166,514

Interstate Relations

OBJECTIVE: To promote interstate cooperation and progress.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 449	\$ 628	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644

Program Analysis:

Pennsylvania helps promote interstate progress and cooperation through participation in various associations, both regionally and nationally, with other states and other units of government.

The Council on State Governments is composed of representatives from all the states and is concerned with intrastate progress, interstate cooperation and Federal-State relations.

The Education Commission of the States, composed of members from all the states and territories, assists in the needs and promotion of education through interstate cooperation.

The National Conference of State Legislatures assists in the promotion of interstate progress and cooperation through the annual national conference.

The Advisory Commission on Intergovernmental Relations promotes state and local relations projects, including Reserve/Tax issues, reducing Federal regulations of state-local governments, and block grant implementation. This interstate organization is composed of representatives from most states. The National Governors Association, comprised of governors from America's fifty states and its territories,

coordinates ideas on programs, budgets, governmental techniques and general information concerning the states in liaison with the Congress and the Executive Branch of Government.

The Coalition of Northeastern Governors was established to bring together representatives from the public, private and labor sectors to focus on major issues of concern to the Northeast.

The Northeast-Midwest Institute is the research arm for the Congressional Coalition. The Congressional Coalition is comprised of 212 bipartisan Congressman from 17 states of the Northeast-Midwest region to further regional development policy and inform its members about regional implications of Federal policies.

Also included within this subcategory is the National Center for State Courts, a research and resource center for use by all State judicial systems and the Governmental Accounting Standards Board which provides guidance and establishes standards to promote uniformity and comparability in governmental accounting and financial reporting.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Council on State Governments	\$ 106	\$ 106	\$ 108	\$ 108	\$ 108	\$ 108	\$ 108
National Conference of State Legislatures	119	126	127	127	127	127	127
Education Commission of the States	52	55	57	57	57	57	57
National Governors Association	78	84	92	92	92	92	92
Advisory Commission on Intergovernmental Relations	4	4	4	4	4	4	4
Coalition of Northeastern Governors	50	50	50	50	50	50	50
Northeast — Midwest Institute	40	40	42	42	42	42	42
National Center For State Courts		126	128	128	128	128	128
Governmental Accounting Standards Board		37	36	36	36	36	36
GENERAL FUND TOTAL	\$ 449	\$ 628	\$ 644	\$ 644	\$ 644	\$ 644	\$ 644

Development, Utilization and Regulation of Water Resources

OBJECTIVE: To maximize economic benefits from the utilization of water resources at the same time insuring the availability of a sufficient quantity of water to meet the current and future needs of the Commonwealth.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 25	\$ 26	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28

Program Analysis

This program provides for Pennsylvania's share of the cost of the Great Lakes Commission. Established in 1956 to plan and promote a unified and balanced program for the development, use and conservation of the Great Lakes

Basin water resources, this Commission is composed of members from Pennsylvania and other states bordering the Great Lakes.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Great Lakes Commission	\$ 25	\$ 26	\$ 28	\$ 28	\$ 28	\$ 28	\$ 28

Department of Aging

The Department of Aging was created by Act 70, approved June 20, 1978 in order to provide for the consolidation of services for the growing number of senior citizens in Pennsylvania who were receiving services through a variety of programs administered by various departments and agencies.

The department, which came into existence on July 1, 1979, is headed by a Secretary who serves as a cabinet-level advocate for citizens sixty years of age and older.

The department also has the responsibility of providing statewide services to the elderly through the local Area Agencies on Aging. These services include, but are not limited to: nutrition, employment, transportation, domiciliary care, in-home services and pre-admission assessment.

Additionally, the department is to review and comment on the plans and programs of the Commonwealth which impact on the elderly.

The department recently gained the additional responsibility of administrative oversight of the newly enacted pharmaceutical assistance program for senior citizens.

Citizen participation and input is provided through a network including area agency advisory boards, regional councils and the Pennsylvania Council on Aging.

DEPARTMENT OF AGING

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 1,462	.....	.....
TOTAL STATE FUNDS	<u>\$ 1,462</u>	<u>.....</u>	<u>.....</u>
Federal Funds	\$ 2,448	.....	.....
Other Funds	8	.....	.....
GENERAL FUND TOTAL	<u>\$ 3,918</u>	<u>.....</u>	<u>.....</u>
 Lottery Fund			
General Government			
General Government Operations .....	.....	\$ 1,535	\$ 2,501
 Grants and Subsidies			
Aging Programs	\$ 29,840	\$ 45,280	\$ 46,638
In-Home Services .....	.....	12,000	14,000
Pre-Admission In-Home Services .....	.....	5,000	11,300
Attendant Care .....	.....	5,000	5,100
Senior Center Renovations .....	.....	10,100	.....
Drug Education .....	.....	250	50
Alzheimer's Disease .....	.....	.....	500
Pharmaceutical Assistance	100,000	115,600	100,000
Subtotal	<u>\$ 129,840</u>	<u>\$ 193,230</u>	<u>\$ 177,588</u>
TOTAL STATE FUNDS — LOTTERY FUND	<u>\$ 129,840</u>	<u>\$ 194,765</u>	<u>\$ 180,089</u>
Federal Funds	\$ 60,831	\$ 56,578	\$ 55,658
Other Funds	105	1,639	1,653
LOTTERY FUND TOTAL	<u>\$ 190,776</u>	<u>\$ 252,982</u>	<u>\$ 237,400</u>
 Department Total — All Funds			
General Fund	\$ 1,462	.....	.....
Special Funds	129,840	\$ 194,765	\$ 180,089
Federal Funds	63,279	56,578	55,658
Other Funds	113	1,639	1,653
TOTAL ALL FUNDS	<u>\$ 194,694</u>	<u>\$ 252,982</u>	<u>\$ 237,400</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 1,462	.....	.....
Federal Funds	2,448	.....	.....
Other Funds	8	.....	.....
TOTAL	<u>\$ 3,918</u>	<u>.....</u>	<u>.....</u>

Provides the administrative and support systems for the operation of the statewide senior citizen program.

Provides the overall planning and direction for elderly persons striving to achieve or maintain independent living and a role in community life.

Provides for the operation of the Pennsylvania Council on Aging.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
General Government Operations	\$ 1,462	.....	.....
Federal Funds:			
Programs for the Aging (III) — Administration	1,240	.....	.....
Programs for the Aging (V) — Administration	105	.....	.....
Training and Discretionary Programs (IV) — Administration...	148	.....	.....
Social Services Block Grant — Administration	955	.....	.....
Other Funds:			
Reimbursements for Training AAA Staff	8	.....	.....
TOTAL	<u>\$ 3,918</u>	<u>.....</u>	<u>.....</u>

**LOTTERY FUND
GENERAL GOVERNMENT**

		(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 1,535	\$ 2,501
Federal Funds	2,715	1,780
TOTAL	\$ 4,250	\$ 4,281

Provides the administrative and support systems for the operation of the statewide senior citizen program.

Provides the overall planning and direction for elderly persons striving to achieve or maintain independent living and a role in community life.

Provides for the operation of the Pennsylvania Council on Aging.

		(Dollar Amounts in Thousands)	
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 1,535	\$ 2,501
Federal Funds:			
Programs for the Aging (III) — Administration	1,450	1,650
Programs for the Aging (V) — Administration	120	130
Training and Discretionary Programs (IV) — Administration...	150	.....
Social Services Block Grant — Administration	995	.....
TOTAL	\$ 4,250	\$ 4,281

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Senior Citizen Programs			
State Funds	\$ 29,840	\$ 77,630	\$ 77,588
Federal Funds	60,831	53,863	53,878
Other Funds	105	1,639	1,653
TOTAL	\$ 90,776	\$ 133,132	\$ 133,119

Provides services for senior citizens through a network of 50 Area Agencies on Aging. Services provided include meals, homemaker and chore services, transportation, job development and placement, domiciliary care and the operation of senior centers.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Aging Programs	\$ 29,840	\$ 45,280	\$ 46,638
In-Home Services .....	.....	12,000	14,000
Pre-Admission In-Home Services .....	.....	5,000	11,300
Attendant Care .....	.....	5,000	5,100
Senior Center Renovations .....	.....	10,100	.....
Drug Education .....	.....	250	50
Alzheimer's Disease .....	.....	.....	500
Federal Funds:			
Programs for the Aging (III) — Social Services	37,209	42,000	42,000
Programs for the Aging (V) — Employment	3,138	3,800	3,800
Training and Discretionary Programs (IV)	73	200	.....
Social Services Block Grant — Aging	14,595	.....	.....
Programs for the Aging — Nutrition	4,713	5,300	5,500
Job Training Partnership Grants to Area Agencies on Aging ...	664	925	926
Jobs Bill Employment of Older Americans	439	.....	.....
Medical Assistance—Pre-Admission Assessment .....	.....	1,638	1,652
Other Funds:			
Pre-Admission Assessment	105	1,639	1,653
TOTAL	\$ 90,776	\$ 133,132	\$ 133,119

OTHER SPECIAL FUNDS

AGING

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Pharmaceutical Assistance			
State Funds	\$ 100,000	\$ 115,600	\$ 100,000

Funds are transferred from the Lottery Fund to the Pharmaceutical Assistance Fund to fund payments to pharmacies for the price of prescription drugs reduced by a recipient copayment. Persons over 65 with an income of up to \$9,000 if single or \$12,000 if married were eligible when the program began. Effective April 1, 1985, income limits will be increased to \$12,000 for single persons and \$15,000 for married couples. Also provides for administrative costs of the department and the contractor operating the program.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Transfer to the Pharmaceutical Assistance Fund	<u>\$ 100,000</u>	<u>\$ 115,600</u>	<u>\$ 100,000</u>

DEPARTMENT OF AGING

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,462	\$ 1,535	\$ 2,501	\$ 2,601	\$ 2,705	\$ 2,813	\$ 2,926
Social Development of Individuals	\$ 129,840	\$ 193,230	\$ 177,588	\$ 186,995	\$ 193,345	\$ 200,165	\$ 207,625
Community Services	15,571	32,220	22,966	23,560	24,725	25,955	27,225
Community-Based Long-Term Care	14,269	45,410	54,622	63,435	68,620	74,210	80,400
Pharmaceutical Assistance	100,000	115,600	100,000	100,000	100,000	100,000	100,000
DEPARTMENT TOTAL	<u>\$ 131,302</u>	<u>\$194,765</u>	<u>\$ 180,089</u>	<u>\$ 189,596</u>	<u>\$ 196,050</u>	<u>\$ 202,978</u>	<u>\$ 210,551</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the department can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,462	.....	.....	.....	.....	.....	.....
Special Funds .....	.....	\$ 1,535	\$ 2,501	\$ 2,601	\$ 2,705	\$ 2,813	\$ 2,926
Federal Funds	2,448	2,715	1,780	1,800	1,820	1,840	1,860
Other Funds	8	.....	.....	.....	.....	.....	.....
TOTAL	\$ 3,918	\$ 4,250	\$ 4,281	\$ 4,401	\$ 4,525	\$ 4,653	\$ 4,786

Program Analysis:

General Administration and Support provides administrative and overhead systems which support the operation of programs to achieve Commonwealth and department objectives efficiently and economically.

The administrative costs for the central office, the Council on Aging and its regional councils are included in this subcategory.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,462	.....	.....	.....	.....	.....	.....
STATE LOTTERY FUND							
General Government Operations .....	.....	\$ 1,535	\$ 2,501	\$ 2,601	\$ 2,705	\$ 2,813	\$ 2,926

Community Services

OBJECTIVE: To enable older persons to continue active and independent lives.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 15,571	\$ 32,220	\$ 22,966	\$ 23,560	\$ 24,725	\$ 25,955	\$ 27,225
Federal Funds	31,632	24,108	24,322	25,400	25,400	25,400	25,400
TOTAL	\$ 47,203	\$ 56,328	\$ 47,288	\$ 48,960	\$ 50,125	\$ 51,355	\$ 52,625

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Pennsylvanians 60 years and older	2,276,000	2,315,000	2,354,000	2,394,000	2,435,000	2,476,000	2,518,000
Persons receiving assistance:							
Congregate meals (meals served/day)	115,480	124,800	127,000	129,100	131,000	133,000	135,000
Transportation (complete round trips)	83,700	85,800	86,100	86,300	86,600	86,900	87,200
Units of services delivered:							
Congregate meals (meals provided)	6,810,100	7,653,700	7,770,000	7,900,000	8,000,000	8,100,000	8,200,000
Employment Services (unsubsidized job placements)	5,150	2,960	3,000	3,000	3,000	3,000	3,000
Volunteer Services (volunteer hours)	1,557,000	2,100,000	2,200,000	2,250,000	2,300,000	2,350,000	2,400,000
Transportation (one-way passenger trips)	3,780,000	4,010,000	4,080,000	4,150,000	4,200,000	4,250,000	4,300,000

Program Analysis:

During the past several years the Commonwealth has developed a statewide system to assist those senior citizens who generally are in good health yet require some degree of aid or socialization to continue to lead active and independent lives. The 50 Area Agencies on Aging are the hub of this system which serves all 67 counties in the State. This basic delivery system serves all the elderly including those in need of more intensive assistance as described in the sub-category Community Based Long-Term Care Services.

The Area Agencies on Aging provide a wide range of services and activities. The most basic of these is outreach and information which helps to inform senior citizens of the availability of services. The Area Agencies either arrange for or provide a variety of services in the community which are designed to enable the elderly to continue to function independently with a minimal amount of outside support. As Pennsylvania's elderly population continues to grow—by the the end of 1985 an estimated 2,354,000 residents will be sixty or more years of age—the Area Agencies on Aging are expected to play an increasingly important role in the provision of services. In fact, the increase in volunteer service hours in 1984-85 compared to estimates made a year

ago, seems to suggest the increasing activity at Area Agencies on Aging. The current estimates of volunteer services hours for 1984-85 represent planned levels of service whereas the volunteer service hours listed over a year ago were departmental estimates.

There are more than 500 senior centers in the Commonwealth which provide a full range of socialization and recreation activities, including congregating meals at noon. Group dining has proved to be a very popular activity. During 1985-86, the senior centers expect to serve about 7.7 million hot and nutritious meals.

Each of the Area Agencies operate a job development and placement program for low income persons aged 55 and above. The major objective of the program is to assist older persons in securing unsubsidized employment in the private sector. In addition, job training and subsidized, part-time employment opportunities in community service work is provided. Job fairs, sponsored by several Area Agencies, have successfully secured employment for many senior citizens.

Frequently, older persons require special access to public and private transportation facilities in order to continue active and independent lives. The Area Agencies on Aging ar-

Community Services (continued)

Program Analysis: (continued)

range for transportation services to assist the elderly with shopping, visits to the doctor and trips to and from senior centers.

In 1984-85, \$10.1 million is provided on a one-time grant basis for the senior centers to make repairs to bring the centers up to acceptable safety standards, increase accessibility for the handicapped, and make general improvements.

Recommended funding of \$500,000 in 1985-86 will initiate an Alzheimer's Disease program. Although Federal dollars are now being concentrated on research, the Commonwealth is concerned about the victims and their families now struggling to cope with this devastating disease. The program will

consist of education for families of Alzheimer's victims in effective coping strategies and identification of available resources, training for medical and social service professions, expansion of local support groups for Alzheimer's families, and the provision of technical assistance to enable development of coordinated diagnostic and evaluation programs.

Training and outreach to families, medical professionals, social service providers, and the general public will be a high priority for this coming year. These initiatives are designed to alleviate the emotional burdens of those now struggling with the dreaded disease and assure accurate evaluation and support for Alzheimer's patients.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
LOTTERY FUND							
Aging Programs	\$ 15,571	\$ 21,870	\$ 22,416	\$ 23,535	\$ 24,700	\$ 25,930	\$ 27,200
Senior Center Renovations .....	.....	10,100	.....	.....	.....	.....	.....
Drug Education .....	.....	250	50	25	25	25	25
Alzheimer's Disease .....	.....	.....	500	.....	.....	.....	.....
LOTTERY FUND TOTAL	<u>\$ 15,571</u>	<u>\$ 32,220</u>	<u>\$ 22,966</u>	<u>\$ 23,560</u>	<u>\$ 24,725</u>	<u>\$ 25,955</u>	<u>\$ 27,225</u>

Community-Based Long-Term Care Services

OBJECTIVE: To enable older persons to live in their own homes and, where necessary, provide alternative living arrangements.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 14,269	\$ 45,410	\$ 54,622	\$ 63,435	\$ 68,620	\$ 74,210	\$ 80,400
Federal Funds	29,199	29,755	29,556	30,110	30,215	30,320	30,430
Other Funds	105	1,639	1,653	1,910	2,015	2,120	2,230
TOTAL	\$ 43,573	\$ 76,804	\$ 85,831	\$ 95,455	\$ 100,850	\$ 106,650	\$ 113,060

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Older persons receiving:							
Intensive community long-term care		1,087	2,300	2,500	2,700	2,900	3,000
Attendant care services		600	650	670	690	720	750
Home delivered meals	24,670	29,600	31,000	32,700	34,000	35,700	37,000
Homemaker services	39,780	40,000	40,300	40,700	41,200	41,500	41,800
Units of services delivered:							
Service Management (client hours)	310,400	385,860	405,200	415,500	430,000	450,000	475,000
Homemaker (client hours)	1,586,700	1,925,600	2,020,000	2,090,000	2,150,000	2,220,000	2,300,000
Chore Services (client hours)	159,000	201,600	203,500	216,900	225,000	233,000	240,000
Home delivered meals	3,371,800	3,960,600	4,102,000	4,200,000	4,300,000	4,400,000	4,500,000

Program Analysis:

Most older persons who are unable to care for themselves would prefer to remain in their own homes rather than be placed in an institutional setting such as a nursing home or personal care boarding home. A variety of personal support services have been developed and expanded recently to meet the needs of this growing group of the Commonwealth's senior citizen population.

A pre-admission assessment program for applicants of medical assistance funded nursing homes and State funded community personal care residential living arrangements was implemented on a demonstration basis to provide a comprehensive assessment of the health and social needs of the applicants so that the appropriate level of care may be identified and promptly secured. This program was expanded in the latter half of 1984 and renamed the Long-Term Care Assessment and Management Program (LAMP). In addition to the comprehensive assessments, five million dollars from the Lottery Fund was made available to provide a prescribed community service package of care for those applicants diverted from nursing home placement and funding was provided for the management and coordination of those

services by professional staff. During 1984-85 over 1,000 persons who would otherwise be institutionalized are expected to receive intensive community long-term care services which will enable them to remain at home.

In 1985-86, LAMP will operate in six service areas (Allegheny, Erie, Luzerne/Wyoming, Philadelphia, Westmoreland, and York) for 12 months. Recommended funding will permit expansion into two or three more service areas in January 1986 if an evaluation of the program proves LAMP is serving the intended target population in a quality and cost efficient manner.

Another new in-home service program implemented in 1984-85 is attendant care for senior citizens. This program provides personal care services by a specially trained attendant to assist physically disabled persons with key activities of daily living such as eating, dressing, and personal hygiene. The major goals of the program are to help prevent and/or delay institutionalization and reduce the cost of long-term care. An estimated 600 disabled persons will be receiving these services by the end of the 1984-85 year.

Individualized service management provides specialized

Community-Based Long-Term Care Services (continued)

Program Analysis: (continued)

assistance to older persons who are in need of multiple services or otherwise require highly personalized, intensive attention to resolve problems or arrange a plan of care. This type of service frequently involves working with family members of older persons to encourage and aid them to care for their elderly relatives. It may also involve the intervention of an attorney to arrange guardianship or prevent exploitation. Also included is therapeutic counseling to help older persons to adjust to role changes or the loss of a spouse.

The most widely utilized in-home service is homemaker service which provides the bed-bound or extremely frail elderly with light housekeeping, laundry and personal grooming assistance when there is no other responsible person available or capable of providing these services. Approximately 40,000 senior citizens will receive homemaker ser-

vices in 1985.

Chore services are provided in a similar manner and lend assistance with minor home maintenance tasks such as: replacing window panes, installing safety rails in the bathroom and cutting grass or shoveling snow. These services are provided to maintain the individual's health and safety in the home.

Another major in-home service is home-delivered meals. The disabled or frail elderly are generally unable to prepare adequate meals for themselves and are unable to participate in the group dining program of senior centers. To insure minimum levels of sound nutrition, meals are prepared in a central location and delivered to an individual's home. During 1985-86, over four million home-delivered meals will be served to an estimated 31,000 disabled or frail senior citizens.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
LOTTERY FUND							
Aging Programs	\$ 14,269	\$ 23,410	\$ 24,222	\$ 25,435	\$ 26,720	\$ 28,070	\$ 29,500
In-Home Services		12,000	14,000	16,000	18,000	20,000	22,000
Pre-Admission In-Home Services		5,000	11,300	16,800	18,500	20,500	23,000
Attendant Care		5,000	5,100	5,200	5,400	5,640	5,900
LOTTERY FUND TOTAL	\$ 14,269	\$ 45,410	\$ 54,622	\$ 63,435	\$ 68,620	\$ 74,210	\$ 80,400

Pharmaceutical Assistance

OBJECTIVE: To provide assistance to the Commonwealth's elderly citizens who are experiencing difficulties in meeting the costs of prescription drugs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 100,000	\$ 115,600	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons receiving benefits (end of year).....		434,000	520,000	588,000	600,000	591,000	582,000
Total prescriptions per year		5,100,000	8,600,000	9,900,000	10,600,000	10,600,000	10,500,000
Program Expenditures (in thousands).....	\$ 2,867	\$ 61,900	\$ 99,965	\$ 120,198	\$ 136,652	\$ 143,718	\$ 150,734

Program Analysis:

Act 63 of 1983 provides the Department of Aging with Lottery funds for the administration and provision of benefits for this program which was implemented July 1, 1984.

When the program began, Pennsylvania residents who were 65 years of age or over were eligible for benefits if their annual income did not exceed \$9,000 in the case of single individuals or \$12,000 for married couples provided they were not qualified for payment of drugs under any other plan of public assistance or insurance program. Effective April 1, 1985, the annual income level for eligibility will be increased to \$12,000 for single persons and \$15,000 for married persons.

The drugs covered by this program are all legend drugs, insulin, insulin syringes, and insulin needles. Neither drugs used for experimental purposes, nor prescriptions acquired through mail order delivery are covered. Prescription size is limited to a 30 day supply or 100 doses, whichever is less, and participating pharmacies must be licensed by the Commonwealth.

An eligible recipient must pay the difference in cost between a brand name drug and its generically equivalent drug

if the physician permits substitution but the recipient elects to purchase the brand name drug.

A mandatory \$4.00 co-payment to the pharmacy per prescription is required from eligible recipients. The pharmacy will be reimbursed for the remainder of the drug cost with proceeds from the Lottery Fund. The co-payment may be increased or decreased on an annual basis by the average percent change of ingredient costs for all prescription drugs covered by the program. In addition, the Department may adjust the co-payment semiannually based upon the financial experience and projections of the program.

By the end of the program's first year of operation (June 30, 1985), the pharmaceutical assistance program for senior citizens is expected to be the largest of its kind in the nation with approximately 434,000 persons receiving aggregate benefits of nearly \$7 million monthly. An estimated 5.1 million reduced price prescriptions will have been provided to the Commonwealth's senior citizens by the close of the 1984-85 year.

A cash flow statement for the Pharmaceutical Assistance fund can be found in the appendix to Volume 1 of this Budget.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
LOTTERY FUND							
Transfer to Pharmaceutical Assistance Fund	\$ 100,000	\$ 115,600	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

Department of Agriculture

The Department of Agriculture carries out activities to ensure wholesome and quality agricultural products for consumers; to expand existing and develop new domestic and foreign markets for Pennsylvania's agricultural products; 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.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
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General Fund

General Government Operations	PII—Computerization — Summerdale Lab.	\$ 38 ^a
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This Productivity Improvement Initiative provides for computerization of submissions, tests and test results to eliminate manual errors and expedite processing.

General Government Operations	PII—Computerization and Robotics — Agriculture Building Laboratory	140 ^a
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This Productivity Improvement Initiative provides for computerized analysis of agricultural product samples and utilization of robotics to replace certain manual operations.

General Government Operations	PII—Electronic Scales	40 ^a
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This Productivity Improvement Initiative provides for the substitution of electronic scales for equal-arm scales in the test weighing of packaged products offered for sale in food and other retail stores.

DEPARTMENT TOTAL	\$ 218
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^aThese are only three of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

DEPARTMENT OF AGRICULTURE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 16,000	\$ 16,640	\$ 17,606
Agricultural Products Commission .....	.....	.....	100
Agricultural Research	310	610	310
Agricultural Promotion	58	60	60
Poultry Research and Promotion .....	.....	500	.....
Agricultural Development Program .....	.....	20	20
Subtotal	<u>\$ 16,368</u>	<u>\$ 17,830</u>	<u>\$ 18,096</u>
Grants and Subsidies			
Brucellosis Vaccination Program	\$ 150	\$ 150	\$ 150
Animal Indemnities	102	400	225
Avian Influenza	2,000	.....	.....
John's Disease	115	115	115
Rabies Virus Research .....	.....	100	100
Transfer to Farm Products Show Fund	1,000	1,000	1,000
Livestock Show	83	83	83
Open Dairy Show	66	66	66
Junior Dairy Show	28	28	28
4-H Club Shows	33	33	33
Transfer to Fair Fund	700	2,500	2,500
Farm Market Promotion .....	.....	.....	200
Emergency Food Program	7,944	8,000	.....
Subtotal	<u>\$ 12,221</u>	<u>\$ 12,475</u>	<u>\$ 4,500</u>
TOTAL STATE FUNDS	<u>\$ 28,589</u>	<u>\$ 30,305</u>	<u>\$ 22,596</u>
Federal Funds	\$ 4,686	\$ 4,941	\$ 3,487
Other Funds	879	1,046	1,050
GENERAL FUND TOTAL	<u>\$ 34,154</u>	<u>\$ 36,292</u>	<u>\$ 27,133</u>
Fair Fund			
General Government			
General Operations	\$ 1,645	\$ 1	\$ 1
FAIR FUND TOTAL	<u>\$ 1,645</u>	<u>\$ 1</u>	<u>\$ 1</u>
Farm Products Show Fund			
General Government			
General Operations	\$ 1,470	\$ 1,730	\$ 1,797
FARM PRODUCTS SHOW FUND TOTAL	<u>\$ 1,470</u>	<u>\$ 1,730</u>	<u>\$ 1,797</u>

DEPARTMENT OF AGRICULTURE
Summary by Fund and Appropriation
(continued)

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Racing Fund			
General Government			
Harness Racing Commission	\$ 1,915	\$ 2,106	\$ 2,181
Horse Racing Commission	2,709	2,801	2,893
Race Horse Testing Laboratory	917	995	1,026
Pennsylvania Fair Fund Administration	210	276	285
Subtotal	<u>\$ 5,751</u>	<u>\$ 6,178</u>	<u>\$ 6,385</u>
Grants and Subsidies			
Transfer to the General Fund	\$ 7,095	\$ 9,782	\$ 8,288
Transfer to the Fair Fund	1,557	.....	.....
School District Payments	3,500	.....	.....
Community Facilities	1,592	.....	.....
Subtotal	<u>\$ 13,744</u>	<u>\$ 9,782</u>	<u>\$ 8,288</u>
RACING FUND TOTAL	<u>\$ 19,495</u>	<u>\$ 15,960</u>	<u>\$ 14,673</u>
DEPARTMENT TOTAL—ALL FUNDS			
General Fund	\$ 28,589	\$ 30,305	\$ 22,596
Special Funds	22,610	17,691	16,471
Federal Funds	4,686	4,941	3,487
Other Funds	879	1,046	1,050
TOTAL ALL FUNDS	<u>\$ 56,764</u>	<u>\$ 53,983</u>	<u>\$ 43,604</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 16,368	\$ 17,830	\$ 18,096
Federal Funds	4,686	4,941	3,487
Other Funds	879	1,046	1,050
TOTAL	\$ 21,933	\$ 23,817	\$ 22,633

Provides the overall planning, policy guidance and coordination for agency programs and supplies administrative, legal, public information, planning and research, personnel, fiscal management and supply services to the various substantive operational programs.

Protects the consumer by insuring that certain commodities comply with quality, grade and weight standards.

Engages in the protection and improvement of plant and animal health through the evaluation and control of disease.

Attempts to strengthen the agricultural economy through activities aimed at improving farm family income and promotes the self-sufficiency of rural residents through programs which provide access to vitally needed family services.

Engages in research and promotional activities for the benefit of both the agrarian and nonagrarian communities.

Also, provides for regulation of the labeling, distribution, transportation, use, application and storage of pesticides.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	\$ 16,000	\$ 16,640	\$ 17,606
Agricultural Products Commission .....	.....	.....	100
Agricultural Research	310	610	310
Agricultural Promotion	58	60	60
Poultry Research and Promotion .....	.....	500	.....
Agricultural Development Program .....	.....	20	20
Federal Funds:			
Diagnostic Laboratory Services	81	82	82
Food and Drug Administration — Food Sanitation Inspections	162	163	150
Poultry Grading Service	135	145	144
Marketing Services .....	.....	50	25
Ornamental Crop Reporting	22	22	22
Pesticide Enforcement, Certification and Training	334	309	273
Medicated Feed Mill Inspection Program	23	20	18
Donated Food-Administrative Expenses	57	70	50
Plant Pest Detection	50	60	60
Food Storage and Distribution	2,022	.....	.....
Household Commodity Program	1,190	3,250	2,500
CCC Cheese Processing Program	479	500	.....
Reimbursable Cheese Inspection Program	20	40	.....
Pseudorabies Pilot Project	111	220	153
Bacteriological Study .....	.....	10	10

GENERAL FUND

AGRICULTURE

<i>Source of Funds (continued)</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Other Funds:			
Feed and Fertilizer Inspection, and Registration, Fees and Fines	\$ 364	\$ 356	\$ 356
Lime Inspection and Registration Fees and Fines	40	48	48
Soil Conditioner Inspection and Registration Fees and Fines	11	8	8
Data Processing Services	35	4	4
Milk Plant Inspections	2	28	28
Apple Marketing Transfer	7	2	2
Milk Marketing Reimbursement	6	7	7
Fruit Tree Improvement	6	12	12
Donated Food Damage Claims	6	40	40
Animal Industry Services	6	20	20
Special Conferences and Project	14	40	40
Administrative Services	385	431	435
Weights and Measures Inspections	3		
Pittsburgh Food Show	2		
Pennsylvania Agricultural Food Exposition	4		
Chesapeake Bay Project		50	50
TOTAL	\$ 21,933	\$ 23,817	\$ 22,633

GRANTS AND SUBSIDIES

Animal Health	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 2,367	\$ 765	\$ 590

Provides indemnity payments as compensation for diseased or exposed animals which are destroyed to prevent the spread of disease. Act 225 of December 7, 1982 changed the method of funding dog law enforcement activities from general appropriations to a restricted account which is supported solely from dog law fees and fines. Estimates of the expenditures from this account are shown along with other departmental restricted accounts.

Also provides for various research and vaccination programs, and in 1983-84 provided funds to assist farmers whose flock had to be destroyed as a result of the Avian Influenza epidemic.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Brucellosis Vaccination Program	\$ 150	\$ 150	\$ 150
Animal Indemnities	102	225	225
Animal Indemnities—Recommended Supplemental		175	
Avian Influenza	2,000		
Johne's Disease	115	115	115
Rabies Virus Research		100	100
TOTAL	\$ 2,367	\$ 765	\$ 590

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Agribusiness Development			
State Funds	\$ 1,910	\$ 3,710	\$ 3,910

Supports that portion of the Farm Show Activities not covered by Farm Products Show Fund revenues, stimulates the improvement and development of Pennsylvania's agricultural products through competitive shows and farmers' markets, and effective December 30, 1983, supports Fair Fund activities.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
<i>Appropriations:</i>			
Transfer to Farm Products Show Fund	\$ 1,000	\$ 1,000	\$ 1,000
Livestock Show	83	83	83
Open Dairy Show	66	66	66
Junior Dairy Show	28	28	28
4-H Club Shows	33	33	33
Transfer to Fair Fund	700	2,500	2,500
Farm Market Promotion .....	.....	.....	200
TOTAL	<u>\$ 1,910</u>	<u>\$ 3,710</u>	<u>\$ 3,910</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Consumable Agricultural Products			
State Funds	\$ 7,944	\$ 8,000	.....

Provides grants to local organizations to feed the needy.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
<i>Appropriation:</i>			
Emergency Food Program	<u>\$ 7,944</u>	<u>\$ 8,000</u>	<u>.....</u>

**FAIR FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Operations			
State Funds	\$ 1,645	\$ 1	\$ 1
Other Funds	700 ^a	2,500 ^a	2,500 ^a
TOTAL	<u>\$ 2,345</u>	<u>\$ 2,501</u>	<u>\$ 2,501</u>

Reimburses local organizations for operating expenses incurred in conducting annual agricultural fairs. Conducts marketing, consumer service and agricultural research programs. If funds are available, provides grants to fairs for capital improvements.

Beginning in 1983-84 monies were transferred from the General Fund to the Fair Fund to support these activities. Under the provisions of Act 93 of 1983 the Fair Fund no longer receives monies from racing.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorization:			
General Operations	\$ 1,645	\$ 1	\$ 1
Other Funds:			
Transfer from General Fund	700 ^a	2,500 ^a	2,500 ^a
TOTAL	<u>\$ 2,345</u>	<u>\$ 2,501</u>	<u>\$ 2,501</u>

^aThe transfer from the General Fund is not carried forward as Other Funds to the Summary by Fund and Appropriation to avoid double counting.

**FARM PRODUCTS SHOW FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Operations			
State Funds	\$ 1,470	\$ 1,730	\$ 1,797
Other Funds	1,000 ^a	1,000 ^a	1,000 ^a
TOTAL	<u>\$ 2,470</u>	<u>\$ 2,730</u>	<u>\$ 2,797</u>

Stimulates the improvement and development of Pennsylvania's agricultural products by encouraging and staging competitive shows at the State Farm Show Complex. Provides facilities for educational, cultural, religious, sport and other activities of interest to the general public.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorization:			
General Operations	\$ 1,470	\$ 1,730	\$ 1,797
Other Funds:			
Transfer from General Fund	1,000 ^a	1,000 ^a	1,000 ^a
TOTAL	<u>\$ 2,470</u>	<u>\$ 2,730</u>	<u>\$ 2,797</u>

**RACING FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Racing Operations			
State Funds	\$ 5,541	\$ 5,902	\$ 6,100

Develops and implements rules, regulations and procedures to insure the public and harness and horse owners of honest and safe competitive pari-mutuel harness and horse racing. Act 93 of 1983 merged the State Harness Racing Fund and the State Horse Racing Fund into the Racing Fund.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorizations:			
Harness Racing Commission	\$ 1,915	\$ 2,106	\$ 2,181
Horse Racing Commission	2,709	2,801	2,893
Race Horse Testing Laboratory	917	995	1,026
TOTAL	<u>\$ 5,541</u>	<u>\$ 5,902</u>	<u>\$ 6,100</u>

^aThe transfer from the General Fund is not carried forward as other funds to the Summary by Fund and Appropriation to avoid double counting.

OTHER SPECIAL FUNDS

AGRICULTURE

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Fair Fund Administration			
State Funds	\$ 210	\$ 276	\$ 285

Provides for the expenses incurred by the Secretary and the Department of Agriculture in administering the Fair Fund.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorizations:			
Fair Fund Administration	<u>\$ 210</u>	<u>\$ 276</u>	<u>\$ 285</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Statutory Transfers			
State Funds	\$ 13,744	\$ 9,782	\$ 8,288

Act 93 of 1983 adjusted the distribution of monies in the newly formed Racing Fund. From monies remaining in the Racing Fund after payment of necessary expenses, percentages of the amount wagered as specified are to be credited to the Breeders' Fund and to the Sire Stakes Fund. These funds are listed as separate accounts in the restricted accounts section under the Racing Fund. All remaining monies in the Racing Fund would then be transferred to the General Fund in the subsequent fiscal year.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorizations:			
Transfer to General Fund	\$ 7,095 ^a	\$ 9,782	\$ 8,288
Transfer to Fair Fund	1,557 ^b	.....	.....
School District Payments	3,500 ^c	.....	.....
Community Facilities	1,592 ^d	.....	.....
TOTAL	<u>\$ 13,744</u>	<u>\$ 9,782</u>	<u>\$ 8,288</u>

^aActually authorized as separate transfers to the General Fund from the State Horse Racing Fund at \$6,279,000 and the State Harness Racing Fund at \$816,000.

^bActually authorized as separate transfers to the Fair Fund from the State Horse Racing Fund at \$1,378,000 and the State Harness Racing Fund at \$179,000.

^cActually authorized as separate transfers for School District Payments from the State Horse Racing Fund at \$1,750,000 and the State Harness Racing Fund at \$1,750,000.

^dActually authorized as separate transfers for Community Facilities from the State Horse Racing Fund at \$842,000 and the State Harness Racing Fund at \$750,000.

Restricted Receipts Not Included in Department Total

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Weighmasters Liquid Fuels Licenses	\$ 9	\$ 9	\$ 9
Weighmasters Solid Fuels Licenses	7	7	7
Agriculture Farm Operations	867	615	625
Recovery on Lost Commodities	42	42	42
Dog Law Administration ^a	3,576	3,600	3,700
Security Deposits	5	5	5
Farm Loan Program	46	50	75
TOTAL	<u>\$ 4,552</u>	<u>\$ 4,328</u>	<u>\$ 4,463</u>
Racing Fund^b			
Sire Stakes Fund	\$ 3,082	\$ 3,734	\$ 4,000
Breeders' Fund	1,284	1,984	2,000
STATE RACING FUND TOTAL	<u>\$ 4,366</u>	<u>\$ 5,718</u>	<u>\$ 6,000</u>
DEPARTMENT OF AGRICULTURE TOTAL	<u>\$ 8,918</u>	<u>\$ 10,046</u>	<u>\$ 10,463</u>

^aPreviously funded from General Fund appropriations. Act 225 of 1982 created a restricted account.

^bAct 93 of 1983, signed into law December 30, 1983, merged the former State Horse and State Harness Racing Funds into the Racing Fund. Under this law, both the Breeders' and the Sire Stakes funds became restricted accounts in the Racing Fund. This change is reflected here effective the 1983-84 fiscal year.

DEPARTMENT OF AGRICULTURE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 3,010	\$ 3,508	\$ 3,714	\$ 3,863	\$ 4,018	\$ 4,179	\$ 4,346
Consumer Protection	\$ 33,354	\$ 30,354	\$ 21,448	\$ 22,213	\$ 20,001	\$ 20,301	\$ 20,614
Consumable Agricultural Products	14,069	14,670	7,060	7,342	7,636	7,941	8,259
Regulation of Horse Racing	19,285	15,684	14,388	14,871	12,365	12,360	12,355
Property Protection	\$ 6,567	\$ 5,090	\$ 5,168	\$ 5,236	\$ 5,426	\$ 5,624	\$ 5,830
Animal Health	6,567	5,090	5,168	5,236	5,426	5,624	5,830
Agribusiness Development	\$ 8,268	\$ 9,044	\$ 8,737	\$ 8,866	\$ 8,796	\$ 9,039	\$ 9,170
Development of Agricultural Industries ..	8,268	9,044	8,737	8,866	8,796	9,039	9,170
DEPARTMENT TOTAL	<u>\$ 51,199</u>	<u>\$ 47,996</u>	<u>\$ 39,067</u>	<u>\$ 40,178</u>	<u>\$ 38,241</u>	<u>\$ 39,143</u>	<u>\$ 39,960</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,010	\$ 3,508	\$ 3,714	\$ 3,863	\$ 4,018	\$ 4,179	\$ 4,346
Other Funds	390	492	489	489	489	489	489
TOTAL	\$ 3,400	\$ 4,000	\$ 4,203	\$ 4,352	\$ 4,507	\$ 4,668	\$ 4,835

Program Analysis:

This program provides the administrative and overhead services which support the operations of the substantive programs of the Department. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. Such services include overall executive direction, manpower management, fiscal accounting and management information processing.

Funds are also provided to support the Pennsylvania Crop

Reporting Service. The Service is a cooperative effort of the State and Federal governments which assembles and distributes essential facts pertaining to the agriculture of the State.

A by-product of the Pennsylvania Crop Reporting Service is the "Annual Crop and Livestock Summary" which serves as a single reference source for county and State seasonal agricultural information.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 3,010	\$ 3,508	\$ 3,714	\$ 3,863	\$ 4,018	\$ 4,179	\$ 4,346

Consumable Agricultural Products

OBJECTIVE: To protect and assure the high quality of consumable agricultural products through reduction of the incidence of plant pests and misused, misrepresented, substantial or adulterated products.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 14,069	\$ 14,670	\$ 7,060	\$ 7,342	\$ 7,636	\$ 7,941	\$ 8,259
Federal Funds	4,338	4,423	3,061	576	576	576	576
Other Funds	463	492	492	492	492	492	492
TOTAL	\$ 18,870	\$ 19,585	\$ 10,613	\$ 8,410	\$ 8,704	\$ 9,009	\$ 9,327

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Food establishments requiring inspection...	123,482	123,000	123,000	123,000	123,000	123,000	123,000
Incidence of consumer complaints	2,876	2,600	2,450	2,450	2,450	2,450	2,450
Incidence of food products showing major discrepancies	9,850	10,375	10,375	10,375	10,375	10,375	10,375
Dollar value of products removed from the market (in thousands)	\$3,400	\$3,413	\$3,413	\$3,413	\$3,413	\$3,413	\$3,413
Weight and measure inspections performed	49,192	45,000	45,000	45,000	45,000	45,000	45,000
Plant samples processed	7,365	7,500	9,600	10,000	11,000	13,000	15,000
Commercial pesticide applicators licensed ..	3,000	3,000	3,400	3,500	3,600	3,700	3,800
Dollar value of commodities distributed (in thousands)	\$144,394	\$108,000	\$108,000	\$110,000	\$110,000	\$110,000	\$110,000
Consumer commodities inspected	26,654	35,800	43,800	44,000	44,000	44,000	44,000
Persons receiving donated foods (in thousands)	5,200	2,700	4,100	4,100	4,100	4,100	4,100

Program Analysis:

The Department of Agriculture is committed through regulatory efforts to protecting the health and safety of the consumer and assuring the consumer of quality agriculture products.

One of the areas recently defined as a priority area was a program for the detection of ethylene dibromide (EDB) in food products. In early 1984 the Food and Drug Administration (FDA) recommended that states monitor EDB levels, as it was now considered to be a carcinogen. Testing was performed in the Department's laboratory, as well as in a commercially contracted laboratory.

Among the most significant of the department's protec-

tion activities is its efforts in food law compliance. An educational approach has been developed under which department personnel participate in training courses for food handlers. Food establishments which are inspected include all licensed food stores, processing plants, warehouses, transportation facilities, bakeries, bottling plants, nurseries, seed dealers and certain restaurants and concession stands. Additional activities guarantee the quality of animal feeds, fertilizers, liming materials and pesticides.

During 1983-84 establishments requiring inspections totaled 123,482, and the incidence of consumer complaints was 2,876. Food establishments requiring inspection have in-

Consumable Agricultural Products (continued)

Program Analysis: (continued)

creased consumer awareness and increased program emphasis. Another factor affecting this measure is the increased inspection mentioned earlier of various products which might contain EDB.

In 1984-85, it is estimated that increased inspection activities will result in a five percent increase in incidences of major food product discrepancies. These discrepancies represent significant violations of laws, regulations or production practices observed by inspection, product analysis or label review. An incidence includes all products removed at a given location; it is not a count of each individual product removed.

The largest bulk of food being removed is from food vehicle accidents, although fires and floods also have an impact on the dollar value of the products removed from the market. It is anticipated that \$3.4 million will be the annual value of products removed over the next few years. This measure is directly affected by the number of food product discrepancies.

In addition to inspection of food, the department regulates the sale of feed, fertilizer, lime and seeds by requiring certain label information to ensure that consumers receive quality seeds, and inspects plant samples to detect new plant pests or diseases and to monitor known plant pests and diseases. The ultimate goal of the latter effort is to develop pest and disease free propagation stock. As a result of regulatory and surveillance operations, approximately 9,600 plant samples will be tested in laboratories during 1985-86.

The reduction in plant samples processed in 1983-84 compared to previous estimates is due to a reduction in soil samples inspected for nematodes. However, an increase is anticipated in 1985-86.

The Pesticide Control Law provides for the regulation of the use, handling, storage and transportation of pesticides. Regulation is achieved through the requirements of essential label information and through the certification of pesticide applicators, dealers and manufacturers. This program attempts to provide for the optimum use of pesticides, while minimizing their adverse effects on human life and the environment.

Also included in this program are activities which regulate and maintain uniform standards of legal weights and measures of Commonwealth products. It is estimated that 45,000 weights and measures inspections will be performed during 1985-86. The increase in the number of inspections performed is due to more portable scales being inspected.

The Bureau of Government Donated Foods is also situated in the Department of Agriculture; it is involved with distributing Federal surplus food to institutions—schools, prisons, hospitals, etc. and administering the Emergency Food Program in 1983-84 and 1984-85. The increase in dollar value of commodities distributed and persons receiving donated foods in 1983-84 was due to a large one-time distribution of Federal surplus cheese. This dollar value is expected to stay relatively level in 1985-86 versus 1984-85, despite the proposed elimination of the Emergency Food Program, because of an anticipated increase in the Federal school and institutional surplus food programs.

This budget includes funds for two Productivity Improvement Initiatives within this program: 1) computerization and robotics at the Agriculture Building Laboratory for \$140,000; and 2) electronic scales for weight testing of packaged food products for \$40,000. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 6,125	\$ 6,670	\$ 7,060	\$ 7,342	\$ 7,636	\$ 7,941	\$ 8,259
Emergency Food Program	7,944	8,000	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	<u>\$ 14,069</u>	<u>\$ 14,670</u>	<u>\$ 7,060</u>	<u>\$ 7,342</u>	<u>\$ 7,636</u>	<u>\$ 7,941</u>	<u>\$ 8,259</u>

Regulation of Horse Racing

OBJECTIVE: To prevent consumer fraud in the racing industry.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 19,285	\$ 15,684	\$ 14,388	\$ 14,871	\$ 12,365	\$ 12,360	\$ 12,355

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Investigations to insure compliance with established rules and regulations:							
Harness	262	350	350	350	350	350	350
Horse	1,150	1,120	1,095	1,095	1,095	1,095	1,905
Tests conducted by the Pennsylvania Race Horse Testing Laboratory(in thousands)	2,068	2,256	3,250	3,500	3,500	3,500	3,500
Participant licenses issued:							
Harness	12,947	9,000	9,000	9,000	9,000	9,000	9,000
Horse	20,434	20,434	20,434	20,434	20,434	20,434	20,434
Racing days approved:							
Harness	610	620	625	625	625	625	625
Horse	410	410	410	410	410	410	410

Program Analysis:

The activities of this program are aimed at insuring that racing events are fair and unbiased. Both the Horse and Harness Racing Commissions are administrative arms of the Department of Agriculture, and maintain offices at each of the licensed tracks. Principal duties consist of photographing and fingerprinting new applicants for licenses and conducting interviews and investigations to assure that programs, rules and regulations approved by the Commissions are being satisfactorily carried out by associations and participants.

On December 30, 1983 the Governor signed Act 93 which amended the Race Horse Industry Reform Act. Act 93 merged the State Horse Racing Fund and the State Harness Racing Fund into a single State Racing Fund. The tax schedule was adjusted and the distribution of funds was revised in order to assist the racing industry by increasing the funds

retained by the tracks.

Under previous legislation racing funds were provided for School District payments, the Department of Commerce's Community Facilities program and the Pennsylvania Fair Fund. Act 93 no longer provides racing funds for those programs, and these funds have been replaced with General Fund appropriations. The School District payments are included in the Department of Education, Community Facilities is included in the Department of Commerce and the support for fairs remains in the Department of Agriculture.

After stipulated racing expenses are paid, the remaining balance in the State Racing Fund is transferred to the General Fund in the subsequent fiscal year. For 1984-85, the transfer to the General Fund was \$9.7 million.

Regulation of Horse Racing (continued)

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
STATE RACING FUND							
Harness Racing Commission	\$ 1,915	\$ 2,106	\$ 2,178	\$ 2,265	\$ 2,356	\$ 2,450	\$ 2,548
Horse Racing Commission	2,709	2,801	2,893	3,009	3,129	3,254	3,384
Race Horse Testing Lab	917	995	1,029	1,070	1,113	1,158	1,204
Transfer to the General Fund	7,095	9,782	8,288	8,527	5,767	5,498	5,219
Transfer to the Pennsylvania Fair Fund .	1,557	.....	.....	.....	.....	.....	.....
School District Payments	3,500	.....	.....	.....	.....	.....	.....
Community Facilities	1,592	.....	.....	.....	.....	.....	.....
STATE RACING FUND	\$ 19,285	\$ 15,684	\$ 14,388	\$ 14,871	\$ 12,365	\$ 12,360	\$ 12,355
TOTAL	\$ 19,285	\$ 15,684	\$ 14,388	\$ 14,871	\$ 12,365	\$ 12,360	\$ 12,355

Animal Health

OBJECTIVE: To improve the health and reduce the incidence of damage to and by animals.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,567	\$ 5,090	\$ 5,168	\$ 5,236	\$ 5,426	\$ 5,624	\$ 5,830
Federal Funds	191	301	235	235	235	235	235
Other Funds	3,579	3,620	3,720	3,820	3,820	3,820	3,820
TOTAL	\$ 10,337	\$ 9,011	\$ 9,123	\$ 9,291	\$ 9,481	\$ 9,679	\$ 9,885

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Animals examined to determine disease (in thousands)	43,782	9,150	9,150	9,150	9,150	9,150	9,150
Animals quarantined	15,050,000	38,000	38,000	38,000	38,000	38,000	38,000
Animals destroyed	15,010,663	3,000	3,000	3,000	3,000	3,000	3,000
Livestock herds and flocks under surveillance	96,582	96,500	96,500	96,500	96,500	96,500	96,500
Post-mortem examinations	9,209	11,000	11,000	11,000	11,000	11,000	11,000
Health charts issued	158,200	160,000	160,000	260,000	160,000	160,000	160,000
Dogs licensed (in thousands)	941	1,000	1,000	1,000	1,000	1,000	1,000
Citations issued to dog owners	5,178	5,500	5,500	5,500	5,500	5,500	5,500
Dogs apprehended	9,918	11,000	11,000	11,000	11,000	11,000	11,000
Kennels licensed	1,716	1,900	1,900	1,900	1,900	1,900	1,900

Program Analysis:

This program was dramatically affected in 1983-84 by the Avian Influenza epidemic, as over 15 million poultry had to be quarantined and eventually destroyed last year due to this epidemic. Avian Influenza is a virus disease which can infect all species of birds, such as chickens, turkeys, ducks, geese and wild fowl. Last year's outbreak began with a mild form of the disease characterized by respiratory problems, low mortality and low production losses in Lancaster County in the Spring of 1983. The disease was probably introduced into commercial flocks by wild ducks or geese. The disease subsequently changed in virulence and symptoms and spread rapidly, with much higher mortality rates and production losses.

A Federal-State task force was formed to combat the outbreak of Avian Influenza. The Federal government provided significant funding assistance, and the Commonwealth

approved a \$2 million supplemental appropriation to assist the farmers with costs not covered by the Federal government plus \$500,000 for a new Poultry Research and Promotion program to assist the Commonwealth's poultry industry's efforts to recapture markets lost because of the Avian Influenza epidemic and to expand its markets.

It is still difficult to estimate the total losses Pennsylvania incurred due to this epidemic; conservative estimates have placed the amount at over \$100 million.

This program supports a wide range of activities aimed at the prevention, control and eradication of transmissible diseases of domestic animals and poultry.

Surveillance to detect disease is accomplished by maintaining laboratory diagnostic services, inspecting and supervising livestock concentration points and promoting voluntary herd health certification programs. Regulatory activities

Animal Health (continued)

Program Analysis: (continued)

include control of interstate and intrastate livestock movement and quarantine of diseased or exposed livestock.

The livestock population of Pennsylvania has remained relatively unchanged during recent years. Cooperative State-Federal programs to eradicate tuberculosis and brucellosis have resulted in a free status for Pennsylvania for the 1982-83 fiscal year, even though high levels of brucellosis exist in certain southern states. Surveillance to detect these diseases in Pennsylvania will remain critical until they have been eradicated from the United States.

As intensive livestock production practices concentrate larger numbers of animals and birds, contagious diseases occur more frequently and with greater financial impact. The Avian Influenza epidemic is a graphic example of this fact. Diagnostic services have been expanded and will need to be constantly updated to serve the needs of an increasingly sophisticated animal industry.

Rapid transit of livestock internationally as well as interstate and intrastate poses a constant threat to the spread of diseases. Identification of livestock, traceback of infected animals to farm of origin and control of the movement of infected or exposed animals is necessary to minimize the threat of disease to Pennsylvania herds and flocks. There are over forty foreign animal diseases considered exotic to

the United States but a constant threat to domestic livestock.

Also included in this program is dog law enforcement. Primary functions include the control and regulation of the sale and transportation of dogs, kennel inspections, reimbursement of law enforcement agencies for the detention and disposition of stray dogs, subsidization of qualified agencies for building or expanding shelters and the reimbursement of owners of livestock and poultry for damage caused by dogs. Dog law enforcement activities are funded from a restricted account into which all dog related revenue is placed. Such expenditures are reflected in this subcategory as Other Funds.

The Dog Law Act of 1982 that established this restricted account also increased the cost of dog licenses. As a result of this increase, the number of dogs licensed declined temporarily in 1983-84. With additional enforcement activities the number of licenses are expected to increase in the current and succeeding years, as are other Dog Law activities.

This budget includes a Productivity Improvement Initiative in the amount of \$38,000 for computerization of the Summerdale Laboratory. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 4,200	\$ 4,325	\$ 4,578	\$ 4,761	\$ 4,951	\$ 5,149	\$ 5,355
Brucellosis Vaccination Program	150	150	150	150	150	150	150
Animal Indemnities	102	400	225	225	225	225	225
Avian Influenza	2,000	.....	.....	.....	.....	.....	.....
Johne's Disease	115	115	115	.....	.....	.....	.....
Rabies Virus Research .....	.....	100	100	100	100	100	100
GENERAL FUND TOTAL	\$ 6,567	\$ 5,090	\$ 5,168	\$ 5,236	\$ 5,426	\$ 5,624	\$ 5,830

Development of Agricultural Industries

OBJECTIVE: To strengthen the agricultural economy and related enterprises.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4,943	\$ 7,037	\$ 6,654	\$ 6,744	\$ 6,838	\$ 7,036	\$ 7,121
Special Funds	3,325	2,007	2,083	2,122	1,958	2,003	2,049
Federal Funds	157	217	191	191	191	191	191
Other Funds	23	42	49	49	49	49	49
TOTAL	\$ 8,448	\$ 9,303	\$ 8,977	\$ 9,106	\$ 9,036	\$ 9,279	\$ 9,410

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Promotional activities for Pennsylvania Products	4,511	4,520	4,538	4,556	4,574	4,592	4,610
Products registered under the Logo Program	231	234	242	250	258	266	274
Agricultural exports (in thousands)	\$500,000	\$510,000	\$550,000	\$590,000	\$595,000	\$600,000	\$600,000
Event days at Farm Show Complex	477	480	480	480	480	480	480

Program Analysis:

In seeking to strengthen the agricultural economy, agribusiness development programs are designed to maintain the availability of agricultural lands and to promote Pennsylvania's crops and livestock, especially those products that significantly affect farm incomes.

Logo programs are an important element of the Department agricultural promotion efforts. Producers, packers, processors and growers participating in the "We're Growing Better" or "Keystone Pride" logo programs have incorporated one of the logos onto packaging, labels, master cartons, letterheads or invoices, advertising or point-of-sale materials. Qualifications for the programs include a high quality product, 30 or more percent of products grown or produced in Pennsylvania and firm location within the Commonwealth.

Logo programs are designed as a marketing strategy to assist firms to identify origin of their products, increase consumer awareness of abundance and diversity of local food and agricultural products in an attempt to increase sales in all segments of Pennsylvania agricultural industries.

Industry acceptance of logo programs as a viable means to promote Pennsylvania agricultural products has generated much support in agricultural support industries (grocery chains, wholesale distribution centers, restaurants) for Penn-

sylvania Food Products Month. Over 230 products are currently registered in logo programs, with a slight increase expected for the budget and future years.

Another key program is the Product Information Exchange Line, which matches commodity buyer with commodity seller. The livestock industry relies on this service, especially in the area of product grading. The department, when requested by a distant buyer, will inspect and grade livestock offered for sale by a Pennsylvania producer. The findings are then forwarded to the prospective buyer. This service protects the purchaser against product misrepresentation and strengthens the credibility of the State's livestock industry.

Pennsylvania's Crop Reporting Service, working in conjunction with the Pennsylvania Department of Agriculture, gathers data on the cost of producing and marketing milk. This data is then used to support requests for various pricing policies in hearings before the Milk Marketing Board.

Since the Department's objective is to strengthen all markets, it also has programs designed to promote such commodities as apples, honey, cherries, grapes, maple syrup, beef, milk and dairy products. In most instances, the promotion of these products is coordinated with councils representing product interest. Members of these councils

Development of Agricultural Industries (continued)

Program Analysis: (continued)

assess themselves a fee based on their productivity. These funds are then used for promotional activities. Coordinated promotional and marketing activities have accounted for a substantial increase in new market contacts.

Other promotional activities for Pennsylvania products include appearances by the Pennsylvania Dairy Princess, county dairy princesses and other Statewide commodity queens; and developing and displaying exhibits that depict agriculture's role in the economy of Pennsylvania as well as working with Statewide commodity organizations. A careful coordinated intra-department liaison program with the Bureau of Agricultural Development and the regional offices and inter-agency relationships with such diverse groups as the Area Agencies on Aging and the Bureau of Vocational Education, Department of Education, will enable the Commonwealth to make a steady increase in the annual number of promotional activities for Pennsylvania products.

The Department also utilizes the "Producer Buyers Guide" as a method to couple buyers and sellers in order to increase the sale of Pennsylvania Products. An additional activity in the marketing area is the stimulation of public interest in "tailgate" or "open air markets". These markets continue to link the consumer and the farmer.

Organized consumer cooperatives or buying clubs have also proliferated during the period of rising food prices and offer excellent marketing opportunities for Pennsylvania farmers. This mutually beneficial arrangement leads to better prices for farmers and lower prices and more wholesome products for consumers.

Approximately \$500 million worth of agricultural products were exported in 1983 from Pennsylvania. A large part

of this export total was corn, wheat and soybeans. Due to the drought, the Avian Influenza outbreak, and the strong dollar, this total fell from the 1982 levels. Funds amounting to \$100,000 have been included for the department to initiate an Agricultural Development Commission (ADC). The ADC has three objectives: to attract new Agriculture-related businesses to Pennsylvania and to expand existing businesses; to promote the consumption of Pennsylvania-grown and processed food; and to promote Pennsylvania's image as an agricultural state.

A major new 1984-85 initiative under this program involves a \$10 million three-year bond appropriation to provide loan guarantees and interest deferrals to financially-pressed farmers; this is one of the many programs enacted as part of the Pennsylvania Economic Revitalization Fund (PERF). PERF funds are not included here, but are shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

This budget agains recommend \$2.5 million to support Pennsylvania fairs; these funds from the General Fund replace racing revenue lost as a result of Act 93 of 1983.

Two initiatives proposed in this budget provide \$200,000 for expansion of the Farm Market Promotion program to inner-city areas; and \$198,000 for an inspection program for amusement rides.

At the Farm Show Complex, event days tapered off in 1982-83. In order to accommodate the scheduling of additional events, a reduction in the setup and teardown time was accomplished; as a result, event days were increased by almost 6 percent in 1983-84.

Development of Agricultural Industries (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,665	\$ 2,137	\$ 2,254	\$ 2,344	\$ 2,438	\$ 2,636	\$ 2,741
Agricultural Products Commission			100	100	100	100	100
Agricultural Research	310	610	310	310	310	310	310
Agricultural Promotion	58	60	60	60	60	60	60
Poultry Research and Promotion		500					
Transfer to State Farm Products Show Fund	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Livestock Show	83	83	83	83	83	83	83
Open Dairy Show	66	66	66	66	66	66	66
Junior Dairy Show	28	28	28	28	28	28	28
4-H Club Shows	33	33	33	33	33	33	33
Transfer to Pennsylvania Fair Fund	700	2,500	2,500	2,500	2,500	2,500	2,500
Farm Market Promotion			200	200	200	200	200
Agricultural Development Program		20	20	20	20	20	
GENERAL FUND TOTAL	\$ 4,943	\$ 7,037	\$ 6,654	\$ 6,744	\$ 6,838	\$ 7,036	\$ 7,121
STATE FARM PRODUCTS SHOW FUND							
General Operations	\$ 1,470	\$ 1,730	\$ 1,797	\$ 1,825	\$ 1,649	\$ 1,682	\$ 1,715
STATE RACING FUND							
Fair Fund Administration	\$ 210	\$ 276	\$ 285	\$ 296	\$ 308	\$ 320	\$ 333
PENNSYLVANIA FAIR FUND							
General Operations	\$ 1,645	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1

Department of Banking

The Department of Banking protects the Public through the examination of records, accounts and policies of State-chartered financial institutions.

BANKING

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Banking Department Fund			
General Government			
General Operations	\$ 6,401	\$ 7,090	\$ 7,064
BANKING DEPARTMENT FUND TOTAL	<u>\$ 6,401</u>	<u>\$ 7,090</u>	<u>\$ 7,064</u>

BANKING DEPARTMENT FUND

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Operations			
State Funds	\$ 6,401	\$ 7,090	\$ 7,064

Supervises and examines the records, accounts, and policies of State-chartered banking institutions, State-chartered savings associations, sales finance companies, installment sellers, money transmitters, consumer discount companies, collector-repossessors, pawnbrokers, and State-chartered credit unions. Examines business development credit corporations and conducts special investigations when warranted.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorization:			
General Operations	<u>\$ 6,401</u>	<u>\$ 7,090</u>	<u>\$ 7,064</u>

BANKING

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer Protection	\$ 6,401	\$ 7,090	\$ 7,064	\$ 7,347	\$ 7,641	\$ 7,947	\$ 8,265
Regulation of Financial Institutions	6,401	7,090	7,064	7,347	7,641	7,947	8,265
DEPARTMENT TOTAL	<u>\$ 6,401</u>	<u>\$ 7,090</u>	<u>\$ 7,064</u>	<u>\$ 7,347</u>	<u>\$ 7,641</u>	<u>\$ 7,947</u>	<u>\$ 8,265</u>

Regulation of Financial Institutions

OBJECTIVE: To insure the maintenance of an economically sound and competitive system of State-chartered financial institutions.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 6,401	\$ 7,090	\$ 7,064	\$ 7,347	\$ 7,641	\$ 7,947	\$ 8,265

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total assets of consumer credit agencies (in millions)	\$27,427	\$37,301	\$50,729	\$68,992	\$93,829	\$127,607	\$173,545
Total resources of State-chartered banks (in millions)	\$56,611	\$59,442	\$62,414	\$65,535	\$68,812	\$72,253	\$75,866
Assets in State-chartered credit unions (in millions)	\$579	\$753	\$979	\$1,273	\$1,655	\$2,151	\$2,796
Assets in State-chartered savings and loans institutions (in millions)	\$11,057	\$11,610	\$12,190	\$12,800	\$13,440	\$14,112	\$14,818
Assets of State licensed money transmitters (in millions)	\$84,611	\$87,995	\$91,515	\$95,176	\$95,477	\$99,296	\$103,268

Program Analysis:

Recently enacted State financial legislation presented a number of challenges and responsibilities to the Department of Banking. Act 125 of 1984 provided for expanded investment powers for banks, including permitting the purchase of shares of stock of Pennsylvania bank holding companies and an increase in the amount an institution may deposit in a single depository. Act 128 of 1984 provided that institutions may acquire and maintain subsidiaries which are engaged in activities permissible under the Bank Service Corporation Act, expanded the legal lending limitation, expanded limits on the purchase of acceptances, eliminated the aggregate limit on the amount of real estate loans an institution may carry, expanded the limitations on loans to executive officers, required CPA audits of all private banks, and revised the requirement for the department to examine all institutions from annually to alternate calendar years.

Act 44 of 1982 provided for the formation of multi-bank holding companies, branching in counties bi-contiguous to counties in which a bank's headquarters is located, and by 1990 statewide branching will be effective. There is much activity in the branching and holding company areas because of this act. Currently, eighty-nine bank holding companies and seventeen multi-bank holding companies are in opera-

tion; also there are two one-bank holding company mergers and one multi-bank holding company merger in process.

Efforts are in progress by banking groups to have legislation enacted that would permit interstate banking. Although it is not possible to forecast the precise result of this activity, it appears that interstate banking could become a reality, at least on a regional basis, in the near future.

Five savings associations have converted from mutual to stock-type capital structure during 1983-84. The authority to issue permanent reserve fund stock produces an opportunity for associations to ensure future viability for themselves and for the savings members of these respective associations. The opportunity to merge state-wide has also resulted in ensuring future viability. The Federal Garn-St. Germain Depository Institutions Act of 1982 continues to provide the savings and loan industry within the Commonwealth new opportunities to operate successfully in the highly competitive environment that prevails between the various types of financial institutions, not only on a state-wide basis but also on a national basis, for both state and federally chartered savings and loan associations.

During 1983-84, the recovering economy resulted in a significant increase in consumer spending and led to a similar

Regulation of Financial Institutions (continued)

Program Analysis: (continued)

increase in consumer financing. The licensees and chartered financial institutions supervised by the Consumer Credit Bureau were primary beneficiaries of this consumer financing. By the end of 1983-84, their combined assets exceeded \$112 billion. On a combined, weighted average basis, the assets of Consumer Credit agencies, Credit Unions and Money Transmitters increased by 11.93 percent. This is more than double the originally projected growth rate factor of 5 percent.

The Consumer Credit Agencies, consisting of Consumer Discount Companies and Secondary Mortgage Loan Companies, had the largest percentage of asset growth during 1983-84. Their combined assets grew 36 percent or a total dollar value of \$7.4 billion. This asset growth was due primarily to consumers using the accumulated equity in their homes as collateral for larger loans.

There are 160 State-chartered banking institutions, comprised of 46 banks, 88 bank and trusts, 8 savings banks, 5 private banks, 5 trust companies, and 8 foreign bank offices. From 1982-83 to 1983-84 commercial banks experienced a 4.2 percent decrease in total assets while savings banks had a 12.2 percent growth in total assets. The average growth of all State-chartered institutions was 0.3 percent. Savings banks had 30.6 percent of total deposits of all State-chartered institutions, excluding foreign banks, 0.8 percent higher than the previous year. The decline, compared to the estimates in the 1984-85 Budget, is as a result of the net loss of \$4,932 million in assets through the loss of institutions under the department's supervision by mergers with national banks, conversions to national banks, and a revision of the estimated average annual growth rate from 8 percent used in the previous estimate to 5 percent used this year.

Because of the involvement of the Federal Government, and because the overall economic conditions in the banking world have just begun to improve, there can be no pru-

dent prediction for significant growth over the current period and several years thereafter. An average annual growth rate of 5 percent has been predicted in the program measures "Total assets in State chartered banks" based on a stabilization or perhaps slight improvement in the banking economy.

State-chartered credit unions continued to experience sharp asset growth during 1983, with assets increasing by \$133 million or 30 percent. Although this growth was smaller than the 44 percent of the previous year, it was pure growth while the previous year benefited from a large federally chartered credit union converting to a state charter. The credit unions have found this growth to be very necessary in order to meet member's demands for additional services at competitive prices.

It is difficult to project accurately the increases in the resources of State-chartered savings and loan associations due to the uncertainty which exists with respect to the future cost of money. It is believed, however, the Federal Reserve will act promptly to prevent any substantial increases in interest rates. A growth rate of 5 percent per year has been reflected in the program measures applicable to savings and loan associations.

Money Transmitters increased their assets by approximately 4 percent, or \$3.6 billion during 1983-84. This growth is attributable directly to a healthy economy and a strong dollar, resulting in a substantial increase in domestic and foreign travel which increased the sales of money orders and travelers checks. Money transmitters benefit by investing the sales proceeds of money orders and travelers checks until they are cashed; however, lower interest rates from the highs of previous years had a limiting effect on their growth during 1983-84.

The Banking Department will continue to review and improve program areas to maintain an economically sound and competitive system of State-chartered financial institutions.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
BANKING DEPARTMENT FUND							
General Operations	\$ 6,401	\$ 7,090	\$ 7,064	\$ 7,347	\$ 7,641	\$ 7,947	\$ 8,265

Civil Service Commission

The Civil Service Commission administers the Commonwealth's merit system. The responsibilities of the Commission include: recruitment of qualified personnel; evaluation of applicants' education and experience to determine if minimum requirements have been met; development and administration of examinations; and certification of eligibles to the appointing agencies.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
General Government Operations	P11—Integrated Word and Data Processing	\$ 360 ^a

This Productivity Improvement Initiative will expand and decentralize the word processing function throughout the agency.

Department Total \$ 360

^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

CIVIL SERVICE COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 1	\$ 1	\$ 360
TOTAL STATE FUNDS	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 360</u>
Other Funds	\$ 6,645	\$ 7,023	\$ 7,264
GENERAL FUND TOTAL	<u>\$ 6,646</u>	<u>\$ 7,024</u>	<u>\$ 7,624</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 1	\$ 1	\$ 360
Other Funds	6,645	7,023	7,264
TOTAL	<u>\$ 6,646</u>	<u>\$ 7,024</u>	<u>\$ 7,624</u>

Recruits qualified persons for Commonwealth employment and administers the merit system in agencies operating under Civil Service.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 1	\$ 1	\$ 360
Other Funds:			
Fees From Agencies	6,259	6,571	6,794
Special Merit System Services	386	452	470
TOTAL	<u>\$ 6,646</u>	<u>\$ 7,024</u>	<u>\$ 7,624</u>

CIVIL SERVICE COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1	\$ 1	\$ 360	\$ 1	\$ 1	\$ 1	\$ 1
Maintaining Commonwealth Merit System							
Selection ^a .....	.....	.....	.....	.....	.....	.....	.....
DEPARTMENT TOTAL	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 360</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

^aAll funds are other than General Fund or Special Fund.

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1	\$ 1	\$ 360	\$ 1	\$ 1	\$ 1	\$ 1
Other Funds	3,078	3,348	3,369	3,504	3,644	3,790	3,942
TOTAL	\$ 3,079	\$ 3,349	\$ 3,729	\$ 3,505	\$ 3,645	\$ 3,791	\$ 3,943

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to

minimize these administrative costs in relation to the costs of provided services. A Productivity Investment Initiative for \$360,000 is included in the recommendation. This recommendation will expand and decentralize the word processing function throughout the agency. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1	\$ 1	\$ 360	\$ 1	\$ 1	\$ 1	\$ 1

Selection

OBJECTIVE: To provide a sufficient number of qualified, available persons to meet merit system manpower needs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Federal Funds							
Other Funds	\$ 3,567	\$ 3,675	\$ 3,895	\$ 4,051	\$ 4,213	\$ 4,381	\$ 4,556
TOTAL	<u>\$ 3,567</u>	<u>\$ 3,675</u>	<u>\$ 3,895</u>	<u>\$ 4,051</u>	<u>\$ 4,213</u>	<u>\$ 4,381</u>	<u>\$ 4,556</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total eligibles on lists	99,849	110,000	115,000	120,000	120,000	120,000	120,000
Persons scheduled for exams	153,175	160,000	165,000	170,000	180,000	190,000	200,000
Classes for which exams were made available at agencies' requests	734	764	795	827	860	894	928
Examinations with demonstrable and defensible validity evidence	506	600	670	740	800	870	904
Appeal requests received and processed	782	815	840	870	900	930	960
Certifications audited	10,397	10,500	10,700	10,900	11,100	11,300	11,500

Program Analysis:

The objective of the Civil Service Commission is to provide a sufficient number of qualified, available persons to meet merit system staffing needs. To meet this objective the Commission works to attract to State service persons who possess character and ability and to appoint and promote these persons on the basis of merit and fitness.

The Commission has been working to bring the Commonwealth merit system into full compliance with all Federal and State laws and regulations concerning employee selection procedures. Extensive job analysis, test documentation and test analysis is mandated by the Federal Uniform Guidelines on Employee Selection Procedures. Also required is the development and implementation of an adverse impact determination program. The development and use of suitable alternatives to traditional selection devices for which adverse impact has been identified and for which validity documentation is not sufficient to meet the guidelines must be pursued. These goals are identified directly with the following program activities; 1) the identification and elimination of adverse impact; 2) the development of more valid examinations; 3) the identification and elimination of

unfair discrimination in other parts of the Commonwealth's personnel system; and 4) the increased efficiency of operations of the Civil Service Commission in meeting the personnel management needs of the other agencies of State government.

The development and implementation of a system for determining and reducing adverse impact on promotions within the merit system is continuing. The Commission is now able to effectively analyze selection programs within the merit system and adjust them to maximize validity and minimize adverse impact. This makes the Commission's adverse impact and test validation program an essential cost prevention program. Valid examination procedures are required by Federal and State laws. Research has conclusively shown that when valid examinations are used to select or promote workers there is a marked increase in productivity and a lowering of unnecessary personnel costs caused by turn over, absenteeism and discipline problems.

The program measures which are presented are indicative of the Commission workload. Eligible list activity, examinations available, validation requirements, and appeals have

Selection (continued)**Program Analysis: (continued)**

been maintained at very high levels for the past few years. However, due to a major purging of names which occurred in fiscal 1983-84, the measure total eligibles on lists shows a reduction indicative of this action. The more accurate counting of work output instead of reliance on estimates as in previous fiscal periods has resulted in an increase in the number of audits conducted in 1983-84. The most important indicator of successful accomplishment of missions is the number of examinations which can be developed which comply with the regulations on validity. The more valid the tests, the more productive and stable the workforce will be, and the less likely that the Commonwealth becomes involved in long, costly civil rights cases.

A crucial part of an effective merit system is the prompt and objective review and adjudication of employe and

management complaints concerning personnel actions. An important indicator of the Commission's success in this regard is the number of appeal requests and hearings successfully consummated. This element of the commission's operations has seen an increase of more than 500 percent in the past five years. Appeal requests received and processed have increased above previous estimates. This may be associated with the job markets being somewhat tight and as a result more people are challenging negative personnel actions through the appeals process.

The funds supporting this subcategory are received from billing various General and Special Fund departments for merit system services and from Federal funds. These billings are treated as Other Funds to avoid duplicate accounting.

Department of Commerce

The Department of Commerce is responsible for the economic development of the Commonwealth by advancing the growth and stability of business and industry. The department focuses mainly on attracting new industries to the State and expanding existing industries, developing an environment conducive to economic growth, developing the climate for the growth of existing business and industry, and promoting the Commonwealth as a national and international vacationland.

PROGRAM REVISIONS

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
Ben Franklin Partnership	Economic Development	\$ 6,400
Pennsylvania Energy Develop- ment Authority	Economic Development	500
Community Economic Recovery Program	Economic Development	500
Tourist Promotion Assistance	Economic Development	400
Tourism and Economic Development Promotion	Economic Development	3,650
Pittsburgh Technology Development Center	Economic Development	1,000
Site Development	Economic Development	1,000
	Transfer to Pennsylvania Economic Revitalization Fund	12,000
General Government Operations	PII—Computer Terminal Upgrade	67 ^a

This Program Revision will aid in expansion of industrial activity, economic development and tourism promotion and increase technological pursuits.

To upgrade the computer capability of the department in order to administer PERF-related programs.

DEPARTMENT TOTAL	\$ 25,517
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^aThis is only one of numerous Productivity Improvement Initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

DEPARTMENT OF COMMERCE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 5,386	\$ 5,800	\$ 6,228
Tourism and Economic Development Promotion	3,400	3,750	7,400
Economic Revitalization Administration .....	.....	180	290
Subtotal	<u>\$ 8,786</u>	<u>\$ 9,730</u>	<u>\$ 13,918</u>
Grants and Subsidies			
Industrial Development Assistance	\$ 497	\$ 500	\$ 500
Pennsylvania Industrial Development Authority	15,000	15,000	15,000
Site Development	896	1,000	2,000
Site Development—New Castle .....	.....	350	.....
J & L Site Development	1,000	1,000	1,000
Plant Site—Pullman Standard .....	.....	1,000	.....
Local Development District Grants	100	400	600
Appalachian Regional Commission	466	500	500
Minority Business Development Authority	2,000	2,000	2,000
Community Facilities	5,975	5,000	5,000
Small Business Assistance	100	100	100
Minority Business Technical Assistance	250	250	250
Labor/Management Committees .....	.....	500	500
Pennsylvania Capital Loan Program .....	.....	1,000	1,000
International City Project .....	.....	50	.....
American Wind Symphony .....	.....	85	.....
Community Economic Recovery .....	.....	.....	500
Transfer to Pennsylvania Economic Revitalization Fund .....	.....	12,000	12,000
Ben Franklin Partnership	10,482	18,750	25,200
Pennsylvania Energy Development Authority	500	1,500	2,000
Software Engineering Institute .....	.....	4,500	.....
Pittsburgh Technology Development Center .....	.....	.....	1,000
Tourist Promotion Assistance	3,500	3,900	4,300
Subtotal	<u>\$ 40,766</u>	<u>\$ 69,385</u>	<u>\$ 73,450</u>
TOTAL STATE FUNDS	<u>\$ 49,552</u>	<u>\$ 79,115</u>	<u>\$ 87,368</u>
Federal Funds	\$ 2,402	\$ 5,055	\$ 600
Other Funds	1,177	1,478	1,501
GENERAL FUND TOTAL	<u>\$ 53,131</u>	<u>\$ 85,648</u>	<u>\$ 89,469</u>

GENERAL GOVERNMENT

General Government Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 8,786	\$ 9,730	\$ 13,918
Federal Funds	1,002	3,638	600
Other Funds	1,177	1,478	1,501
TOTAL	<u>\$ 10,965</u>	<u>\$ 14,846</u>	<u>\$ 16,019</u>

Provides for the overall planning, policy guidance and coordination for agency programs and supplies the necessary administrative, legal, public information, planning and research, personnel, fiscal management and supply services for the operation of the various substantive programs.

Promotes international trade, tourism, industrial and technological development as a means of increasing the economic vitality of the Commonwealth. Assists in the economic, scientific and technological growth of the Commonwealth by creating new employment opportunities through the development of new and expanded industrial projects and scientific and technological resources and administers the grant and subsidy programs created for this purpose.

Also coordinates activities generated by the Federal—State Appalachian Development Program.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	\$ 5,386	\$ 5,800	\$ 6,228
Tourism and Economic Development Promotion	3,400	3,750	7,400
Economic Revitalization Administration .....	.....	180	290
Federal Funds:			
Appalachian Regional Commission — Development Facilities ..	477	3,000	.....
Appalachian Regional Commission — Technical Assistance	517	600	600
Appalachian Regional Commission — High Technology Analysis .....	.....	25	.....
CETA — Technical Assistance	8	.....	.....
EDA — Export Census .....	.....	13	.....
Other Funds:			
Reimbursement for Minority Business Development Authority Administration	491	598	556
Reimbursement for Nursing Home Loan Administration	178	219	209
Reimbursement for Copy Center Services	178	142	188
Reimbursement for Pennsylvania Industrial Development Authority	330	375	405
Reimbursement for Pennsylvania Energy Development Authority .....	.....	144	143
TOTAL	<u>\$ 10,965</u>	<u>\$ 14,846</u>	<u>\$ 16,019</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Industrial Development			
State Funds	\$ 26,284	\$ 40,735	\$ 40,950

Stimulates the expansion of industrial and agribusiness development in the Commonwealth through:

- grants to county industrial groups to offset a portion of operating costs.
- long-term, low interest loan programs aimed at fostering the location of new industries or the expansion of existing industries and minority business enterprises.
- grants to localities to eliminate physical site deficiencies and to provide for new basic facilities.
- preservation of jobs through employee stock ownership plans and assistance to distressed communities through the Economic Revitalization Program.
- support of regional development efforts as set forth in the Federal Appalachian Regional Development Act.
- contributions to the Pennsylvania Capital Loan Program to fill the working capital gap.
- support of the Pennsylvania Economic Revitalization Fund to stimulate economic development.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Industrial Development Assistance	\$ 497	\$ 500	\$ 500
Pennsylvania Industrial Development Authority	15,000	15,000	15,000
Site Development	896	1,000	2,000
Site Development—New Castle .....	.....	350	.....
Jones and Laughlin Site Development	1,000	1,000	1,000
Plant Site — Pullman Standard .....	.....	1,000	.....
Local Development District Grants	100	400	600
Appalachian Regional Commission	466	500	500
Minority Business Development Authority	2,000	2,000	2,000
Community Facilities	5,975	5,000	5,000
Small Business Assistance	100 ^a	100 ^a	100
Minority Business Technical Assistance	250	250	250
Labor/Management Committees .....	.....	500	500
Pennsylvania Capital Loan Program .....	.....	1,000	1,000
International City Project .....	.....	50	.....
American Wind Symphony .....	.....	85	.....
Community Economic Recovery .....	.....	.....	500
Transfer to Pennsylvania Economic Revitalization Fund .....	.....	12,000	12,000
TOTAL	<u>\$ 26,284</u>	<u>\$ 40,735</u>	<u>\$ 40,950</u>

^aExcludes PennTAP, which is now included within the Ben Franklin partnership appropriation in amounts of \$150,000 in 1983-84 and 1984-85.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Scientific and Technological Development			
State Funds	\$ 10,982	\$ 24,750	\$ 28,200
Federal Funds	1,400	1,417	.....
TOTAL	\$ 12,382	\$ 26,167	\$ 28,200

Makes grants to various educational and research institutions to promote, stimulate and encourage basic and applied scientific research and development and scientific and technological education as a tool in advancing the State's economic growth.

Provides funds to develop energy projects and fund limited energy research through the Pennsylvania Energy Development Authority.

<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Appropriations:			
Ben Franklin Partnership	\$ 10,482 ^a	\$ 18,750 ^a	\$ 25,200
Pennsylvania Energy Development Authority	500	1,500	2,000
Software Engineering Institute .....	.....	4,500	.....
Pittsburgh Technology Development Center .....	.....	.....	1,000
Federal Funds:			
Oil Overcharge — Energy Development Authority	1,400	1,417	.....
TOTAL	\$ 12,382	\$ 26,167	\$ 28,200

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Tourism and Travel Development			
State Funds	\$ 3,500	\$ 3,900	\$ 4,300

Provides matching grants to county agencies for promoting tourism in Pennsylvania.

<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Appropriation:			
Tourist Promotion Assistance	\$ 3,500	\$ 3,900	\$ 4,300

^aIncludes \$150,000 funding for PENNTAP, which was included in Small Business Assistance appropriation in 1983-84 and 1984-85.

DEPARTMENT OF COMMERCE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,555	\$ 1,659	\$ 1,622	\$ 1,687	\$ 1,754	\$ 1,825	\$ 1,898
Development of Business and Industry	\$ 47,997	\$ 77,456	\$ 85,746	\$ 73,942	\$ 72,145	\$ 72,357	\$ 71,577
Industrial Development	28,811	43,756	44,912	32,015	32,121	32,232	31,347
Tourism and Travel Development	7,197	7,945	11,489	11,537	11,586	11,637	11,690
Scientific and Technological Development	11,081	24,918	28,386	29,393	27,401	27,409	27,418
International Trade	908	837	959	997	1,037	1,079	1,122
DEPARTMENT TOTAL	<u>\$ 49,552</u>	<u>\$ 79,115</u>	<u>\$ 87,368</u>	<u>\$ 75,629</u>	<u>\$ 73,899</u>	<u>\$ 74,182</u>	<u>\$ 73,475</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,555	\$ 1,659	\$ 1,622	\$ 1,687	\$ 1,754	\$ 1,825	\$ 1,898
Other Funds	178	142	188	192	196	200	204
TOTAL	<u>\$ 1,733</u>	<u>\$ 1,801</u>	<u>\$ 1,810</u>	<u>\$ 1,879</u>	<u>\$ 1,950</u>	<u>\$ 2,025</u>	<u>\$ 2,102</u>

Program Analysis

General Administration and Support provides for the administrative and overhead systems which support the operations of the programs necessary for the achievement of Commonwealth and department objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

The Bureau of Motion Picture and TV Development is located in this program. The Bureau encourages major motion picture and television producers to use Pennsylvania locations in their productions. In 1983-84, fourteen major

productions, and many television commercials were filmed in Pennsylvania. The estimated economic impact was \$13 million. It is estimated that 25 to 50 percent of a film's budget is spent in the local economy during filming on location. In 1984-85, two major projects have already been filmed and eight more are in the planning stages.

A productivity improvement initiative for upgrading computer capability is recommended in the amount of \$67,000. Eleven thousand dollars (\$11,000) of that initiative is reflected in this subcategory to improve the analysis of applications under the department's loan programs and accounting management and inventory control procedures through the use of computer software.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government	<u>\$ 1,555</u>	<u>\$ 1,659</u>	<u>\$ 1,622</u>	<u>\$ 1,687</u>	<u>\$ 1,754</u>	<u>\$ 1,825</u>	<u>\$ 1,898</u>

Industrial Development

OBJECTIVE: To expand industrial employment opportunities through the location or expansion of industrial facilities within Pennsylvania.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 28,811	\$ 43,756	\$ 44,912	\$ 32,015	\$ 32,121	\$ 32,232	\$ 31,347
Federal Funds	1,002	3,625	600	600	600	600	600
Other Funds	999	1,192	1,170	1,207	1,231	1,256	1,281
TOTAL	\$ 30,812	\$ 48,573	\$ 46,682	\$ 33,822	\$ 33,952	\$ 34,088	\$ 33,228

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
PIDA loan commitments (thousands).....	\$86,500	\$85,000	\$70,000	\$50,000	\$50,000	\$50,000	\$50,000
PIDA committed plant locations and expansions	221	224	184	130	130	130	130
PIDA projected employment opportunities .	8,588	8,512	7,000	5,000	5,000	5,000	5,000
Community facility projects funded	142	75	75	75	75	75	75
Community facilities grants (thousands) ...	\$7,900	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Minority business loan commitments (thousands)	\$2,600	\$4,650	\$5,350	\$5,000	\$4,000	\$4,000	\$4,000
Revenue bond/mortgage industrial projects	421	420	420	420	420	210	.....
Employment opportunities from revenue bond/mortgage projects	37,714	37,000	37,000	30,200	24,400	12,200	.....
Site development projects funded	13	16	30	30	30	30	30
Inquiries received for technical information	1,274	1,300	1,300	1,300	1,300	1,300	1,300
Pennsylvania Capital Loan Program commitments (thousands).....	\$3,542	\$7,500	\$6,000	\$6,000	\$1,000	\$1,000	\$1,000

Program Analysis:

Industrial Development

The health of Pennsylvania's economy is a fundamental concern as it affects the citizens of the Commonwealth and other government programs. A strong economy provides jobs for Pennsylvanians and a solid tax base, which is essential to all levels of government, while reducing the need for income maintenance expenditures.

Although the ability of one state to affect the nation's economy is very limited, a number of economic development programs have been initiated and strengthened to enable Pennsylvania to provide vital links to business growth and stability within the State despite national economic downturns.

The planning document "Choices for Pennsylvanians" developed a three-fold strategy unique among the 50 states. The economic development strategy emphasizes the following: encouraging Pennsylvania firms to stay in the Commonwealth and expand here; encouraging the start-up and development of small businesses; and selectively recruiting new investment, both domestic and international. The latter strategy involves targeting high growth fields which will complement Pennsylvania's existing industry and utilize the State's skilled labor force, research and development resources and other competitive assets.

This planning document provides the framework for at-

Industrial Development (continued)

Program Analysis: (continued)

tempting to maximize the impact of the various grant and loan programs available to assist economic development. Several state funded management support and program initiatives are recommended in this budget, as well as increased funds for full implementation of the \$190 million bond-funded Economic Revitalization Program. This unique blending of Federal, State, and bond funding resources provides a multi-faceted approach to economic development.

Capital Availability

The Pennsylvania Industrial Development Authority (PIDA) continues to promote the expansion of employment by offering long-term, low interest loans to companies expanding or locating in Pennsylvania. While there is no way of knowing how many employment opportunities might have been created without PIDA assistance, there can be no question that when measured in terms of its employment producing objective, the contribution of PIDA has been significant. Therefore, the continuation of this program is essential, particularly at a time when the State's recovery is underway.

In 1983-84, PIDA approved 221 loans to businesses with an estimated 8,588 jobs to be generated over the following three years. This level of demand is expected to continue through 1984-85. In addition, the recent passage by Congress of the Deficit Reduction Act (DEFRA) severely limits the use of the department's Revenue Bond and Mortgage Program, thereby making PIDA a more attractive financing mechanism.

Act 49, signed May 15, 1980, enlarged the scope of PIDA and gave preference to small business. Since that amendment 280 small companies have received \$72.9 million in loans or 47 percent of the total number of PIDA loans. In 1984, over half of all PIDA loans went to small businesses. Another priority of PIDA has been advanced technology industries. In 1984, PIDA has approved \$14.6 million in loans for 30 advanced technology firms.

The PIDA program is also directed toward high unemployment areas through the use of higher participation rates and lower interest rates for those areas. In 1984, PIDA approved \$59.8 million in loans for 150 firms in high unemployment areas of the Commonwealth or 82.4 percent of all PIDA loans.

The Minority Business Development Authority (PMBDA), makes loans from a revolving fund supported by General Fund appropriations and provides technical assistance and program liaison to minority businesses. Interest charged on these loans is set at one-half of the prevailing prime interest rate on the date of approval by the Board. In addition to offering low interest loans and technical assistance, PMBDA continues to sponsor business seminars as an information source for the minority business community.

In its 10 years of operation, PMBDA has provided more than \$17.5 million to 222 businesses. The loans have helped preserve 1,237 jobs and created more than 2,317 additional jobs throughout the State. For 1984-85, it is anticipated that 40 loans for \$4.0 million will be authorized.

In addition, the Pennsylvania Economic Revitalization (PERF) \$190 million bond program will provide \$5 million over the next three years to assist minority-owned businesses in obtaining State contracts, by providing working capital loans, surety bond guarantees, and increased funding for the current minority loan program.

Bond funds utilized for PERF programs are not included in the dollar amounts shown here, but are shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

The Office of Minority Business Enterprise (OMBE) has the responsibility of increasing minority business participation in all phases of contracting with the State. OMBE acts as coordinator for procurement with the objective of increasing procurement opportunities of minority businesses desiring to obtain State contracts and coordinates activities such as trade fairs, seminars and workshops. Available data shows that the number of State contracts awarded to minority businesses have increased substantially. In 1983, there were 394 contracts awarded worth over \$22.4 million.

State funding in the amount of \$10,000 has also been recommended under General Government Operations to provide special assistance to minority and women-owned businesses through public awareness programs and seminars that outline and explain State programs and other resources available.

The department also administers the Revenue Bond and Mortgage Program which financed 1,433 projects totalling in excess of \$1.9 billion in 1983-84. This program makes use of tax-exempt loans from private financial institutions and provides up to 100 percent financing for new and expanded facilities and equipment. Air and water pollution control equipment and facilities can also be financed through this program. While no State appropriation is required, the program has been responsible for substantial economic expansion within the Commonwealth.

The impact of DEFRA is reflected in the future projection of the program measures for this program. This act restricts the use of industrial development bonds (or private activity bonds) and imposes a ceiling on the amount of private activity bonds which may be issued in a state during a calendar year. This ceiling for calendar years 1984, 1985, and 1986 and is equal to \$150 multiplied by the state's population and is reduced to \$100 per capita for 1987 and 1988 due to the sunset of most industrial bond issues except those for manufacturing facilities. Pennsylvania's ceiling for 1985 is \$1,782,750,000. A Gubernatorial proclamation governs the allocation to state issuers. All private activity bonds issued after December 31, 1983, except those

Industrial Development (continued)

Program Analysis: (continued)

bonds for which an inducement resolution was obtained prior to June 19, 1984 and which are issued on or before December 31, 1984, are subject to this ceiling.

DEFRA also imposed restrictions on the kinds of transactions that can be financed, the ways in which they can be financed and a \$40 million limit on the amount of industrial development bonds that can be issued for any one business.

Since transitional rules will apply to some issuances, it is estimated that the Revenue Bond and Mortgage Program will assist an estimated 1,508 industrial, commercial, pollution control and other projects in 1984-85 which are expected to provide over 100,000 employment opportunities.

A relatively new program administered by the Department of Commerce is the Pennsylvania Capital Loan Program (PCLP). It provides loans for land, buildings, machinery and equipment, as well as working capital to small businesses, especially advanced technology firms. The PCLP is specifically targeted to assist start-up and expansion of these small industries but will not be used to supplant private sector funding. The program is currently funded from two Federal sources (ARC and EDA), State General Fund monies and PERF bond monies; all funds are transferred into the Pennsylvania Capital Loan Fund (PCLF) for administrative purposes.

This program is administered at the local level through the Local Development Districts and other industrial development groups which do the actual loan packaging, credit analysis, initial approval, servicing and monitoring with the Commonwealth having final approval.

The program is targeted to manufacturing, industrial and export service businesses which will create at least one net new job for every \$15,000 loaned. Maximum State participation is 20 percent of the total project cost or \$50,000, whichever is less.

In 1983-84, PCLF approved 58 loans to businesses totalling over \$3 million, with an estimated 1,796 jobs to be created over the next three years. PCLF expects to receive an additional grant of \$1.5 million in Appalachian Regional Commission funds in 1984-85, and will seek \$1.5 million in Economic Development Administration funds.

Physical Infrastructure

Another area which contributes to the Commonwealth's overall economic development effort is the State's participation in the Appalachian program.

Since 52 counties of Pennsylvania are within the Appalachian region, the Commonwealth is a member of the Appalachian Regional Commission (ARC). Created in 1966, the ARC provides Federal assistance to the thirteen member states for such uses as the development of highways, access

roads, water and sewer systems, health and education programs, and economic development. State funding provides the Commonwealth's share of the administration costs of both the ARC and the seven Local Development Districts (LDD's) that administer the projects on the local level; the project costs themselves generally involve Federal funding only.

One of the major new PERF-funded programs is the Business Infrastructure program, funded at \$50 million over the three-year life of PERF. The program provides loans or grants to local economic development agencies for infrastructure improvements to promote or complement specific business investment and job creation projects.

A third vital area of infrastructure improvement is the Site Development Program, which provides grants to local governments for water, sewer and access road projects; this program is recommended to double in size to \$2 million.

The additional funding recommended will be targeted to infrastructure improvements in Enterprise Development Zones (EDZ's) and is discussed further under the Economic Development program revision following this subcategory.

Continued support in the amount of \$1,000,000 is also recommended for site development activities at the Jones and Laughlin site to be used as a location for additional research and development and light manufacturing firms in the City of Pittsburgh.

The Community Facilities program provides grant-in-aid assistance to communities of under 12,000 population for water and sewage line facilities and access roads. This budget provides for continued funding for this program at \$5 million. The number of projects funded fluctuates from year-to-year depending upon the number of requests and the magnitude of the individual projects. Time requirements for design, permitting, bidding construction and coordination with other Federal agencies has made it extremely difficult to complete site development and community facility projects in a one-year time frame. Therefore, two-year appropriations are recommended for both of these on-going programs.

A newly recommended state-funded initiative, in the amount of \$500,000, is the Community Economic Recovery Program which will assist communities in dealing with impending or recent economic disaster. Further discussion of this program can be found under the Economic Development program revision following this subcategory.

The new employee ownership program, financed from PERF funds at \$15 million over the next three years, provides low-interest loans to eligible employee ownership groups for two purposes: technical assistance to assess the feasibility of employee ownership and assist with the development of the enterprise; and financial assistance to help employee groups acquire and operate enterprises.

Industrial Development (continued)

Program Analysis: (continued)

Promotion and Marketing

The Procurement Outreach Program (POP) operated by the department is now fully implemented in the Appalachian area of the Commonwealth. The SBAC provides guidance on all facets of Federal procurement for the State's non-appalachian regions, and has a microfiche system to provide military specifications to interested bidders. The POP initiative has already resulted in over \$7.3 million in contract opportunities for Pennsylvania industries.

The Bureau of Domestic and International Commerce promotes the advantages of doing business in the Commonwealth to companies located both here and throughout the United States.

This year, the State's economic development campaign is being updated to keep it consistent with the three-prong economic development strategy and the State's many new economic development initiatives. The primary goal of the campaign is to continue to improve the Commonwealth's image.

To assist in the promotion of the State's initiatives, of which the PERF bond program is a major new thrust, an additional \$500,000 has been provided under the Tourism and Economic Development Promotion appropriation to target the various foreign markets; further discussion of the program can be found under the Economic Development program revision following this subcategory.

A total of \$14,000 has been provided under General Government Operations to disseminate information to bank lending officers on the purpose, procedures and processes of state assistance programs available to supplement their lending program. A sum of \$38,000 has been provided in General Government Operations for a Business Outreach program. This Business Outreach program will encourage local groups to take the initiative in developing an ongoing relationship with local businesses, using private volunteers. A small expansion of staff within the Department will assist local communities and groups in this effort, and also enable the Department to contact more firms directly to determine needs, problems and solutions. The local volunteer program will be drawn from those existing local established businesses which have a stake in the retention of jobs in their local economy such as utilities, banks, and real estate firms. The local efforts would be coordinated by local economic development groups such as Chambers of Commerce and Industrial Development Corporations and Authorities. The volunteers would conduct interviews to determine local firms' needs and problems on a businessperson-to-businessperson basis.

Technical Assistance Services

In addition to emphasizing small business development through existing programs such as PIDA, PMBDA and the

Pennsylvania Capital Loan Program (PCLP), the focus on small business continues through the Small Business Assistance Program which provides funding for Small Business Development Centers. These funds will assist 13 Small Business Development Centers located at various colleges and universities across the State which offer management counseling to small businesses. Services provided include assistance with accounting, record keeping, business planning, market research, etc. Most services are provided at no cost to the business. The centers are funded jointly by the Department of Commerce, the Federal Small Business Administration and the respective universities.

The Small Business Action Center, provides assistance on a day-to-day basis to small businesses dealing with state government. Since May 1980, the Small Business Action Center (SBAC) has received over 59,800 inquiries. The SBAC has prepared, published and distributed over 741,000 copies of the four publications: "Starting A Small Business"; "Planning A Small Business"; "Resource Directory for Small Business"; and "Bidding for a State Contract: A Guide to Commonwealth Procurement".

The Department is also responsible for the administration of Pennsylvania's ARC program. The focus of the Pennsylvania ARC program continues to be enterprise development. The primary goal is the creation of net new jobs through development of regional one-stop service centers to assist business start-ups or expansions in each of Pennsylvania's seven ARC regions. This emphasis on assistance to small, young companies with growing markets for Pennsylvania products has evolved into the development of a wide range of services to meet the special needs of such companies. Thus far, core services available through the regional one-stop centers include product/process evaluation, business planning, financing, and locational assistance. Other special business expansion services available include training, technology transfer, labor-management committees, and assistance in obtaining Federal procurement contracts and foreign export development. During 1984-85, these services will be strengthened and expanded throughout the fifty-two counties of Appalachian Pennsylvania. Preliminary estimates indicate that in the first full year of operation, almost \$10 million in new sales and 1,000 jobs have been generated.

An increase of \$200,000 in support of the Local Development Districts (LDD's) is recommended to assist them in fulfilling their administrative responsibilities under programs financed through PERF, specifically, the Pennsylvania Capital Loan Fund, the Family Farm Assistance Program and the Employee Ownership Program. These programs require specialized expertise and substantial investment of time by the LDD's.

The LDD's are also still involved in carrying out enterprise development programs including revolving loan fund packaging, incubator centers, export promotion, small

Industrial Development (continued)

Program Analysis: (continued)

business federal procurement, enterprise zone development and the development of one-stop shops for business assistance.

Lastly, this program includes the Bureau of Statistics, Research and Planning, which is engaged in program-oriented research and policy planning activities and formal studies geared to economic development. The emphasis is on data gathering, summarization, analysis and publication. The Bureau is also responsible for the department's data processing and data base management requirements.

In addition to the new administrative funding to LDD's (\$200,000) to deliver PERF programs, increased administrative funds have been recommended under General Government Operations in the form of a Productivity Investment Initiative for upgrading computer capability necessary to monitor both the bond-funded and on-going programs. A total of \$67,000 has been recommended; \$33,000 will be utilized in this subcategory by the Small Business Action Center and the Bureau of Statistics, Research and Planning; Appalachian Development and State Grants; and Economic Assistance. The remaining funds are reflected in the Subcategory whose programs they support.

Increased funding is also recommended for the Economic Revitalization Administration appropriation in the amount of \$102,000 to provide for necessary expanded administrative capability required by the PERF programs.

Additionally, \$17,000 has been provided to establish a Computer Systems analyst position to develop and coordinate a joint computer system for the Departments of Community Affairs and Commerce at a considerable cost savings.

New and increased programs totalling \$28,450,000 are recommended for 1985-86. A consolidated program revision for these programs is contained in an appendix to this subcategory. Programs included are: Site Development (\$1,000,000), PERF (\$12,000,000), Pittsburgh Technology Development Center (\$1,000,000), Tourism and Economic Development Promotion (\$3,650,000), Tourist Promotion Assistance (\$400,000), Community Economic Recovery (\$500,000), PEDAs (\$500,000), BFP (\$6,400,000), Enterprise Development (\$1,000,000), and Housing and Redevelopment (\$2,000,000).

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,767	\$ 2,026	\$ 2,272	\$ 2,363	\$ 2,457	\$ 2,556	\$ 2,658
Tourism and Economic Development							
Promotion	760	900	1,400	1,400	1,400	1,400	1,400
Economic Revitalization Administration		180	290	302	314	326	
Industrial Development Assistance	497	500	500	500	500	500	500
Pennsylvania Industrial Development							
Assistance	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Site Development	896	1,000	2,000	2,000	2,000	2,000	2,000
Site Development—New Castle		350					
Jones and Laughlin Site Development	1,000	1,000	1,000				
Plant Site—Pullman Standard		1,000					
Local Development District Grants	100	400	600	600	600	600	600
Appalachian Regional Commission	466	500	500	500	500	500	500
Minority Business Development							
Authority	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Community Facilities	5,975	5,000	5,000	5,000	5,000	5,000	5,000
Small Business Assistance	100	100	100	100	100	100	100
Minority Business Technical Assistance	250	250	250	250	250	250	250
Labor/Management Committees		500	500	500	500	500	500
Pennsylvania Capital Loan		1,000	1,000	1,000	1,000	1,000	1,000
International City Project		50					
Community Economic Recovery			500	500	500	500	500
Transfer to PERF		12,000	12,000				
GENERAL FUND TOTAL	\$ 28,811	\$ 43,756	\$ 44,912	\$ 32,015	\$ 32,121	\$ 32,232	\$ 31,347

**Industrial Development
Program Revision: Economic Development**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>.....</u>	<u>\$ 16,500</u>	<u>\$ 25,450</u>	<u>\$ 14,450</u>	<u>\$ 12,450</u>	<u>\$ 12,450</u>	<u>\$ 12,450</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Energy Activities:							
Coal conversion — feasibility studies							
Current .....	.....	.....	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	16	16	16	16	16
Waste to energy projects for farmers							
Current .....	.....	3	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	16	18	20	20	20
Solid waste disposal and resources recovery projects							
Current	6	6	3	3	3	3	3
Program Revision .....	.....	.....	8	9	10	11	12
Housing Activities:							
Construction of new units							
Current	432	280	140	140	140	140	140
Program Revision .....	.....	.....	175	175	175	175	175
Rehabilitation of existing units							
Current	2,096	800	1,050	1,050	1,050	1,050	1,050
Program Revision .....	.....	.....	1,312	1,312	1,312	1,312	1,312
Community development projects							
Current	71	40	35	35	35	35	35
Program Revision .....	.....	.....	44	44	44	44	44
Communities receiving aid under economic recover program							
Current .....	.....	.....	.....	.....	.....	.....	.....
Program Revision .....	.....	.....	15	15	15	15	15
Enterprise development:							
Total projects	7	12	15	15	15	15	15
Program Revision .....	.....	.....	34	34	34	34	34

Program Analysis:

This program revision, encompassing two departments, five subcategories and eleven appropriations, is a comprehensive effort to further advance four priority areas contributing to the economic growth of the Commonwealth.

The programs will be delivered by the Departments of Community Affairs and Commerce and will involve efforts

in the areas of (1) industrial development expansion; (2) economic development and tourism promotion; (3) scientific and technological advancement; and (4) housing and redevelopment. Some of these programs fall into more than one area; an overall outline follows:

Industrial Development Program Revision: Economic Development (continued)

Program Analysis: (continued)

Industrial Development Activities

The effort in the area of industrial development will utilize two programs to expand assistance, the Community Economic Recovery Program and the Enterprise Development Program, plus General Fund support for existing Pennsylvania Economic Revitalization Fund (PERF) activities. Bond Funds utilized for PERF programs are not included in dollar amounts shown here but are shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

As a direct result of the national and international economic situation, a number of communities in Pennsylvania are still faced with severe economic problems. As major plants have closed or cut back their production levels, the impact has been felt through increased unemployment and loss of tax revenue to the community, plus loss of supplier and service-type firms dependent on the major industry in the area which further exacerbates the tax revenue loss and finally results in the entire community becoming more and more distressed.

A Community Economic Recovery program, designed to complement the Employee Ownership Assistance Program under the bond funded Pennsylvania Economic Revitalization Bond Program (PERF), is recommended at a funding level of \$500,000 under the Department of Commerce.

This Community Economic Recovery Program will establish a pool of funds which will provide direct grants to local support coalitions of business, labor, religious and other community leaders and local officials to: (1) develop local diversification and job retention strategies aimed at preventing or ameliorating economic problems; and (2) provide technical assistance to existing firms, particularly mature industries interested in modernizing their facilities.

Additional support for industrial development in the Commonwealth's Enterprise Development Zones (EDZ's) is recommended under Site Development in the amount of \$1 million.

The Site Development Program, which provides grants to local governments for water, sewer and access road projects, is recommended to double in size to \$2 million. This will allow targeting of \$1 million for local infrastructure improvements in areas identified as EDZ's.

Criteria utilized to identify EDZ's are high and persistent unemployment, poverty substantially higher than the State average and general economic decline. There are currently 30 Enterprise Development Zones in 27 communities. Fifteen have received full development designation and 15 additional areas are in the planning stage.

The need for additional funding for infrastructure improvements in EDZ's is evidenced by the fact that applica-

tions submitted by communities which have already received EDZ designation have frequently indicated the need to upgrade their infrastructure in order to assist in efforts to promote industrial development. This will supplement the grant assistance available under the Business Infrastructure Development (BID) program, created as part of the bond-funded Pennsylvania Economic Revitalization Fund (PERF).

The Department of Community Affairs' enterprise development efforts are recommended for a 25 percent increase in funding from \$4 million this year to \$5 million in 1985-86. Again, this increased funding will accelerate the recovery effort in these distressed communities by moving more of them from planning stage to development stage.

Finally, to avoid the constraints and requirements imposed by recent Federal Deficit Reduction Act (DEFRA) and the Tax Code on the issuance of tax exempt consumer loan and Industrial Development (IDB) bonds, \$12 million is recommended in both 1984-85 and 1985-86 for transfer to the Pennsylvania Economic Revitalization Fund to meet the needs of the Fund and to reduce the use of IDB bonds by the Fund. Without such General Fund support, many PERF programs would have to be funded with IDBs; the cumbersome paperwork and review burdens now associated with IDBs, however, tend to discourage applicants and delay projects. General Fund support is a necessity if PERF programs are to proceed as originally envisioned.

Economic Development and Tourism Promotion Activities

Part of any comprehensive approach to economic development are expanded programs to stimulate tourism and to make known to the business world the full array of assistance now available to them.

Funding for tourism promotion has increased from \$750,000 in 1979-80 to \$2.850 million in 1984-85. This program has created professional tourism marketing for the Commonwealth employing a variety of electronic and print media and concentrating primarily upon the summer travel season.

However, even with these increases Pennsylvania's competitive advertising presence has eroded in recent years due to significant increases in the travel promotion efforts in neighboring states.

This segment of the Program Revision proposes a 1985-86 tourism budget of \$6 million. Almost two-thirds will be allocated to paid media; this level of media funding will permit a competitive, four season advertising campaign, combining three seasons of television, two seasons of radio, and

Industrial Development

Program Revision: Economic Development (continued)

Program Analysis: (continued)

two seasons of consumer magazine exposure in our primary markets.

It is estimated that funding at the \$6 million level will create a one-fourth of 1 percent increase in market share during the first year alone. A shift of this magnitude in our eight state primary market is estimated to generate \$106 million in increased traveler expenditures, \$4.4 million in additional state tax revenues, as well as supporting 2,600 additional travel-related jobs.

A 55 percent increase in the economic development advertising campaign is also recommended, bringing it to a level of \$1.4 million. This year, a number of new state economic development programs will be implemented including those funded through the \$190 million Pennsylvania Economic Revitalization Fund (PERF) bond issue, and several existing programs will be expanded. It is essential that the existence of these programs and the availability of the resources they provide be communicated to businesses that could make use of them, both those already in Pennsylvania or those in other states. This will also further improve perception of the positive climate for job creation which has been created in Pennsylvania. In addition, the recommended increase will permit preparation and placement of ads targeted to each foreign market.

Finally, grants for localized tourist promotion efforts are proposed to increase by \$400,000 to \$4.3 million to enable county and regional travel promotion organizations to further expand their own tourist promotion efforts.

The Commonwealth's commitment to these tourist promotion efforts is reflected in the chart following this program revision.

Another major tourism-related proposal of this budget is a \$141.1 capital project, in addition to the \$43.9 million project already approved, for State participation in the construction of the new Pennsylvania Convention Center in Philadelphia. This project, which will create an estimated 10,000 jobs and over \$2 billion in State tax revenues over the next 35 years, represents a major commitment towards further economic development in Southeastern Pennsylvania through the attraction of large public events and associated tourism.

Scientific and Technological Advancement

Expansion of two existing programs and two proposed new initiatives further advance Pennsylvania's scientific and technological thrust.

Funding the Ben Franklin Partnership (BFP) at \$25 million, a 34 percent increase, in 1985-86 will demonstrate the Commonwealth's continued commitment to this critical program, allow the Commonwealth to respond to the many projects identified by the four Advanced Technology Centers

(ATC) and sustain the momentum generated within the private sector in terms of joint research and development, education, training and entrepreneurial development activities.

Already the BFP has provided \$116 million in public and private funds, as reflected on the chart at the end of this subcategory. BFP is the most highly leveraged advanced technology program in the nation; evidence of this leveraging can be seen by the state vs. non-state investment on the chart.

Increasing funds for the Challenge Grant Program would increase the average amount of each challenge grant, the number of ATC-assisted firms established, the amount of private funds committed, the number of new or existing training and education programs developed or modified, and the number of ATC-assisted incubator facilities. In 1984-85 matching fund support increased to over \$3 for each \$1 of State funds, compared to \$2.80 for each \$1 of State funds in the previous year.

The further funding increase recommended for 1985-86 would increase from \$4.5 million to \$6 million the average amount of the challenge grant to each of the four centers, resulting in a corresponding estimated increase in the amount of matching funds to over \$100 million. The Pennsylvania program thus will be able to expand to the degree necessary to sustain its unique private-public partnership nature.

Two new major State-assisted projects are also being undertaken as public-private partnerships to enhance Pennsylvania's research and technology development capacity, as well as to stimulate economic development and jobs. State funding in 1984-85 in the amount of \$4.5 million is recommended to assist site development at the Department of Defense/Carnegie Mellon Software Engineering Institute project. The availability of such State support was an important element in the choice of Pennsylvania as the site for the facility, which is expected to generate 250 new jobs and a steady annual expenditure level of \$30 million. Further, establishment of the Institute in Pittsburgh should mark the beginning of significant economic growth for the surrounding area in professional and non-professional jobs, improve the overall entrepreneurial climate, establish Pittsburgh as a center of excellence in strategic research areas, and encourage the application of advanced technology activity by existing industry.

The second key thrust of the public/private partnership for technological innovation in Western Pennsylvania involves the Gulf Research Center at Harmarville, now owned by Chevron. Under this proposal, Chevron would convey the 85 acre property to the University of Pittsburgh as a tax deductible charitable donation to establish a non-profit corporation for technological innovation. Until 1983, the Center was the focus of much of Gulf's research and

**Industrial Development
Program Revision: Economic Development (continued)**

Program Analysis: (continued)

development program and served other clients such as government and industry organizations. Its scientists, engineers, and technicians have been involved in nearly every phase of Gulf's energy activities including exploration and production, transportation, refining, marketing, petroleum products, quality control, synthetic fuels, chemicals and petrochemicals. The facilities in place at Harmarville reflect these wide-ranging interests.

These facilities are ideally suited to research and technology development in petroleum, energy, chemicals, and pharmaceuticals and could to be used for prototype construction and light assembly operations. The University proposes to rehabilitate several buildings for incubators utilizing Pennsylvania Economic Revitalization Fund (PERF) monies; will encourage research facilities of major corporations in Pittsburgh to be located on the site; will establish centers of excellence in such areas as chemicals or coal; and will undertake contract research such as is done at the Research Triangle in North Carolina. The University anticipates initially having 800 employes working at the site with hopes of eventually increasing this number to 2,000 or more, and will keep the property on the tax rolls.

The Commonwealth will provide \$1 million in 1985-86 and \$2 million in 1986-87 to help assist in start-up and operation costs until the Center reaches self-sufficiency in three to five years.

The benefits to be derived by the Commonwealth more

than justify the proposed investment to be made by the State. The Center's value is estimated at \$100 million or more, but future technological, employment and other benefits to Western Pennsylvania and the State as a whole place its value well beyond that estimate.

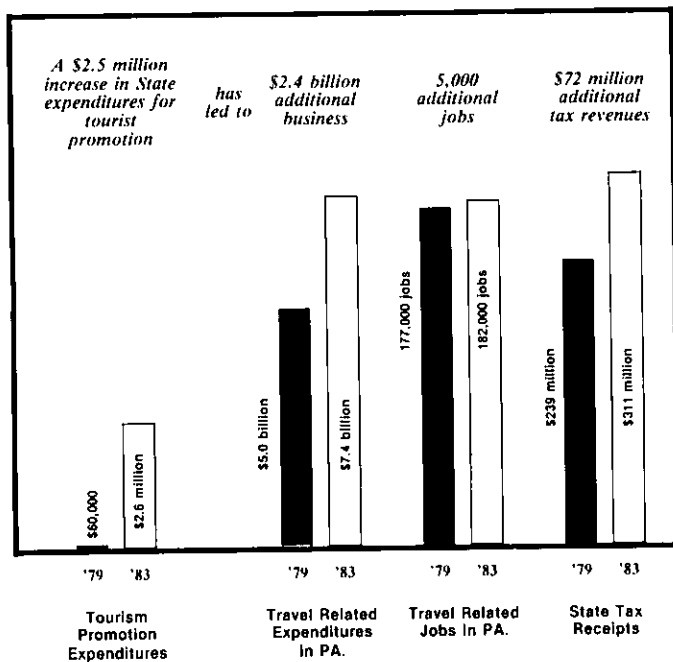
Energy is another area where innovative technology and research is of major importance. The Pennsylvania Energy Development Authority (PEDA) under the Department of Commerce will expand its role in areas of research and development through the increased funding of \$500,000.

Specifically planned are: (1) a program to provide funding for feasibility studies for industries and institutions considering conversion to alternative energy sources; (2) a promotional program to increase farmers' awareness and acceptance of available waste-to-energy conversion systems; and (3) a program to provide grants to municipalities to study the feasibility of converting waste to energy.

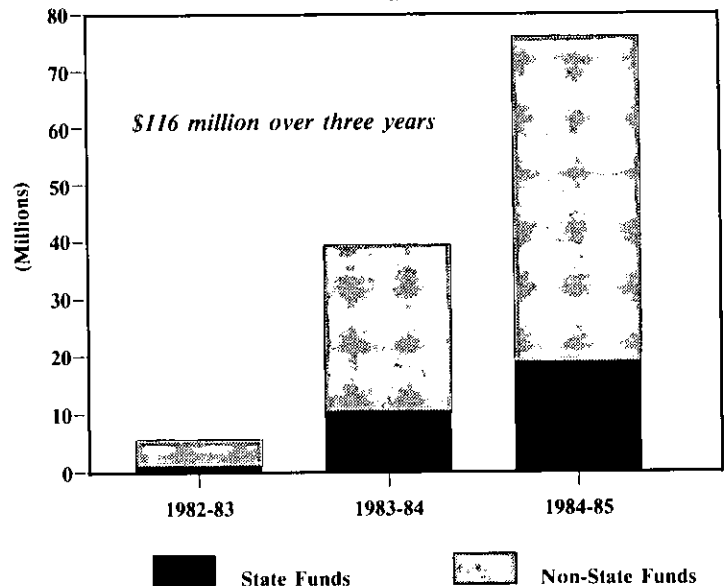
Housing and Redevelopment

A final area of thrust to assist in the overall expansion of economic development is housing construction and rehabilitation. This effort will be aided by a 25 percent increase to Housing and Redevelopment programs in the Department of Community Affairs, from the current level of \$8 million to a new level of \$10 million.

Tourism Development



**Ben Franklin Partnership
Challenge Grants**



**Industrial Development
Program Revision: Economic Development (continued)**

Program Revision Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Tourism and Economic Development							
Promotion			\$ 3,650	\$ 3,650	\$ 3,650	\$ 3,650	\$ 3,650
Tourist Promotion Assistance			400	400	400	400	400
Site Development			1,000	1,000	1,000	1,000	1,000
Ben Franklin Partnership			6,400	6,400	6,400	6,400	6,400
Pennsylvania Energy Development							
Authority			500	500	500	500	500
Community Economic Recovery			500	500	500	500	500
Pittsburgh Technology Development							
Center			1,000	2,000			
Transfer to Pennsylvania Economic							
Revitalization Fund		\$ 12,000	12,000				
Software Engineering Institute		4,500					
TOTAL		\$ 16,500	\$ 25,450	\$ 14,450	\$ 12,450	\$ 12,450	\$ 12,450

In addition to the amounts shown above, this Program Revision also includes funding in the following subcategory in the Department of Community Affairs.

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Housing and Redevelopment							
GENERAL FUND							
Enterprise Development			\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Housing and Redevelopment			2,000	2,000	2,000	2,000	2,000
TOTAL			\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000

Tourism and Travel Development

OBJECTIVE: To expand income and employment in Pennsylvania through expanded tourism, travel and recreation.

Recommended Program Costs:

	(Dollar Amounts in 'Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,197	\$ 7,945	\$ 11,489	\$ 11,537	\$ 11,586	\$ 11,637	\$ 11,690

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Employment derived from tourism activities (in thousands)	181	182	186	193	196	200	204
Wages derived from tourism activities (in thousands)	\$1,643,985	\$1,693,300	\$1,823,220	\$1,928,356	\$1,986,179	\$2,045,764	\$2,107,137
Commonwealth revenues derived from tourism activities (in thousands)	310,584	\$321,454	\$338,740	\$363,596	\$376,322	\$389,493	\$403,125
Tourist contacts through information centers (in thousands)	493	512	529	544	561	575	590
Tourist promotion agencies receiving assistance	58	58	58	58	58	58	58

Program Analysis:

As part of a comprehensive approach to economic development in Pennsylvania, enhanced programs to stimulate increased travel to and within the Commonwealth were introduced in 1979-80 by providing funding in the amount of \$750,000 for a travel-tourism promotion program. The "You've got a friend in Pennsylvania" campaign, introduced in 1980, was aimed at increasing the Commonwealth's share of the growing travel market. The growth of the program to its current level of \$2,850,000 has allowed the use of all major electronic and print media and has concentrated upon the State's primary market areas.

By 1983, spurred by continually expanding financial support, annual travel and tourism revenues in Pennsylvania grew to exceed \$7 billion. Traveler spending in Pennsylvania during the first four years of the campaign grew at a rate 5.8 percent higher than that of the years preceding the campaign. Travel-related employment reached 181,794, an increase of 13,863 jobs since 1978. State tax receipts attributed to travel spending totalled \$310,584,000 or \$61 million greater than in 1978.

In 1983-84, the department participated in 3 eastern travel shows where Pennsylvania's exhibits were viewed by approx-

imately 600,000 potential travellers. These shows represent the most cost effective means of distributing large quantities of literature.

However, competition for traveler spending is more intense than ever before. Media spending has increased substantially among its traditional competitors. Pennsylvania will have to increase its efforts if only to maintain the State's market share. In support of this effort, a \$3,150,000 initiative is recommended for expansion of the tourism promotion advertising budget across four seasons. Further discussion of the program can be found under the Economic Development Program Revision following the Department of Commerce's Industrial Development Subcategory.

The Commonwealth has also opened new initiatives with domestic and foreign travel through participation in major marketplaces sponsored by the Travel Industry Association of America, American Bus Association, National Tour Brokers Association and the Ontario Motorcoach Association. During 1984-85, the department will participate in the world travel market to be held in London, England.

Although advertising is the most extensive and influen-

Tourism and Travel Development (continued)

Program Analysis: (continued)

tial element of travel development, the initial point of contact with the traveler entering Pennsylvania is the welcome centers. Operated in cooperation with the Pennsylvania Department of Transportation, these eight centers are located on major interstate routes into the Commonwealth. These centers are established to aid the traveler with directions to tourist attractions and lodging. With the decreasing availability of service station highway maps, these centers are becoming more important as indicated by the estimated 493,000 travelers visiting these centers during 1983. It is anticipated that in excess of 512,000 individuals visited these tourist information centers in 1984.

Public relations is another important tourism effort. Press releases are produced on a regular basis and distributed to more than 1,200 media representatives in the U.S. and Canada. These releases contribute to overall efforts of reaching the tourism audience. The department also publishes a calendar of events.

To reinforce all aspects of the advertising thrust aimed at increasing Pennsylvania's share of the available tourist market increases are recommended in the Tourist Promo-

tion Assistance Grant program and the economic development advertising campaign.

The Tourist Promotion Assistance Grant Program, which provides matching funds for advertising, promotion and administrative expenses to 59 county organizations, is recommended for a 10 percent increase to \$4.3 million. The additional monies will be used to meet unsatisfied funding demands of the local organizations and will complement the State campaign.

Under economic development promotion an increase of \$500,000 is recommended to not only meet increased media costs, but to allow for expansion into foreign markets, and to develop a media campaign highlighting programs funded by the new \$190 million economic development bond issue.

Additionally, \$5,000 has been recommended as part of a department-wide Productivity Improvement Initiative, to improve through expanded EDP capability the collection and compilation of information to assist the travel industry. These funds are reflected under General Government Operations.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,057	\$ 1,110	\$ 1,189	\$ 1,237	\$ 1,286	\$ 1,337	\$ 1,390
Tourism and Economic Development							
Promotion	2,640	2,850	6,000	6,000	6,000	6,000	6,000
Tourist Promotion Assistance	3,500	3,900	4,300	4,300	4,300	4,300	4,300
American Wind Symphony .....	.....	85	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 7,197	\$ 7,945	\$ 11,489	\$ 11,537	\$ 11,586	\$ 11,637	\$ 11,690

Scientific and Technological Development

OBJECTIVE: To increase the scientific and technological resources of the Commonwealth.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 11,081	\$ 24,918	\$ 28,386	\$ 29,393	\$ 27,401	\$ 27,409	\$ 27,418
Federal Funds	1,400	1,417	.....	.....	.....	.....	.....
Other Funds .....	.....	144	143	146	149	152	155
TOTAL	\$ 12,481	\$ 26,479	\$ 28,529	\$ 29,539	\$ 27,550	\$ 27,561	\$ 27,573

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Average amount of challenge grant (in thousands)	\$2,500	\$4,500	\$6,000	\$7,250	\$7,250	\$7,250	\$7,250
Private funds committed (in millions) ...	\$16.3	\$33	\$43	\$52	\$52	\$52	\$52
Number of advanced technology center assisted firms located in incubator facilities	26	60	75	100	110	110	110
New ideas and inventions evaluated	593	900	900	900	900	900	900

Program Analysis:

To meet the challenge of the new technological age and to stimulate future growth in jobs and productivity, Pennsylvania has directed significant efforts and resources at the growth and development of advanced technology enterprises.

The centerpiece of the advanced technology program, the Ben Franklin Partnership (BFP) program, is unique because it supports the use of new technologies and processes in not only new fields and enterprises but mature industries as well. This program links private and educational resources, particularly research capabilities, to make traditional industry more competitive in the international marketplace and to spin-off new, small businesses on the leading edge of technological innovations. It also provides resources to address education and training needs, and provide entrepreneurial development services, including services to tenants of small business incubator facilities.

Two specific programs are offered under the auspices of the Ben Franklin Partnership. They are the Challenge Grant Program for Technological Innovation and the Small Business Research Seed Grant Program.

The Ben Franklin Challenge Grant Program operates through four Advanced Technology Centers located

throughout the Commonwealth. Each of the four centers is organized as a consortium that serve as overseers of the program. While based at research universities, the consortia are composed of representatives from business, labor, economic development organizations, local government, and others. The basic functions of the centers are joint research and development, education and training and entrepreneurial assistance. This year 213 joint research and development projects are underway with the private sector: education and training projects are being expanded; and an increased number of seminars, assistance, and other services are available for entrepreneurs. In addition, each of the centers provides support for business services to small business incubators established at several centers.

The Ben Franklin Partnership Challenge Grant Program obtains private sector involvement and commitment first before committing public funds. This approach is more likely to result in the more rapid commercialization of research and development into the marketplace. Challenge grants are provided to assist traditional industries such as coal and steel to modernize and be more competitive, help to retain jobs and increase the Commonwealth's workforce, as well as to assist in the development of new products for new firm start-

Scientific and Technological Development (continued)

Program Analysis: (continued)

ups on the leading edge of technology. This program assists both existing businesses in Pennsylvania as well as encouraging the growth of new technology firms.

The Small Business Research Seed Grant Program was initiated in 1983-84. This program provides direct funding of research and development activities for small firms. Awards to Pennsylvania based firms are made on a competitive basis, with preference to firms with 50 employees or less. Modeled after the Federal Small Business Innovation Research Act, which sets-aside funds from each Federal agency's research and development budgets for funding of small firms, this State program is both complementary to this Federal effort and demonstrates that the State's economic future is tied to entrepreneurship, including the development of new products and start-up of small firms. Pennsylvania's Small Business Research Seed Grant Program is one of only four such state programs in the United States.

For 1985-86, an increase of \$6.4 million is recommended for the Ben Franklin Partnership (BFP) to provide for expansion of the Challenge and Seed grant programs in an effort to address the more than \$30 million in requests received by the centers. Further discussion of this increase can be found under the economic development program revision under the Department of Commerce.

Funding for PENNTAP is also provided as part of the BFP in the amount of \$150,000.

PENNTAP is a partnership of the Department of Commerce and Pennsylvania State University that provides information on Federal programs and on emerging technologies in order that the Commonwealth's industry remains competitive. An increase of \$50,000 is recommended for PENNTAP to handle the growing sophistication of this equipment, processes and methods which business and industrial firms must incorporate into their operations.

In addition, funding in the amount of \$3 million, available over the next three years from the Pennsylvania Economic Revitalization Bond Fund (PERF), is available to purchase and upgrade existing equipment at the Commonwealth's engineering colleges and universities. The program administered by the Ben Franklin Partnership, which approves applications based on the use of the equipment and the ability of the school to raise matching private sector funds.

Another BFP administered PERF program is the Small Business Incubators Loan program. (\$20 million over its three years) This program provides loans, for funds for the

establishment, of small business incubators. Also, the BFP administers the PERF funded Seed Capital Challenge Grant Program (\$3 million over three years).

Bond funds utilized for PERF programs are not included in the dollar amounts reflected here, but are shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

As part of the Commonwealth's effort to attract the Department of Defense's (DOD) Software Engineering Institute to Pittsburgh, a supplemental appropriation in the amount of \$4.5 million is recommended in 1984-85 for support of the project. DOD has agreed to pay a rental fee for office facilities sufficient to cover the construction costs of the office facility and for most of the computer center. PIDA funds at low interest rates will be available also.

An advanced technology policy would not be complete without addressing the energy needs and resources of the State. The Pennsylvania Energy Development Authority (PEDA) provides loans and grants to private industry and public agencies to develop energy projects such as coal conversions, small scale hydroelectric, waste-to-energy and industrial and commercial efficiency, marketing and informational programs.

The program is capitalized through both State appropriations and the sale of revenue bonds. Of the \$1.5 million available in State funds in the current year, \$1.2 million is legislatively earmarked for a coal development program aimed at marketing and promoting coal. It is anticipated this earmarking will continue, therefore, additional funding in the amount of \$500,000 is recommended under PEDA to conduct, feasibility studies regarding conversion of municipal solid waste to energy, coal and cogeneration conversions and to assist farmers in waste to energy projects with emphasis on the Chesapeake pollution areas. Further discussion of the program can be found under the economic development program revision under the Department of Commerce.

Funds have also been provided for a Productivity Improvement Initiative for upgrading computer capability in the amount of \$67,000. This subcategory includes \$6,000 of that initiative to provide increased EDP capability for the processing of grants and loans through the Ben Franklin Partnership Program and the PERF funded programs.

Increases highlighted in this subcategory are discussed in more detail under the Economic Development program revision following the Industrial Development subcategory.

Scientific and Technological Development (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 99	\$ 168	\$ 186	\$ 193	\$ 201	\$ 209	\$ 218
Ben Franklin Partnership ^a	10,482	18,750	25,200	25,200	25,200	25,200	25,200
Pennsylvania Energy Development Authority	500	1,500	2,000	2,000	2,000	2,000	2,000
Pittsburgh Technology Development Center .....	.....	.....	1,000	2,000	.....	.....	.....
Software Engineering Institute .....	.....	4,500	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 11,081	\$ 24,918	\$ 28,386	\$ 29,393	\$ 27,401	\$ 27,409	\$ 27,418

^aIncludes funding for PennTap.

International Trade

OBJECTIVE: To expand Pennsylvania's exports and attract foreign investment.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 908	\$ 837	\$ 959	\$ 997	\$ 1,037	\$ 1,079	\$ 1,122
Federal Funds		13					
TOTAL	\$ 908	\$ 850	\$ 959	\$ 997	\$ 1,037	\$ 1,079	\$ 1,122

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State jobs attributable to foreign investments in Pennsylvania	104,527	112,500	118,500	124,500	130,500	138,500	146,500
Foreign companies located in Pennsylvania	500	540	580	600	640	680	720
Companies in trade shows	60	65	65	70	75	80	85
Exporting leads	800	900	1,000	1,100	1,200	1,300	1,400

Program Analysis:

Key strategies in the Commonwealth's economic development and job creation efforts include increasing foreign investments in Pennsylvania and expanding the markets for products of Pennsylvania firms, particularly overseas.

Departmental efforts during the past fiscal years have centered on providing assistance to small and medium-sized firms interested in exporting and promoting Pennsylvania directly with foreign investors considering establishing or expanding U.S. activities. Primary emphasis was given to small and medium-sized companies since most of them initially neither have the financial or personnel resources, nor the technical background to concentrate on foreign markets.

During 1983-84, the department participated in trade fairs in Canada, Mexico, Sweden, Norway, Denmark, Belgium, France, Australia, West Germany and Spain. A total of 60 Pennsylvania companies participated in these trade shows. During 1984-85, the department will be joined by approximately 65 companies at trade fairs in Austria, Canada, Mexico, West Germany, Switzerland, Sweden, United Kingdom, France, Japan, and Belgium.

When a company participates in a trade exhibition/mis-sion, they are introduced to several potential buyers, agents, representatives and distributors who may have an interest in purchasing or handling their product line in that particular market. The company gains a first hand knowledge of the market and has the opportunity to engage in discussions with potential representatives, distributors, agents and buyers.

There are currently 540 internationally owned firms in Pennsylvania. This is an increase of 40 companies over 1983-84's figures. The bulk of the increase was the result of foreign operations acquiring American-owned companies. They account for the employment of over 112,500 persons, an increase of 7,973 since last year. For 1985-86, this trend is expected to continue with 570 foreign-owned companies and 118,500 jobs attributed to foreign investments.

Potential transactions with European, Japanese and Canadian industrial prospects involve 145 companies, and these investments may create significant job opportunities in Pennsylvania. The classification of new, direct investment includes joint ventures between a U.S. firm and a foreign firm or the acquisition of a U.S. firm.

In order to assist Pennsylvania in the international market place and to increase foreign investment and tourism, foreign representation has been established in Tokyo, Mexico City, London, and Frankfurt. As a result of the establishment of these foreign offices, the Commonwealth has attracted a total of 38 foreign operations between July 1981 and July 1984 with a projected total employment of 2,259. The level of leads generated by the overseas representatives is reflected in the program measures. Leads, if carried through to fruition, result in increased international business and additional employment for Pennsylvania residents.

The primary means available to the Commonwealth for

International Trade (continued)

Program Analysis: (continued)

assisting export trade is to provide small businesses with assistance in overcoming the many legal, financial and logistical problems inherent in doing business internationally. The Federal Eximbank program continues to be an important vehicle for providing financial assistance.

The Export-Import Bank of the United States (Eximbank) was created in 1934 and was established as an independent U.S. Governmental Agency in 1945. The purpose of the Bank is to aid in financing and to facilitate exports by providing loans or guarantees to foreign governments or companies in order that they may purchase those products; large firms have been the primary beneficiaries of these programs.

Eximbank also has programs especially for the small business person but due to a lack of the necessary personnel or financial resources to adequately promote and service these programs themselves, Eximbank is now willing to allow governmental agencies to undertake this task. In order to facilitate this effort, Eximbank has offered to provide basic personnel training, and promotional and other necessary materials. It is the intent of the Department of Commerce to actively promote Eximbank programs by organizing and participating in seminars throughout the State, making personal visits to Pennsylvania companies, and advertising the programs in various publications, as well as taking applications for both programs and communicating with Eximbank officials to insure that they are properly

completed. The other major task will be to obtain necessary credit information on the Pennsylvania applicants through various private sources.

A relatively new tool designed to increase exports is the export trading company. This device, authorized by Federal legislation in 1982, allows competing companies or companies operating in a related field, to form a separate entity solely for the purpose of exporting goods. The trading company is allowed to set product prices and promote common products for export. The Federal legislation generally exempts a certified export trading company from anti-trust laws for exporting products. The concept is particularly important for small and medium-sized companies which individually do not have the resources to market and sell their products outside the U.S. as a large company does. The department will be providing technical assistance in this area as well.

To undertake both of the above efforts, \$53,000 has been included in this budget.

Funds have also been provided for a Productivity Improvement Initiative for upgrading computer capability in the amount of \$67,000. Twelve thousand dollars (\$12,000) of that initiative is included in this subcategory to provide EDP software and hardware to improve access to information and professional presentation of that information under the business outreach program.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 908</u>	<u>\$ 837</u>	<u>\$ 959</u>	<u>\$ 997</u>	<u>\$ 1,037</u>	<u>\$ 1,079</u>	<u>\$ 1,122</u>

Department of Community Affairs

The Department of Community Affairs provides a system of services and programs permitting the development and redevelopment of Pennsylvania's communities to enhance the total environment of citizens. The Department seeks to improve the capabilities of local governments to meet critical social and economic problems and to develop human resources so each citizen will have an equal opportunity to achieve the full measure of the State's economic prosperity. It carries out these activities through technical consultation and assistance; grants for housing, redevelopment, flood plain management, planning and manpower training.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
Enterprise Development	Economic Development	\$ 1,000 ^a
Housing and Redevelopment	Economic Development	\$ 2,000 ^a

This Program Revision would provide grants to distressed areas to develop programs that will aid in the economic recovery and housing rehabilitation of the area.

DEPARTMENT TOTAL	\$ 3,000
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^aThe total Program Revision for Economic Development is \$28,450,000. Details are presented in the appendix to the Industrial Development subcategory in the Department of Commerce.

DEPARTMENT OF COMMUNITY AFFAIRS

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 6,974	\$ 7,785	\$ 7,636
Grants and Subsidies			
Community Conservation and Youth Employment	\$ 2,735	\$ 2,736	\$ 2,736
Housing and Redevelopment Assistance	16,000	8,000	10,000
Enterprise Development .....	. . . .	4,000	5,000
Regional Councils	150	175	175
Planning Assistance	88	100	100
Flood Plain Management	87	75	75
Subtotal	\$ 19,060	\$ 15,086	\$ 18,086
TOTAL STATE FUNDS	\$ 26,034	\$ 22,871	\$ 25,722
Federal Funds	\$ 78,710	\$ 132,174	\$ 104,283
Other Funds	3,982	5,863	1,729
GENERAL FUND TOTAL	\$ 108,726	\$ 160,908	\$ 131,734

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 6,974	\$ 7,785	\$ 7,636
Federal Funds	3,133	2,498	2,733
Other Funds	957	960	838
TOTAL	<u>\$ 11,064</u>	<u>\$ 11,243</u>	<u>\$ 11,207</u>

Provides for the administration and operation of various programs designed to promote effective and economical delivery of municipal services by assisting communities and political subdivisions in the areas of economic opportunity to disadvantaged Pennsylvanians; housing, code enforcement and renewal; grant programs for the acquisition and development of recreational facilities; technical and financial assistance to regional planning agencies and councils of government; and regulation of industrialized housing.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 6,974	\$ 7,785	\$ 7,636
Federal Funds:			
Land and Water Conservation Fund — Project Administration	121	75	75
Safe Drinking Water Act	6	10	.. . .
Operator Outreach Training	2	8	50
ARC — Planning Administration	30	25	25
CETA — Management and Program Capabilities	13	.. . .	.. . .
Energy Conservation Training	18	.. . .	.. . .
Community Development Technical Assistance	172	182	200
Community Services Block Grant — Administration	377	500	697
Small Communities Block Grant — Administration	588	860	886
Folk Art Project	30	38	.. . .
Low-Income Energy Assistance — Administration	447	800	800
Emergency Jobs — Recreation	1,329	.. . .	.. . .
Other Funds:			
Land and Water Development Act	311	250	.. . .
Mobile and Industrialized Housing Act	172	195	165
Training Course Registration	214	260	260
Disaster Relief Fund	190	183	113
Energy Conservation Code Fees	65	59	285
Council on Arts — Folk Art Project	2	.. . .	.. . .
Centralia Recovery — Land and Water .....	.. . .	.. . .	.. . .
CETA — Spanish Speaking	2	13	15
Cultural Heritage Awareness Project	1	.. . .	.. . .
TOTAL	<u>\$ 11,064</u>	<u>\$ 11,243</u>	<u>\$ 11,207</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Community Conservation and Youth Employment			
State Funds	\$ 2,735	\$ 2,736	\$ 2,736
Federal Funds	14,217	17,200	16,500
TOTAL	\$ 16,952	\$ 19,936	\$ 19,236

Provides financial assistance to municipalities, community action agencies (CAA), Opportunities Industrialization Centers (OIC) and nonprofits to develop programs aimed at chronic unemployment and the social, physical and economic deterioration of communities. In addition the Federal Community Services Block Grant monies are utilized and targeted toward Commonwealth priorities in the employment areas.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Community Conservation and Youth Employment	\$ 2,735	\$ 2,736	\$ 2,736
Federal Funds:			
CETA — Spanish Speaking Centers	33	.....	.....
Community Services Block Grant	13,713	16,200	16,500
Community Services Block Grant — Technical Assistance	127	.....	.....
Community Services Block Grant — Emergency Jobs	344	1,000	.....
TOTAL	\$ 16,952	\$ 19,936	\$ 19,236

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Community Revitalization Assistance			
State Funds	\$ 16,000	\$ 12,000	\$ 15,000
Federal Funds	59,775	110,794	83,986
Other Funds	3,025	4,903	891
TOTAL	\$ 78,800	\$ 127,697	\$ 99,877

Provides grants to communities and redevelopment authorities to improve blighted neighborhoods through redevelopment, housing code enforcement, and the provision of low and moderate income housing through rehabilitation.

Provides grants to assist nonprofit sponsors in meeting the costs of building low and moderate income housing.

Provides grants to identified enterprise development areas to plan and implement proposals to create jobs.

Provides funds to weatherize existing housing stock through the installation of insulation, storm doors and windows in homes of persons who meet income standards developed by the Federal Government agency.

Also includes funds from the Small Communities Block Grant to upgrade the housing stock of low income individuals.

Provides Federal funds to assist in relocation of Centralia residents endangered by the underground mine fire.

GENERAL FUND

COMMUNITY AFFAIRS

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Housing and Redevelopment Assistance	\$ 16,000	\$ 8,000	\$ 10,000
Enterprise Development .....	.....	4,000	5,000
Federal Funds:			
Low Income Energy Assistance — Weatherization	10,539	10,400	10,400
DOE — Weatherization	9,093	14,805	14,100
ARC — Innovative Housing Program	49	100	70
Temporary Housing — Brady's Bend	110	.....	.....
Temporary Housing — Superfund Cleanup	45	100	100
Small Communities Block Grant	22,168	53,422	50,000
Oil Overcharge — Weatherization .....	.....	1,000	.....
DOE — Weatherization — Emergency Jobs	7,189	1,300	.....
Small Communities Block Grant — Emergency Jobs	1,504	7,000	.....
LIHEAP — Weatherization — Emergency Jobs OIL OVERCHARGE	2,979	.....	.....
Centralia Recovery	6,099	19,180	8,016
Rental Rehabilitation .....	.....	2,600	1,300
Hydman Disaster .....	.....	887	.....
Other Funds:			
Return of Unused Project Monies	3,025	3,000	.....
Centralia Recovery .....	.....	1,903	891
TOTAL	<u>\$ 78,800</u>	<u>\$ 127,697</u>	<u>\$ 99,877</u>

Regional Councils	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 150	\$ 175	\$ 175

Provides financial assistance to regional councils of elected officials to promote efforts to overcome the effects of local government fragmentation.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Regional Councils	<u>\$ 150</u>	<u>\$ 175</u>	<u>\$ 175</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Planning Assistance			
State Funds	\$ 88	\$ 100	\$ 100
Federal Funds	1,396	1,545	956
TOTAL	\$ 1,484	\$ 1,645	\$ 1,056

Provides planning grants to local planning agencies. The plans funded through this program are often prerequisites for receiving Federal funds.

Provides for planning grants and loans from the U.S. Department of Commerce to coastal communities to mitigate the impact of energy activities.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Planning Assistance	\$ 88	\$ 100	\$ 100
Federal Funds			
ARC — Land Use Development Planning	582	700	750
Coastal Zone Management — Administration	814	845	206
TOTAL	\$ 1,484	\$ 1,645	\$ 1,056

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Flood Plain Management			
State Funds	\$ 87	\$ 75	\$ 75
Federal Funds	189	137	108
TOTAL	\$ 276	\$ 212	\$ 183

Provides financial assistance to municipalities to prepare and implement flood plain management plans.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Flood Plain Management Grants	\$ 87	\$ 75	\$ 75
Federal Funds			
FEMA — Technical Assistance — Flood Plain Management	189	137	108
TOTAL	\$ 276	\$ 212	\$ 183

DEPARTMENT OF COMMUNITY AFFAIRS

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 2,425	\$ 3,245	\$ 2,735	\$ 2,844	\$ 2,958	\$ 3,077	\$ 3,200
Community Physical Development	\$ 17,308	\$ 13,067	\$ 16,332	\$ 16,386	\$ 16,441	\$ 16,499	\$ 16,558
Housing and Redevelopment	17,285	12,942	15,967	16,006	16,046	16,088	16,131
Community Park and Recreation Development	23	125	365	380	395	411	427
Economic Opportunity	\$ 3,470	\$ 3,726	\$ 3,753	\$ 3,794	\$ 3,836	\$ 3,880	\$ 3,926
Community Conservation and Youth Employment	3,470	3,726	3,753	3,794	3,836	3,880	3,926
Local Government Management	\$ 2,831	\$ 2,833	\$ 2,902	\$ 3,004	\$ 3,110	\$ 3,221	\$ 3,336
Areawide Intermunicipal Services	150	175	175	175	175	175	175
Municipal Administrative Support Capability	1,786	1,672	1,718	1,787	1,858	1,933	2,010
Community Development Planning	895	986	1,009	1,042	1,077	1,113	1,151
DEPARTMENT TOTAL	<u>\$ 26,034</u>	<u>\$ 22,871</u>	<u>\$ 25,722</u>	<u>\$ 26,028</u>	<u>\$ 26,345</u>	<u>\$ 26,677</u>	<u>\$ 27,020</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,425	\$ 3,245	\$ 2,735	\$ 2,844	\$ 2,958	\$ 3,077	\$ 3,200
Federal Funds	63	38	.....	.....	.....	.....	.....
Other Funds	5	.....	.....	.....	.....	.....	.....
TOTAL	\$ 2,493	\$ 3,283	\$ 2,735	\$ 2,844	\$ 2,958	\$ 3,077	\$ 3,200

Program Analysis:

General Administration and Support provides the administrative overhead and management systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support.

Funds are also provided for the Agency's policy planning and information program which provides publications and information to local governments as well as staff sup-

the department.

The Heritage Affairs Advisory Commission is also part of this subcategory. The Commission prepares and disseminates literature, public education materials and publicity relating to ethnic and nationality groups and their programs and activities.

The Governor's Council on the Hispanic Community was also established in 1979. The Council assists in insuring that the Hispanic Community receives equal opportunities under the laws of the Commonwealth.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,425	\$ 3,245	\$ 2,735	\$ 2,844	\$ 2,958	\$ 3,077	\$ 3,200

Housing and Redevelopment

OBJECTIVE: To reduce to an acceptable level the percentage of Pennsylvania families living in substandard housing and blighted neighborhoods.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 17,285	\$ 12,942	\$ 15,967	\$ 16,006	\$ 16,046	\$ 16,088	\$ 16,131
Federal Funds	60,810	112,454	85,672	80,788	77,656	77,656	77,656
Other Funds	3,452	5,353	1,469	1,371	563	563	563
TOTAL	\$ 81,547	\$ 130,749	\$ 103,108	\$ 98,165	\$ 94,265	\$ 94,307	\$ 94,350

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State funded activities and programs:							
Construction of new units	432	280	175	175	175	175	175
Rehabilitation of existing units	2,096	800	1,312	1,312	1,312	1,312	1,312
Community Development projects	71	40	44	44	44	44	44
Industrial and mobile homes inspected	1,350	1,425	1,425	1,425	1,425	1,425	1,425
Homes weatherized	23,443	25,603	21,725	21,725	21,725	21,725	21,725
Oil/gas furnace retrofits	8,685	8,669	4,205	4,625	5,087	5,595	6,054
Small Communities Block Grant:							
Jobs created and/or retained	4,265	800	2,500	1,500	1,500	1,500	1,500
Vacant commercial structures occupied	60	30	30	30	30	30	30
Community facilities projects	24	17	17	17	17	17	17
Housing units rehabilitated	4,549	2,200	2,200	2,200	2,200	2,200	2,200

Program Analysis:

In furthering the goals of community conservation, the Commonwealth continues to pursue a series of initiatives that direct State funds to areas of greatest need. The Housing and Redevelopment Assistance Program continues to be a primary tool for revitalizing depressed and blighted neighborhoods and commercial districts, with its focus on ventures in public/private partnerships to leverage other private and public dollars for housing rehabilitation.

Other key components include promoting the revitalization of central business districts, providing financial assistance to improve basic sewer and water infrastructure, and expanding State assistance for the Enterprise Development Zone program. Finally, the highly successful Main Street Program, assisting small communities to maintain the viability of core commercial/retail centers, will continue.

The Enterprise Development Zone Program, implemented during 1983-84, is designed to stimulate the creation of jobs by improving business opportunities and enhancing the quality of life in targeted distressed communities across the

State. Twenty-seven communities have designated Enterprise Development Zones. To capitalize on local initiatives and move more zones from the planning stage to the developmental stage, a 25 percent increase is recommended. Further discussion of the program can be found under the Economic Development Program Revision following the Department of Commerce's Industrial Development subcategory.

Since 1981 the department has conducted an intensive campaign to recapture excess interest and program funds from prior year Housing and Redevelopment appropriations. The impact of these recaptured funds is reflected in the significant increase in the number of rehabilitated units and construction of new units in 1983-84, and to a lesser degree in the current year construction of new units. The volume of recaptured funds, however, has dropped dramatically and by the end of the 1984-85 fiscal year, all current and prior year fund balances should be committed. Therefore, an increase of \$2,000,000 in State support is

Housing and Revdevelopment(continued)

Program Analysis: (continued)

recommended. Additionally, a further decrease is anticipated in construction of new units as Federal housing programs which Commonwealth funds have traditionally supplemented have been substantially reduced. The lessening of the rehabilitation effort is due to a local change in focus to community development and economically-oriented projects. This shift is reflected under the measure community development projects.

In 1984-85, the department assumed responsibility for a new Federal program, the rental rehabilitation program. This program is aimed at communities which are neither Federal entitlement communities under the Community Development Block Grant nor served by the Farmer's Home Administration. The department estimates that 260 units will be rehabilitated annually once the program is in full operation.

Another program protecting the quality of housing in Pennsylvania is the industrialized housing program. This is the only statewide building regulatory program pertaining to single-family industrialized housing products. Under the Industrialized Housing Act of 1972, factory-made homes and units are inspected at the factory. If approved, manufacturers pay for insignias indicating approval to be attached to the unit. Fees paid for the insignias support the administrative costs of the program.

The number of industrialized and mobile homes requiring inspection will increase due to the stabilization of mortgage rates spurring the building of more homes. It is anticipated that this measure will remain fairly constant in future years.

The department also is the State Administrative Agency (SAA) under the terms of the National Mobile Home Construction and Safety Standards Act of 1974. The primary function of an SAA is to handle consumer-related problems involving the construction of mobile homes. A fee of twelve dollars is paid to the department by the U.S. Department of Housing and Urban Development for each new mobile home certified in Pennsylvania. These revenues support program activities of the SAA.

The Building Energy Conservation Code (Act 222 of 1980) mandates the department to administer the provisions of the act for all one or two family dwelling units (R-3 Structures) including not more than five lodgers or boarders per family and all rowhouses, townhouses, and garden apartment construction not exceeding three stories. Prior to construction of any building classified as Use Group R-3, the builder must notify the department by certified mail of his intent to begin construction. Such notice includes a filing fee of \$10 and contains the name of the owner of the building and its location.

The department must also perform home energy audits upon request of the owner for a fee of \$35 as specified in Act 222. The fees are intended to offset the costs of administration of the program.

The department administers a weatherization program by providing Federal funds for energy efficiency improvements in the homes of low-income persons of the Commonwealth.

The weatherization program distributes funds to sixty local non-profit and governmental service delivery agencies to identify and verify clients as well as install or subcontract the installation of energy conservation materials and technologies on homes of clients.

Currently, the department receives entitlement funds from the Department of Energy (DOE) and Health and Human Services' Low-Income Home Energy Assistance Program (LIHEAP). The decrease in homes weatherized in 1985-86 forward is due to the exhaustion of Jobs Bill and Petroleum Violation Escrow (Oil Overcharge) funds which will be fully utilized by the end of the 1984-85 fiscal year.

Because of varied funding sources and regulations, the department has developed and implemented a comprehensive approach to programming the weatherization funds into distinct packages. This approach allows for funding of various weatherization packages with uniformity of application, regardless of funding source. These weatherization packages are: (1) the standard package including weatherization materials applied to the building exterior based on an energy audit; (2) the furnace efficiency modification package, and (3) the low cost/no cost package which is limited to installation of anti-infiltration materials and can only be used by the local agencies when a backlog of eligible units exist that cannot be serviced by the next heating season. The low cost/no cost program is operational only during winter months.

Two factors have effected the projections for the number of "homes weatherized" and number of "oil/gas furnace retrofits": (1) the anticipated level of federal DOE monies has increased since original projections were calculated; and (2) an adjustment to departmental projections under LIHEAP funded furnace retrofits. The Department had assumed a two-to-one ratio between retrofits and standard weatherization completions. However, the actual ratio was closer to 50/50. As the program experience reflects, local agencies elected to use more LIHEAP funds for standard weatherization than anticipated.

In another program area, the department assumed formal responsibility for administering the Small Communities Block Grant (SCBG) Program from the Federal government in July of 1982. The purpose of this program is to provide assistance to smaller municipalities (generally those under 50,000 population) for community development activities. These activities include housing rehabilitation, community revitalization, improvement of community facilities, and economic development. With the enactment of Act 179 of 1984 an entitlement approach was established which distributes funds on a formula basis. Eighty-five percent of the funds to be used are for grants to eligible cities, boroughs, townships and counties. Within this 85 percent

NOT TRUE

Housing and Redevelopment (continued)

Program Analysis (continued)

allocation, twenty-four percent is allocated to cities, thirty-eight percent to boroughs and townships and thirty-eight percent to counties. There is a thirteen percent setaside for discretionary projects, which the department plans to distribute to boroughs and townships under 10,000 in population. The remaining two percent is available to meet administrative costs.

The program measures for 1983-84 show an exceptionally high level of activity under the SCBG because they include 1982 competitive projects, the full 1983 program and \$10,086,000 in Federal Emergency Jobs Bill money made available in 1983-84 for expenditure under the SCBG program.

The available year level reflects a normal funding level, with the exception of "jobs created". Due to the legislative restriction on expenditures prior to enactment of Act 179, fewer number of jobs will be created during the current year, but a delayed impact will be felt in 1985-86.

The higher than anticipated level for "housing units rehabilitated" is based on experience gained since the original projections were made.

However, all of these measures will be impacted by Act

179 and projections may require further adjustments as experience is gained.

The Disaster Projects Division provides technical assistance to those communities which have suffered a natural disaster. Thus far, the State has invested approximately \$190 million in 120 local rebuilding projects.

This division will also be responsible for administering approximately \$40 million in funds made available over a five year period by U.S. Office of Surface Mining for an acquisition/relocation program in Centralia. An underground mine fire has been moving beneath the surface of Centralia for 21 years. Over 100 residential properties have already been purchased, families relocated, and buildings removed to escape the noxious gases and subsidence and their effect on the surface. Studies conducted indicate approximately 450 households and 41 businesses are affected. Appraisals will begin and offers will be made to those affected. The process should be complete by 1987-88. The 10 percent Federal matching requirement will be met from State Land and Water bond funds and is reflected in the other funds section of this subcategory.

Program Cost by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,285	\$ 942	\$ 967	\$ 1,006	\$ 1,046	\$ 1,088	\$ 1,131
Housing and Redevelopment	16,000	8,000	10,000	10,000	10,000	10,000	10,000
Enterprise Development Zones .....	.....	4,000	5,000	5,000	5,000	5,000	5,000
GENERAL FUND TOTAL	\$ 17,285	\$ 12,942	\$ 15,967	\$ 16,006	\$ 16,046	\$ 16,088	\$ 16,131

Community Park and Recreation Development

OBJECTIVE: To develop recreational facilities accessible to urban, suburban and rural areas.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 23	\$ 125	\$ 365	\$ 380	\$ 395	\$ 411	\$ 427
Federal Funds	1,450	75	75	75	75	75	75
Other Funds	311	250	.....	.....	.....	.....	.....
TOTAL	\$ 1,784	\$ 450	\$ 440	\$ 455	\$ 470	\$ 486	\$ 502

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Land and Water Projects:							
Contracted	45	85	40	40	40	40	40
Completed	131	83	88	65	60	60	60
Technical assistance contacts	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Program Analysis:

This program primarily provides financial assistance to municipalities for the acquisition and preservation of local park and open space land, rehabilitation and development of park and recreation facilities, and rehabilitation of community center buildings. Technical assistance is also provided to local governments, quasi-public and non-profit community groups, park and recreation departments, boards and commissions, and other citizens in general concerning the management, operation and maintenance of park recreation and community center facilities, and the promotion of programs and services.

Most of the financial assistance has been provided through two grant programs designed to assist municipalities in the acquisition and development of park and recreational areas and facilities. These two programs are the Federal Land and Water Conservation Fund (LWCF) program and the State Land and Water Program (P-500).

The State Land and Water program was utilized to reduce local matching requirements for the Federal Land and Water Conservation program, thus enabling the communities with greatest need to participate. The department anticipates contracting all remaining grant project funds under the State P-500 program by the end of fiscal year 1984-85, however, it will take two additional fiscal years to close out all projects contracted in 1984-85.

Additional funding was also made available under the Jobs Bill passed by Congress, in the amount of \$1.4 million from the Federal Small Business Administration (SBA). These monies were utilized for tree planting, landscaping

and minor park rehabilitation. The department anticipates the successful completion of this program by the end of fiscal year 1984-85. The impact of the Jobs-SBA Reforestation Program will be felt primarily in 1984-85 in increased projects contracted.

The estimated number of projects contracted and completed shown in the program measures was revised as the initial projection was based on a higher anticipated level of Federal LWCF support than was received. The department anticipates continued annual appropriations from the Federal LWCF program at the same level as current year (\$1.5 million) or higher.

While the department will continue to monitor the Federal LWCF program and the closing of the State P-500 bond program, its main thrust will be directed to the new bond funded recreation program included as a component of the \$190 million Pennsylvania Economic Revitalization Fund (PERF).

This program provides local governments with \$18,000,000 over a three-year period to undertake park, recreation, and community center grant projects. In addition to the types of grants historically provided by DCA for the acquisition, rehabilitation and development of public outdoor park and recreation facilities, grants are also available for the rehabilitation of community center buildings. The program also contains a special funding emphasis for smaller municipalities unable to meet local grant matching requirements.

The Recreational Improvement and Rehabilitation

Community Park and Recreation Development (continued)

Program Analysis: (continued)

Assistance (RIRA) Program will provide municipalities with grant assistance to undertake six different kinds of projects: park rehabilitation and development, acquisition, community center rehabilitation, studies, small communities/small projects, and projects in cooperation with the Pennsylvania Conservation Corps Act (PCCA) Program administered by Department of Environmental Resources under PERF. A separate set of program measures will be developed for this program and will reflect the grant activity for each of the six project types as experience is gained.

Bond funds utilized for PERF programs are not reflected in the dollar amounts reflected here, but are shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

The park rehabilitation and development, acquisition, and study grants are for the traditional types of projects funded by the bureau under the Federal Land and Water Conservation Fund and State Project \$500M Bond Program. The community center rehabilitation grants will provide for the rehabilitation of existing community centers and the conversion of surplus schools or other municipally-owned or controlled buildings for use as municipal multi-purpose community centers, primarily to house indoor recreation programs and other related community services. The formula for distribution of project funds will factor in the unemployment and population of a region in an attempt to target the funds to those parts of the State where the maximum impact can be achieved. Also, higher priority will be given to

projects that foster or compliment comprehensive economic development initiatives of a community or region. Projects contributing to economic development efforts within a designated Enterprise Development Area or a Main Street Program activity area will automatically receive a maximum rating under the economic development selection criteria. The provision of adequate park, recreation and community center facilities adds to the "livability" factor that is becoming increasingly important to the attraction of new business and firms to a community or region. All RIRA Program grants will create employment opportunities through the use of private construction contractors, small business firms, and professional consultants to complete the projects.

The Department's technical assistance effort will continue to operate, but at a substantially reduced level because of emphasis on RIRA program implementation. The technical assistance is utilized by local government officials, quasi-public and non-profit community groups, park and recreation departments and, boards and commissions and includes consultation (face-to-face and over-the-phone), written correspondence, personnel job referrals, training and workshop sessions, and publications.

In order to provide continued administrative support for the P-500 program, the Federal LWCF program and to implement the new Recreational Improvement and Rehabilitation (RIRA) program, \$235,000 in State funding has been provided to replace the P-500 support of existing staff.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 23</u>	<u>\$ 125</u>	<u>\$ 365</u>	<u>\$ 380</u>	<u>\$ 395</u>	<u>\$ 411</u>	<u>\$ 427</u>

Community Conservation and Youth Employment

OBJECTIVE: To provide individual economic opportunity assistance to disadvantaged Pennsylvanians by providing comprehensive services to stabilize the community.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,470	\$ 3,726	\$ 3,753	\$ 3,794	\$ 3,836	\$ 3,880	\$ 3,926
Federal Funds	14,574	17,700	17,197	17,197	17,197	17,197	17,197
TOTAL	\$ 18,044	\$ 21,426	\$ 20,950	\$ 20,991	\$ 21,033	\$ 21,077	\$ 21,123

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons participating:							
Community conservation and youth employment	117,652	129,406	142,346	156,580	172,238	189,461	208,407
Community services block grant program	346,260	380,886	418,974	460,871	483,914	508,009	523,249
Employment related services and training projects	24,721	25,528	27,378	27,651	28,204	28,063	27,783
Economically disadvantaged in need of employment related services	837,896	879,791	853,398	836,718	828,351	820,068	811,868
Disadvantaged youth in grades 10 through 12 (summer jobs)	7,633	8,396	9,235	10,158	11,173	12,290	13,519
Job Placement:							
Persons completing training programs ...	4,439	4,661	4,894	5,139	5,396	5,666	5,949
Persons placed	2,790	3,069	3,376	3,714	4,085	4,494	4,493
Neighborhood Assistance Program:							
Tax credits allocated	\$7,085,744	\$8,750,000	\$8,750,000	\$8,750,000	\$8,750,000	\$8,750,000	\$8,750,000
Tax credits utilized	\$4,042,311	\$5,000,000	\$6,000,000	\$7,000,000	\$7,500,000	\$8,000,000	\$8,500,000

Program Analysis

This program is involved with improving the quality of life for the low-income and economically disadvantaged in Pennsylvania-especially minorities and youth. By providing financial and technical assistance to the more than 150 public and private nonprofit organizations serving low-income persons, the Department of Community Affairs (DCA) attempts to forge partnerships of government, private industry and local citizens to foster the economic development of low-income communities and neighborhoods. Using this coordinative and locally-based approach to economic development, DCA seeks to reverse the trend of business disinvestment in these communities, thus helping the residents break out of the cycle of poverty.

The legislative mandates for the Employment and Community Conservation program contain certain tools and resources no other State or Federal program possesses to

address the issues of poverty. They enable targeting of the type of flexible, broad-based assistance necessary to fill the gaps which exist in other State and Federal programs, and to leverage and match Federal funds.

The involvement of community-based nonprofit organizations is a major component of the program. By virtue of their strong ties to the community and their broad range of program involvement, these agencies can play key roles in improving the accessibility of services and enhancing the coordination of programs.

For 1985-86, DCA will continue to address the Governor's priorities for Economic Development and Community Conservation. Funds will be targeted towards a statewide series of projects which offer comprehensive community-wide solutions to improving the economic status of low-income persons. The target group continues to climb

Community Conservation and Youth Employment (continued)

Program Analysis: (continued)

through 1984-85 and thereafter begin a gradual decline reflective of improvements in the economy. The improved economy has traditionally impacted later on Pennsylvania as our recovery lags behind the nation as a whole.

DCA is designated as lead agency for the Community Service Block Grant (CSBG). This program provides a range of economic development programs and services which will impact on the causes of poverty.

One of the primary objectives during 1984 was to extend the CSBG program statewide by setting funds aside to establish new agencies to serve in the 10 counties currently unserved. Since the "grandfather clause" prohibits grants to any but existing CAA's and limited purpose agencies (LPAs), three of these counties will be served through a contract with the Pennsylvania Intergovernmental Council (PIC), a statewide LPA. The remaining seven will be required to join an existing CAA.

Since State legislation requires that all decisions concerning services be made at the local level, substantial deviations in the program measures for this program are possible and likely from one year to the next. Figures shown reflect actual report figures from quarterly grantee progress reports. This factor plus the great variety of services, including certain high-volume/low-cost services like information and referral, produced the variation between figures now reflected and those reflected in last year's budget document.

The program measures attempt to reflect the activity of both the State funded program and the Federal Community Services Block Grant (CSBG) program.

The number of persons participating under programs funded from both sources reflects a minimal annual increase through 1986-87 even though both funding streams either remain constant or decrease slightly. The Department feels this is realistic due to continuing improvement in the cost-effective delivery of services under these programs. The trend for the last two planning years (1987-88 and 1988-89) begins to decrease as inflation begins to catch up with the program costs despite the economies implemented to maximize the funds available.

The program measure reflecting number of persons completing training includes all individuals provided training and is based on an improved data collections system.

The Neighborhood Assistance Program, also administered under this subcategory, serves as a vehicle to encourage private sector involvement in developing solutions to pro-

blems that are prevalent in low-income communities throughout the State of Pennsylvania. The Neighborhood Assistance Program offers tax credits to corporations that contribute to organizations administering programs that provide Community Services, Education, Job Training, Crime Prevention, and Neighborhood Revitalization for low-income residents of impoverished areas. Although not a grant program, Neighborhood Assistance can be used to leverage additional resources for State programs by providing tax credit incentives to contributing businesses and corporations. Business firms qualify for tax credits against their State tax liability. They have five years to utilize these credits once approved.

During Fiscal Year 1983-84, the Neighborhood Assistance Program approved 164 contracts. However, during the middle of the fiscal year all contracts were temporarily suspended due to the reduction by Act 91 (Homeowner's Emergency Assistance Program) of tax credits available under the Neighborhood Assistance Program. After the suspension was lifted, nine of the 164 contracts were terminated at the request of the agencies. In light of the temporary suspension by the Department, these agencies did not believe that they would have sufficient time to resume their projects as they were originally approved. For this reason, only \$7,085,744.56 in tax credits were allocated by the Department to approved programs at the end of the fiscal year.

The corporate community's support for the Neighborhood Assistance Program has continually increased. During fiscal year 1983-84, more than \$4 million in approved tax credit requests were utilized. This is the largest amount of tax credits that have been approved during any fiscal year in the history of the program. This figure represents more than \$8 million in funds, equipment, goods and services which have been contributed by corporations to approved projects. These figures demonstrate significant corporate commitment to community-based initiatives through the Neighborhood Assistance Program.

One important use of tax credits is for on-the-job training programs. During fiscal year 1983-84, there was a significant increase in the number of low-income persons participating in the job training programs sponsored by programs administered under the Neighborhood Assistance Act.

The Neighborhood Assistance Program will be used to provide funding linkages with the other grant programs that DCA administers. The use of Neighborhood Assistance Tax Credits will be encouraged in all applications.

Community Conservation and Youth Employment (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 735	\$ 990	\$ 1,017	\$ 1,058	\$ 1,100	\$ 1,144	\$ 1,190
Community Conservation and Youth Development	2,735	2,736	2,736	2,736	2,736	2,736	2,736
GENERAL FUND TOTAL	<u>\$ 3,470</u>	<u>\$ 3,726</u>	<u>\$ 3,753</u>	<u>\$ 3,794</u>	<u>\$ 3,836</u>	<u>\$ 3,880</u>	<u>\$ 3,926</u>

Areawide Intermunicipal Services

OBJECTIVE: To provide effective and economical municipal services through the development of regionally coordinated activities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 150	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175	\$ 175

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Political subdivisions participating	455	470	470	470	480	500	500
Councils of government receiving assistance for action projects	36	43	42	45	45	45	45

Program Analysis:

Due to expanding governmental services and escalating costs, local governing bodies have become aware of the pressing need to find more effective methods to work together for their mutual advantage. By cooperating and sharing responsibilities with neighboring municipalities, local governments can provide better and more economical services to citizens. Smaller communities particularly are benefited by broadening the geographical base for handling common governmental functions. Toward this end, the Council of Governments (COGs) Assistance Program was established under Act 78 of 1970.

Pennsylvania has more units of local government than all but one state. Many services and activities have limited effectiveness because of this fragmentation.

While local government officials desire increased effectiveness, they do not wish to sacrifice any autonomy or "grass roots" control. The COG concept is ideally suited for the Pennsylvania environment because it does not supplant any authority or jurisdiction of its member governments.

The Department's program of financial assistance is designed to partially subsidize the cost of innovative projects, as well as, administrative cost associated with the creation and establishment of a COG.

The program is used as both an aid to, and an incentive for, local governments undertaking intermunicipal cooperative efforts. The ultimate goal is to foster increased efficiency and effectiveness of municipal functions. COGs undertake joint municipal services for their member governments when individual jurisdictions are unable to perform

these functions separately as economically or efficiently. The average COG contains nine political subdivisions and encompasses eight to ten program service areas.

Most COG efforts center on improving communications among local officials, elementary forms of cooperation, and consideration of regional studies. These services may vary from one COG to another but typically include police protection, refuse collection, pollution control, recreation, code enforcement, solid waste management, etc. Many COGs have been active in economic development, attempting to foster industrial growth in their regions. Energy and transportation have been the focus of COG projects, including urban mass transit systems.

In the current fiscal year emphasis continues to be directed toward funding specific programmatic efforts rather than continued funding of the administrative operations of Councils of Government. Newer Councils of Government in the early stage of development will be able to secure funding for administrative support, but established intergovernmental organizations will be funded only if they develop productive programs supported by their member municipalities.

Currently there are 52 COGs, with 452 member municipalities. Over two and a quarter million Pennsylvanians, or nearly 20 percent of the State's population, reside in COG member municipalities.

In the past, increased emphasis has been placed on grants for projects that effect cost savings or allow municipalities to undertake tasks that they otherwise could not. Currently, priority is given to grant proposals which may be transferable from community to community.

Areawide Intermunicipal Services (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Regional Councils of Government	<u>\$ 150</u>	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 175</u>	<u>\$ 175</u>

Municipal Administrative Support Capability

OBJECTIVE: To improve the administrative capability of local government.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,786	\$ 1,672	\$ 1,718	\$ 1,787	\$ 1,858	\$ 1,933	\$ 2,010
Federal Funds	198	200	250	250	200	200	200
Other Funds	214	260	260	260	260	260	260
TOTAL	\$ 2,198	\$ 2,132	\$ 2,228	\$ 2,297	\$ 2,318	\$ 2,393	\$ 2,470

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Technical assistance requests responded to:							
Public works and community development	350	350	400	400	400	400	400
Personnel administration	275	275	140	140	140	140	140
Financial management	1,100	1,200	1,300	1,300	1,300	1,300	1,300
Local structure	210	220	200	200	200	200	200
Police administration	370	370	600	600	600	600	600
Management	780	780	810	810	810	810	810
Building code enforcement	210	210	200	200	200	200	200
Municipal employees and officials trained ..	24,230	21,500	22,000	22,00	22,500	22,500	23,000

Program Analysis:

Local government must provide basic municipal services to the citizens of Pennsylvania and also function as the implementing tool for many important State and Federal programs in such areas as housing, recreation, human services, law enforcement, environmental control and flood plain management.

Pennsylvania has an extraordinarily large number of local governments, over 2,600 in number, mostly small and generally governed by part-time officials who need assistance in the area of administration. These local governments are faced with increasingly complex decision-making requirements relating to such issues as environmental control, energy, increased legal liability, and new State and Federal regulations and procedures. A major emphasis in the Department of Community Affairs is to help local governments to develop and revitalize communities by providing direct and comprehensive training and technical assistance services to local officials.

Consulting and Training

Direct consulting advice and technical assistance is provided to assist municipal officials improve their ad-

ministrative operations in such areas as municipal financial management, code enforcement, public personnel administration, police administration and recruitment, municipal government structure and intergovernmental cooperation, public works administration and management, and community and economic development.

The department responded to 4,242 requests for assistance from local government officials in 1983-84, an eight percent increase over 1982-83.

Due to the increased demand for services, effort will be made to select projects on the basis of: (1) municipal need; and (2) the cost benefit ratio to the municipality and the Commonwealth. Assistance will be targeted to the specific demands, concerns and needs of local governments, but this targeting will result in increased efforts in some areas and decreased emphasis in other areas.

Increased demand and interest is reflected in the "Public Works and Community Development" areas as a result of the Small Communities Block Grant program; and in the financial management area due to continuing municipal financial stress and the need to identify municipalities in financial distress while decreased effort is reflected in "personnel administration."

Municipal Administrative Support Capability (continued)

Program Analysis: (continued)

Emphasis in 1985-86 will be on the large expenditure items for municipal governments and control of these costs. Areas of special concentration will be: designing of pension ordinances; investment policies; and organization, staffing and operations of municipal public works departments.

While consulting focuses in on specific functional management problems, training deals on a direct basis with the managers who must solve these problems. Over 24,230 local personnel were trained in 1983-84. The increase reflected in the measures compared to last year's estimate is due to a great demand for information on Federal Revenue Sharing Regulations and the Small Communities Program. There was a large turnover in elected officials and their participation in the "Newly Elected Officials" training is also responsible for part of the increase.

The overall goal of training is improving the administrative abilities of local governments and community development agencies and rendering them more capable of providing better municipal and public service through the vehicle of training programs and informational seminars.

The Department's training programs are flexible and can be adapted quickly to meet pressing municipal needs through its Municipal Training Division (MTD).

The MTD provides advice and assistance to large numbers of municipal officials in the context of scheduled training programs and activities. Its delivery of service straddles the direct consultative approach which reaches officials on a one-to-one basis and the publications approach which reaches all concerned officials at once. Programs are offered centrally, regionally, and on an on-site basis (at a municipal building). Instructors include college professors, top local government officials, employees and managers, departmental staff members and consultants. Extensive use is made of the department's municipal consultants, regional consultants and training division staff as instructors.

Training is provided in five major areas: Pennsylvania Local Government Structure and Operations; Municipal Finance; Community Conservation and Development; Management; and Environmental Protection (including Energy Conservation). Training programs which help local governments meet their responsibilities and needs in economic development and community conservation have been given top priority.

In sponsoring training programs, the department works with State and county based municipal associations, non-profit associations and organizations, State, local and Federal agencies, Penn State's Extension Service and other colleges and universities.

In 1984-85 the department's training program will be placing major emphasis on the following areas: training in ap-

plication preparation; grant and financial management under the block grant programs; enterprise development training; housing and housing rehabilitation including rental rehabilitation; financial management and cost reduction; and further development of the telecommunication training initiative including production of videotapes for the department's training courses, television, and interactive teleconferences for local and community officials.

Municipal Statistics and Records

As provided by the Administrative Code of 1929, the department is required to produce annually comparative statistics showing revenues, expenses, taxation, and indebtedness of all local government units in Pennsylvania and to issue this data as a public document. Other mandates contained in the Municipality Authorities Act of 1945 and the Local Tax Enabling Act of 1965 require collecting of information from municipal authorities and school districts. Therefore, the division is in direct contact with 5,579 units of local jurisdiction for reporting purposes.

The information contained in these statistics is used extensively by the Legislature in its consideration of taxation and assessment reform, local government research-oriented groups, State agencies, colleges and universities and local government units in matters where information on local finance is necessary for decision making, program evaluation, legislative concerns and the like.

The computerization of the data collection, editing and analysis of this information, which commenced during the 1981-82 fiscal years, has been nearly completed. This data base of information greatly enhances the department's capability to fulfill its mandate and provides a major source of information for use in decision making, allocation of resources, program evaluation, budgetary processes, etc., as they impact on local government in Pennsylvania.

Information contained in the financial reporting forms is also shared with the Governments Division of the U.S. Bureau of the Census. The Bureau of the Census uses these reports to gather information on local taxation and intergovernmental revenues to develop the data elements used to calculate Federal Revenue Sharing allocations to units of local government and to gather other information on revenues and expenses of local units. Through the elimination of mail surveys conducted by the Bureau of the Census to obtain information directly from Pennsylvania local governments, the paper work burden upon local units has been greatly reduced and equitable distribution of Federal Revenue Sharing Grants has been assured.

In cooperation with the Pennsylvania Department of

Municipal Administrative Support Capability (continued)

Program Analysis: (continued)

Transportation, the department maintains a computer master file of names, addresses and telephone numbers of over 40,000 elected and appointed officials in Pennsylvania. This file is used to produce directories of local officials which are sold by PennDOT to the private sector and to produce highly selective mailing lists of local officials. These mailing lists are used by the department in the dissemination of information useful to local governments and to announce the availability of training offered by the department. Lists are also provided to other State agencies for distribution of State-shared revenues and information useful to local government, the Legislature, and local government associations.

The department annually produces a register for earned

income and occupational privileges taxes which lists each potential taxing authority in the State, its rate of taxation of these taxes as imposed by these jurisdictions and the names and addresses of collectors of these taxes. The register is used extensively by major employers within the State and by many local wage and occupational privilege tax collectors.

Audits of municipal authorities, such as water and sewer authorities, are received and analyzed by the department. Statistics and directories are produced from these reports and in conjunction with local government financial statistics, are used by financial institutions and rating services in matters concerning bond issues and indebtedness of local governments.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 1,786</u>	<u>\$ 1,672</u>	<u>\$ 1,718</u>	<u>\$ 1,787</u>	<u>\$ 1,858</u>	<u>\$ 1,933</u>	<u>\$ 2,010</u>

Community Development Planning

OBJECTIVE: To provide technical planning assistance and guidance to enable development of regionally coordinated activities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 895	\$ 986	\$ 1,009	\$ 1,042	\$ 1,077	\$ 1,113	\$ 1,151
Federal Funds	1,615	1,707	1,089	883	883	883	883
TOTAL	\$ 2,510	\$ 2,693	\$ 2,098	\$ 1,925	\$ 1,960	\$ 1,996	\$ 2,034

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State Planning Assistance Grant:							
Total projects funded	20	19	19	19	18	18	18
Projects which have resulted in comprehensive development plans	15	17	16	16	16	16	16
Communities which have adopted comprehensive plans	28	29	30	29	28	27	28
Flood Plain Management Act:							
Communities without formally approved flood plain management regulations	1,800	1,600	1,400	1,200	1,000	800	600
Communities receiving reimbursement for costs incurred in complying with the requirement of Act 166	274	285	300	300	300	300	300
Municipalities receiving technical assistance	94	75	75	75	75	75	75
Coastal Energy Impact Program:							
Grant contracts completed	2	4	2	1	.....	.....	.....
Public environmental and recreational facilities acquired or constructed	2	4	2	1	.....	.....	.....
ARC Highway Related Planning Grant:							
Projects funded	11	6	10	10	10	10	10

Program Analysis:

Under the Bureau of Community Planning, the department provides planning grants, technical assistance and flood plain management assistance to local governments. In addition, the bureau is responsible for administering and coordinating the following federal programs which further community development: the Coastal Energy Impact Program (CEIP), the Appalachian Regional Commission's Development Planning Program and National Flood Insurance (NFIP).

The State Planning Assistance Grant Program (SPAG) provides direct grants on a 50-50 matching basis to

municipalities throughout Pennsylvania for preparation, update and initial implementation of municipal development plans.

This program is aimed at communities preparing their first comprehensive plans, thus providing an opportunity for municipal leaders to take the important steps in developing strategies for community conservation, revitalization and economic development.

Planning assistance is particularly important in light of the Small Communities Block Grant program in that it enables local government officials to plan in advance for

Community Development Planning (continued)

Program Analysis: (continued)

the use of these grants so that they can be used in the most effective manner for the benefit of the entire municipality.

In addition to assisting in advance municipal planning, the SPAG benefits local governments in that the funding has: (a) set the framework for industrial expansion, (b) identified available land for senior citizen and low and moderate income housing, (c) provided for housing need reevaluation in light of changing housing demands, (d) assisted in determining the need for additional major neighborhood rehabilitation efforts, (e) accelerated the updating of land use controls to spur economic development and (f) resulted in municipal capital improvement programs and budgets.

One method of maximizing the impact of limited dollars is to encourage multi-municipal planning efforts. To this end, most projects funded are multi-municipal. Unexpectedly, the average grant amount continues to be below historical patterns and has allowed for the funding of more projects. Since a trend seems to be developing toward lower cost programs, the department has adjusted its projections accordingly.

The Flood Plain Management Act of 1978 (Act 166) affects 2,420 Pennsylvania municipalities which have been identified as having flooding problems by the Federal Insurance Administration. The Act requires each flood-prone municipality to gain eligibility for participation in the National Flood Insurance Program (NFIP), and to enact flood plain management regulations which meet the minimum requirements of the Federal and State programs. Failure to participate may result in complete withholding of all funds payable to the municipality from the General Fund or any other fund by the State Treasurer until such time as the municipality becomes fully compliant with all such requirements. Due to this pressure and a greater follow-up effort by departmental staff, an increased number of communities are expected to formally adopt flood plain regulations. This increased activity is also reflected in the number of communities eligible for reimbursement under Section 404 of the Act.

Section 404 also provides for reimbursement to

municipalities for allowable costs associated with local compliance such as the costs of preparing and adopting, administering and enforcing the required flood area ordinances. The amount of reimbursement is limited to 50 percent of allowable costs, not including those costs which are offset by permit fees. Since reimburseable amounts vary greatly, and payment is not mandated, the recommended level of \$75,000 should meet program needs.

The department administers Section 201A-11 funds for the Appalachian Regional Commission (ARC). Approximately \$320,000 will be granted to municipal and county governments and multi-county planning and development commissions during fiscal year 1985-86 for preparation of development plans for areas adjacent to highway corridors in Appalachian Pennsylvania. Additionally, there is \$430,000 in anticipated carryover from projects now under contract which will not be closed out until fiscal year 1985-86. This is a matching grant program, with ARC providing 70 percent and the local agency 30 percent. The department is responsible for reviewing the project proposals, assisting with preparing the work programs, and monitoring the projects.

The department also administers the Coastal Energy Impact Program (CEIP) which is designed to help coastal communities cope with the impact of coastal energy activities. In 1985-86, Community Affairs will receive approximately \$206,000 in administrative and pass-through grant funds from the National Oceanic and Atmospheric Administration, which administers the program. At this time, Pennsylvania qualifies for grants in communities along the Delaware River and Lake Erie. This program will also assist coastal communities in planning for dealing with the impacts resulting from the transportation, conversion, transfer, or storage of liquified natural gas, oil, natural gas, or coal.

CEIP is slated for phase out and no funds are anticipated past 1985-86 unless congress acts favorably upon the pending Outer Continental Shelf (OCS) revenue sharing legislation prior to the end of its current session.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 720	\$ 811	\$ 834	\$ 867	\$ 902	\$ 938	\$ 976
Planning Assistance	88	100	100	100	100	100	100
Flood Plain Management Grants	87	75	75	75	75	75	75
GENERAL FUND TOTAL	\$ 895	\$ 986	\$ 1,009	\$ 1,042	\$ 1,077	\$ 1,113	\$ 1,151

Department of Corrections

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

DEPARTMENT OF CORRECTIONS

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Institutional			
State Correctional Institutions	\$ 140,335	\$ 161,247	\$ 185,801
TOTAL STATE FUNDS	<u>\$ 140,335</u>	<u>\$ 161,247</u>	<u>\$ 185,801</u>
Federal Funds	\$ 181	\$ 210	\$ 210
Other Funds	672	742	765
GENERAL FUND TOTAL	<u>\$ 141,188</u>	<u>\$ 162,199</u>	<u>\$ 186,776</u>

INSTITUTIONAL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Correctional Institutions			
State Funds	\$ 140,335	\$ 161,247	\$ 185,801
Federal Funds	181	210	210
Other Funds	672	742	765
TOTAL	\$ 141,188	\$ 162,199	\$ 186,776

Maintains a system providing care, rehabilitation and custody for those individuals committed to the Department of Corrections by the courts. The Department of Corrections presently operates eight State correctional institutions and two regional correctional facilities. Additional institutions are currently under construction or renovation and certain operating expenses are being incurred but no inmates are presently held at these sites. The State Correctional Institution at Muncy is primarily for female offenders, while Waynesburg is entirely for female offenders.

Besides providing for the basic maintenance of the institutions' inmates, medical, surgical and psychiatric care is provided to correct physical and emotional problems that may hinder the rehabilitative process. Emphasis is placed on providing the vocational and educational training necessary to remedy the general lack of adequate education and skilled work experience that most inmates have when entering the institution. Part of this training is conducted through Correctional Industries, which is financed through the Manufacturing Fund. Additional opportunities for the inmates are provided through the community service centers. These facilities provide work release and special treatment programs to aid the individual in the crucial period that usually follows upon release.

The institutional populations for the prior, current and upcoming year are:

Institutions	Inmate Capacity Oct. 1984 ^a	Population Oct. 1983	Population Oct. 1984	Projected Population Oct. 1985	Projected Percent of Capacity ^a
Huntingdon	1,318	1,595	1,834	1,960	149%
Muncy	345	390	417	530	154%
Pittsburgh	1,170	1,433	1,607	1,610	138%
Cresson .....	.....	.....	.....	.....	.....
Camp Hill	1,574	1,796	2,107	2,390	152%
Rockview	1,270	1,386	1,570	1,615	127%
Graterford	2,106	2,310	2,373	2,495	118%
Dallas	1,213	1,445	1,601	1,850	153%
Retreat .....	.....	.....	.....	.....	.....
Greensburg	254	420	482	640	252%
Mercer	252	392	446	550	218%
Waynesburg	144	.....	28	80	56%
Community Service Centers	325	313	334	345	106%
Smithfield .....	.....	.....	.....	.....	.....
Frackville .....	.....	.....	.....	.....	.....
TOTAL	9,971	11,480	12,799	14,065	141%

^aSee subcategory Institutionalization of Offenders for discussion of capacity changes after October 1984.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Institution:			
Central Office			
State Funds	\$ 4,830	\$ 6,949	\$ 8,150
Federal Funds	181	175	175
Other Funds .....	.....	39	18
TOTAL	<u>\$ 5,011</u>	<u>\$ 7,163</u>	<u>\$ 8,343</u>
SCI Huntingdon			
State Funds	\$ 15,256	\$ 17,191	\$ 19,315
Other Funds	66	41	45
TOTAL	<u>\$ 15,322</u>	<u>\$ 17,232</u>	<u>\$ 19,360</u>
SCI Muncy			
State Funds	\$ 6,794	\$ 8,262	\$ 9,606
Federal Funds .....	.....	35	35
Other Funds	106	111	118
TOTAL	<u>\$ 6,900</u>	<u>\$ 8,408</u>	<u>\$ 9,759</u>
SCI Pittsburgh			
State Funds	\$ 17,659	\$ 19,015	\$ 21,301
Other Funds	17	20	21
TOTAL	<u>\$ 17,676</u>	<u>\$ 19,035</u>	<u>\$ 21,322</u>
SCI Cresson			
State Funds	\$ 427	\$ 453	\$ 542
SCI Frackville			
State Funds .....	.....	\$ 20	\$ 35
SCI Camp Hill			
State Funds	\$ 20,956	\$ 23,340	\$ 26,883
Other Funds	139	148	157
TOTAL	<u>\$ 21,095</u>	<u>\$ 23,488</u>	<u>\$ 27,040</u>
SCI Rockview			
State Funds	\$ 15,323	\$ 16,986	\$ 18,954
Other Funds	57	59	64
TOTAL	<u>\$ 15,380</u>	<u>\$ 17,045</u>	<u>\$ 19,018</u>
SCI Graterford			
State Funds	\$ 27,837	\$ 30,372	\$ 34,301
Other Funds	7	8	9
TOTAL	<u>\$ 27,844</u>	<u>\$ 30,380</u>	<u>\$ 34,310</u>

GENERAL FUND

CORRECTIONS

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Institution:			
(continued)			
SCI Dallas			
State Funds	\$ 16,995	\$ 19,120	\$ 22,870
Other Funds	59	63	66
TOTAL	<u>\$ 17,054</u>	<u>\$ 19,183</u>	<u>\$ 22,936</u>
SCI Waynesburg			
State Funds .....	.....	\$ 2,250	\$ 2,527
Other Funds .....	.....	.....	1
TOTAL	<u>.....</u>	<u>\$ 2,250</u>	<u>\$ 2,528</u>
SCI Smithfield			
State Funds	<u>.....</u>	<u>\$ 20</u>	<u>\$ 35</u>
SRCF Greensburg			
State Funds	\$ 5,091	\$ 6,519	\$ 8,662
Other Funds	14	16	18
TOTAL	<u>\$ 5,105</u>	<u>\$ 6,535</u>	<u>\$ 8,680</u>
SRCF Mercer			
State Funds	\$ 4,742	\$ 5,849	\$ 7,059
Other Funds	5	7	8
TOTAL	<u>\$ 4,747</u>	<u>\$ 5,856</u>	<u>\$ 7,067</u>
SCI Retreat			
State Funds	<u>\$ 215</u>	<u>\$ 234</u>	<u>\$ 361</u>
Community Service Centers			
State Funds	\$ 4,210	\$ 4,667	\$ 5,200
Other Funds	202	230	240
TOTAL	<u>\$ 4,412</u>	<u>\$ 4,897</u>	<u>\$ 5,440</u>

GENERAL FUND	CORRECTIONS
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<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Appropriations:			
State Correctional Institutions	\$ 140,335	\$ 160,531	\$ 185,801
State Correctional Institutions — Recommended Supplemental .....	.....	716	.....
Federal Funds:			
Maintenance of Federal Prisoners	63	100	100
Administration — Rehabilitation	117	75	75
Drug and Alcohol Treatment — Muncy .....	.....	35	35
Library Services	1	.....	.....
Other Funds:			
Community Treatment Centers — Room and Board	202	230	240
Sale of Institutional Scraps	38	87	75
Pre-Release Room and Board	10	10	15
Reimbursement for Educational Services	350	340	360
Inmate Wages — Educational	72	75	75
TOTAL	\$ 141,188	\$ 162,199	\$ 186,776

DEPARTMENT OF CORRECTIONS

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Control and Reduction of Crime	\$ 140,335	\$ 161,247	\$ 185,801	\$ 200,665	\$ 224,819	\$ 240,557	\$ 257,396
Institutionalization of Offenders	140,335	161,247	185,801	200,665	224,819	240,557	257,396
DEPARTMENT TOTAL	<u>\$ 140,335</u>	<u>\$ 161,247</u>	<u>\$ 185,801</u>	<u>\$ 200,665</u>	<u>\$ 224,819</u>	<u>\$ 240,557</u>	<u>\$ 257,396</u>

Institutionalization of Offenders

OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 140,335	\$ 161,247	\$ 185,801	\$ 200,665	\$ 224,819	\$ 240,557	\$ 257,396
Federal Funds	181	210	210	220	225	230	240
Other Funds	672	742	765	805	830	840	870
TOTAL	\$ 141,188	\$ 162,199	\$ 186,776	\$ 201,690	\$ 225,874	\$ 241,627	\$ 258,506

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Inmates	11,480	12,799	14,065	14,910	15,360	15,600	15,600
Inmates double celled		5,304	6,410	5,939	4,664	5,116	5,116
Percentage of inmates enrolled in treatment programs	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Program Analysis:

As the program measures and the chart below imply, the most pressing problem facing State correctional facilities is meeting the demands caused by an increasing inmate population. The provision of housing, increased security, and supplying food, clothing and medical needs to an inmate population which is presently increasing at the annual rate of 11.5 percent are inter-related. With next year's anticipated inmate growth rate projected at 10 percent, overpopulation will pose an equally pressing problem.

Corrections is in the midst of its largest statewide construction expansion project ever which will provide 3,030 permanent new cells by the end of 1987. With the prison population exceeding the prison capacity by 30 percent, Corrections is already double-celling over 5,585 inmates. Double-celling, or the placing of two inmates into a cell designed for one, is one measure that correctional officials have used to house excess population. Other measures used to relieve overcrowding include the use of prefabricated or modular housing, construction of cells in the basements of cell blocks, greater utilization of dormitory housing, the use of trailers on institutional grounds and increases in the number of community service centers.

Corrections has recently converted the Waynesburg Youth Development Center, previously operated by the Department of Public Welfare for use as a State correctional institution for women providing 144 beds.

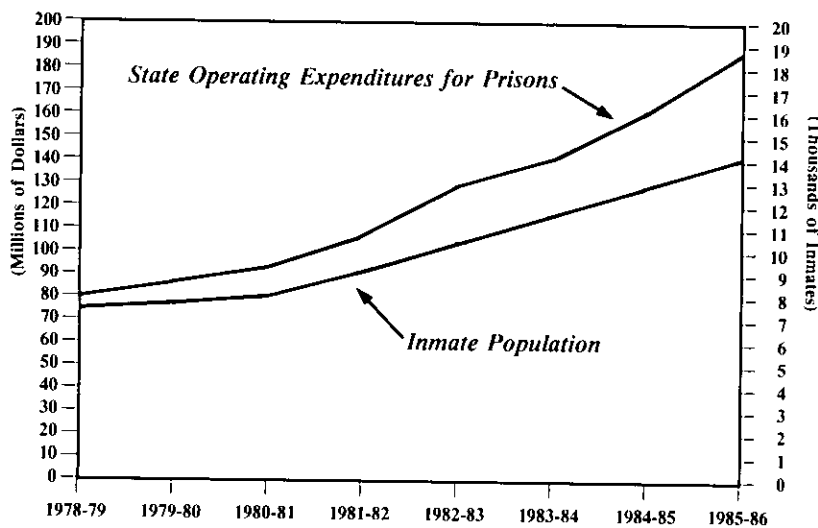
In addition, expansionary initiatives underway in 1984-85 provide for additional modular units at Greensburg and Camp Hill amounting to a net gain of 124 beds. Provisions have also been made to allow for an early Spring 1985 opening of a new cell block at Greensburg, representing a gain of 150 cells.

In 1985-86, initiatives will provide for: cell expansions at Mercer, and Dallas for a net gain of 278 beds; modular units at Camp Hill and Greensburg providing an additional 248 beds; establishment of an in-house training academy to upgrade training procedures for newly hired correctional officers; a pilot program in forensic mental health services at Muncy and Graterford to assist and better treat inmates with unstable mental backgrounds including those incarcerated for sexual offenses; and an increase of 352 guards and other vital staff positions.

The Department of Corrections also provides programs which will enable the inmate to leave the prison better prepared to adjust in the community than when he entered. Educational programs are provided at all levels. During fiscal year 1983-84 approximately 600 inmates participated monthly in Adult Basic Education; 700 inmates participated in the Graduate Equivalency Degree (GED) Program with over 800 inmates earning their GEDs; 300 inmates took college level courses, and 900 inmates participated in vocational education programs.

Institutionalization of Offenders (continued)

Program Analysis: (continued)



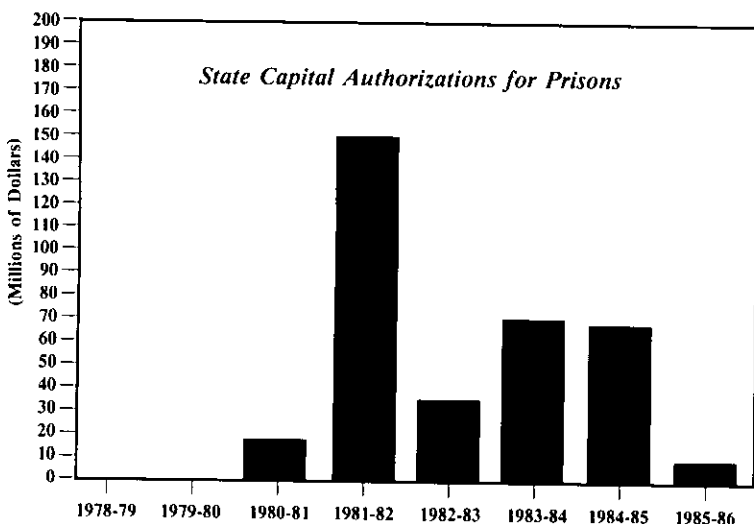
leisure time activities increasingly important to maintain since they combat idleness and depression as well as seek to provide the inmate with an outlet for time and energy. Institutional athletic competition, arts and crafts, talent and art competition, etc., are fully used as leisure time activities.

Correctional Industries provides for the manufacture and sale of various items for use by government and non-profit government-supported agencies. Approximately 1,600 inmates are employed through this program operating in 44 shops or farms. Inmates are paid a small hourly wage which varies according to the job skills required. The wages are placed in the inmate's individual account which can be then used for the purchase of personal items such as toiletries and tobacco products. The employment of inmates in meaningful work is considered a vital component of the prison expansion program. Correctional Industries is financed through the Manufacturing Fund for which a cash flow statement appears in the Special Fund Appendix at the end of Volume I of this budget.

Approximately 325 inmates participate in the community services program, which operates 16 community service centers statewide. This pre-release program permits highly screened inmates who meet established criteria to return to a community setting prior to their release. While living in a community service center, they receive 24 hour supervision and can utilize counseling services. Inmates return to the community while employed full or part-time, while pursuing academic or vocational studies, or when they utilize treatment programs not found in the institutional setting.

The department will continue its participation in the national program of accreditation of correctional institutions for their performance with advanced operational standards. With six institutions already accredited, Pennsylvania is a national leader in this area.

In addition to having custody of individuals, Corrections also provides services to county and municipal facilities. These services include inspection of all local detention facilities to ensure compliance with State standards, and providing training of county correctional employees.



Leisure time activities are especially important when an institutional population exceeds its capacity. The lack of a sufficient number of meaningful jobs for inmates make

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Correctional Institutions	\$ 140,335	\$ 161,247	\$ 185,801	\$ 200,665	\$ 224,819	\$ 240,557	\$ 257,396

Crime Commission

The Crime Commission conducts investigations into organized crime activities. Through its investigations the Commission seeks to determine and combat causes of organized crime as well as prevent specific occurrences of such criminal activities.

CRIME COMMISSION

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Fund			
General Government			
Crime Commission	\$ 2,093	\$ 2,170	\$ 2,293
TOTAL STATE FUNDS	<u>\$ 2,093</u>	<u>\$ 2,170</u>	<u>\$ 2,293</u>
Federal Funds	\$ 1,264	\$ 1,700	\$ 1,800
GENERAL FUND TOTAL	<u>\$ 3,357</u>	<u>\$ 3,870</u>	<u>\$ 4,093</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Pennsylvania Crime Commission			
State Funds	\$ 2,093	\$ 2,170	\$ 2,293
Federal Funds	1,264	1,700	1,800
TOTAL	\$ 3,357	\$ 3,870	\$ 4,093

Conducts investigations into organized crime activities and into the causes of such crime. Seeks to determine and combat causes of organized crime as well as prevent specific occurrences of it.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Pennsylvania Crime Commission	\$ 2,093	\$ 2,170	\$ 2,293
Federal Funds:			
Leviticus Project	204	300	300
LEAA — MAGLOCLEN	1,060	1,400	1,500
TOTAL	\$ 3,357	\$ 3,870	\$ 4,093

CRIME COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Control and Reduction of Crime	\$ 2,093	\$ 2,170	\$ 2,293	\$ 2,385	\$ 2,480	\$ 2,579	\$ 2,682
Criminal Law Enforcement	2,093	2,170	2,293	2,385	2,480	2,579	2,682
DEPARTMENT TOTAL	<u>\$ 2,093</u>	<u>\$ 2,170</u>	<u>\$ 2,293</u>	<u>\$ 2,385</u>	<u>\$ 2,480</u>	<u>\$ 2,579</u>	<u>\$ 2,682</u>

Criminal Law Enforcement

OBJECTIVE: To inquire into organized crime, public corruption and the activities of persons engaged in or associated with them.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,093	\$ 2,170	\$ 2,293	\$ 2,385	\$ 2,480	\$ 2,579	\$ 2,682
Federal Funds	1,264	1,700	1,800	1,800	1,800	1,800	1,800
TOTAL	\$ 3,357	\$ 3,870	\$ 4,093	\$ 4,185	\$ 4,280	\$ 4,379	\$ 4,482

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Investigations completed (yearly).....	179	144	165	165	165	165	165
Investigations referred to prosecutors, law enforcement or regulatory agencies.....	33	35	40	40	40	40	40
Intelligence inquiries from other law enforcement agencies.....	2,683	2,800	3,000	3,000	3,000	3,000	3,000
Positive responses to intelligence inquiries..	703	840	960	960	960	960	960

Program Analysis:

The Pennsylvania Crime Commission's basic function is to inquire into organized crime, public corruption and the activities of persons engaged in or associated with such activities.

The Commission functions as an independent agency. It is managed by a five member commission, with one member appointed by each of the following: The Governor, the President Pro Tempore of the Senate, the Speaker of the House, the Minority Leader of the Senate, and the Minority Leader of the House. The commission members may not hold elected office nor may more than three of them be of the same political party.

In conducting its activities, the Commission utilizes subpoena power, hearings, surveillances and other investigative techniques. Cooperation with and information exchange among other law enforcement agencies are cornerstones of the Commission's approach to its task.

During the 1983-84 fiscal year, the number of intelligence inquiries from other law enforcement and regulatory agencies dropped to 2,683 — 844 less than in 1982-83. The in-

itiation of inquiries is external to the Crime Commission, and is, therefore, beyond its direct control.

A new program measure indicating the number of positive responses to inquiries from other law enforcement agencies has been added to this budget. The differences compared to last year's budget in the measures of completed investigations and investigations referred to other agencies are primarily due to changes in criteria used to define the measures.

The Commission is continuing to participate in the Leviticus Project, a Federal grant aimed at coal-related frauds. The Leviticus project is a consortium of eight states cooperating in the investigation, analysis and combating of organized crime's intrusion into the coal industry and related fields. This project has been very useful in getting information on various coal fraud schemes.

In addition, the Commission is the grantee for MAGLOCLLEN, an eight state association of law enforcement agencies which provides technical services and facilitates the exchange of criminal information on a real

Criminal Law Enforcement (continued)

Program Analysis: (continued)

time basis among its members.

The MAGLOCLEN project is a response to the growing problem of traveling criminals, individuals who traverse jurisdictional boundaries to commit extremely sophisticated crimes. Since current records are locally based, it is extremely

difficult for enforcement agencies to associate one of these criminals with a particular set of crimes. With this program, such tasks will be easier.

This budget includes an initiative providing \$50,000 to expedite investigatory efforts.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Crime Commission	\$ 2,093	\$ 2,170	\$ 2,293	\$ 2,385	\$ 2,480	\$ 2,579	\$ 2,682

Department of Education

The Department of Education promotes and encourages desirable educational change based upon research and development so that all Pennsylvanians may benefit from a continuous quality educational program which gives the greatest promise of developing each individual to his fullest potential as a contributing member of society.

The department conducts programs to assist the local school districts in improving educational and administrative techniques, curricula and guidance services; and provides consultant and data collection services on higher education. The bulk of the department's budget consists of subsidies for basic and higher education.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
General Government Operations	PII—Field/Central Office Communications	\$ 25 ^a
This Productivity Improvement Initiative will provide enhanced field/central office communications.		
General Government Operations	PII—Online Database	35 ^a
This Productivity Improvement Initiative will provide an online computer produced catalog of the holdings of the Resource Center to improve their ability to provide materials requested by school districts.		
State Library	PII—Library Card Catalog Computerization	250 ^a
This Productivity Improvement Initiative will provide accelerated conversion of the several State Library Card catalogs to computer readable format.		
State Library	Access Pennsylvania	600
Library Access	Access Pennsylvania	2,000
Improvement of Library Services	Access Pennsylvania	500
Subtotal		\$ 3,100

This Program Revision will increase access to statewide public library holdings for every citizen, expand the use of technology to more effectively use and share the resources of public and high school libraries, and improve state support for libraries in low income communities.

Teen Pregnancy and Parenthood	Teen Pregnancy and Parenthood	946 ^b
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This Program Revision will enable local education agencies to create new programs and/or expand existing ones to meet the comprehensive needs of pregnant and parenting teenagers.

^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.
^bIn addition, \$200,000 is budgeted in the Department of Health and \$1,250,000 is budgeted in the Department of Labor and Industry making the total Program Revision \$2,396,000. Details are presented in the Program Revision following the General Elementary and Secondary Subcategory.

PROGRAM REVISION (continued)

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund (continued)		
State System of Higher Education—Deferred Maintenance	Excellence in Higher Education	\$ 2,500
Chairs of Excellence	Excellence in Higher Education	1,000
	Subtotal	<u>\$ 3,500^c</u>

This Program Revision will fund several programs designed to strengthen higher education institutions.

Science and Engineering Equipment	Science and Engineering Equipment
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This Program Revision will provide funds totaling \$150,000,000 over a two year period for the purchase of equipment for elementary and secondary schools, vocational schools, and higher education institutions. The program will be funded by revenues from the sale of liquor store licenses.

DEPARTMENT TOTAL	\$ 7,856
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^cIn addition, \$9 million is budgeted in the Higher Education Assistance Agency making the total Program Revision \$12.5 million. Details are presented in the Program Revision following the Higher Education subcategory.

DEPARTMENT OF EDUCATION

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 14,269	\$ 16,580	\$ 16,448
Teacher Preparation .....	.....	.....	500
State Library	2,232	2,526	3,375
Youth Development Centers Education	3,617	3,316	3,376
Correctional Institutions Education	2,429	2,989	3,488
Total—General Government	<u>\$ 22,547</u>	<u>\$ 25,411</u>	<u>\$ 27,187</u>
Debt Service Requirements			
General State Authority Rentals — State-Aided Institutions	<u>\$ 3,613</u>	<u>\$ 3,718</u>	<u>\$ 3,679</u>
Institutional			
Scranton State School for the Deaf	\$ 2,608	\$ 2,790	\$ 2,887
Scotland School for Veterans' Children	5,511	5,896	6,025
Thaddeus Stevens State School	2,602	2,957	3,036
Total—Institutional	<u>\$ 10,721</u>	<u>\$ 11,643</u>	<u>\$ 11,948</u>
Grants and Subsidies			
<i>Support of Public Schools</i>			
Equalized Subsidy for Basic Education	\$1,767,800	\$1,893,746	\$1,988,649
Agenda for Excellence .....	.....	24,000	48,000
Excellence in Teaching Awards .....	.....	4,000	10,000
Adult Literacy .....	.....	.....	1,000
Vocational Education	36,260	37,223	45,172
Authority Rentals and Sinking Fund Requirements	137,646	147,683	141,967
Pupil Transportation	206,205	190,000	197,000
Nonpublic Pupil Transportation	7,253	6,543	6,752
Special Education	216,677	234,259	248,856
Early Intervention—Handicapped Children .....	.....	7,400	10,000
Homebound Instruction	625	525	525
Tuition for Orphans and Children Placed in Private Homes	11,715	12,644	13,369
Payments in Lieu of Taxes	50	53	60
Education of Migrant Laborers' Children	147	157	165
Education of the Disadvantaged	1,000	1,000	1,000
Special Education—Approved Private Schools	38,076	40,741	42,778
Higher Education of Blind or Deaf Students	50	50	50
Intermediate Units	9,562	9,944	10,644
School Food Services	10,715	10,844	10,844
School Employees' Social Security	119,300	126,213	137,400
School Employees' Retirement Fund:			
Contingent Reserve and Supplemental Accounts	313,813	380,339	421,706
Pension Increase for Retired Teachers .....	.....	15,446	.....
Former Teachers' Account	1	2	.....
State Schools and Hospitals—Education	16,071	17,000	17,754
Private Residential Rehabilitation Institutions	186	186	.....
School District Payments—Racing .....	.....	3,500	3,500
Education of Indigent Children	100	100	114
Subtotal—Support of Public Schools	<u>\$2,893,252</u>	<u>\$3,163,598</u>	<u>\$3,357,305</u>

DEPARTMENT OF EDUCATION
Summary by Fund and Appropriation
(Continued)

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants and Subsidies (continued)			
<i>Other Grants and Subsidies:</i>			
JTPA - Matching Funds	\$ 4,900	\$ 6,000	\$ 7,000
Services to Nonpublic Schools	33,277	35,606	37,386
Textbooks for Nonpublic Schools	7,425	7,413	7,413
Student Supplies for Nonpublic Schools	3,750	4,043	3,707
Teen Pregnancy and Parenthood .....	.....	.....	946
Improvement of Library Services	15,997	17,000	18,350
Library Services for Blind and Handicapped	1,364	1,432	1,504
Library Access .....	.....	.....	2,000
Educational Radio and Television Grants	283	300	400
Community Colleges—Capital and Operating	82,792	88,426	94,292
Higher Education of the Disadvantaged	5,112	5,470	5,689
State System of Higher Education (SSHE)	235,053	250,051	260,053
SSHE—Recruitment of Disadvantaged .....	.....	200	200
SSHE—Deferred Maintenance .....	.....	.....	2,500
Conservatory Leadership School	30	30	30
Ethnic Heritage	100	100	100
Pennsylvania School for the Sciences .....	.....	157	175
Governor's School for the Arts	268	279	295
Governor's School for International Studies .....	.....	75	115
Math and Science Instructional Development	300	300	400
Desegregation Compliance — Cheyney	1,500	2,472	1,653
Equal Opportunity Professional Education .....	.....	258	348
Rural Initiatives .....	.....	50	.....
Medical Training	2,500	.....	.....
College of Physicians .....	.....	100	.....
Chairs of Excellence .....	.....	.....	1,000
Psychiatric Education .....	.....	250	250
Subtotal—Other Grants and Subsidies	<u>\$ 394,651</u>	<u>\$ 420,012</u>	<u>\$ 445,806</u>
<i>State-Related Universities:</i>			
Pennsylvania State University—Educational and General	\$ 110,801	\$ 118,557	\$ 123,299
Pennsylvania State University—Research	9,932	10,627	11,052
Pennsylvania State University—Medical Programs	3,160	3,381	3,516
Pennsylvania State University—Agricultural Research	11,820	12,647	13,153
Pennsylvania State University—Agricultural Extension Services	10,002	10,702	11,130
Pennsylvania State University—Recruitment of Disadvantaged	200	200	200
Pennsylvania State University—Soil Survey	100	100	104
Pennsylvania State University—Elizabethtown Hospital	3,328	3,561	3,735
Pennsylvania State University—Agricultural Extension Com- puter Network .....	.....	1,900	700
Pennsylvania State University—Research Coal Slurry .....	.....	500	.....
Pennsylvania State University—Small Farm Project .....	.....	75	.....
Pennsylvania State University—Attendant Care Study .....	.....	50	.....
Pennsylvania State University—Buhl-Henderson Library	25	25	.....
Pennsylvania State University—Avian Flu Research .....	.....	375	.....
Subtotal Pennsylvania State University	<u>\$ 149,368</u>	<u>\$ 162,700</u>	<u>\$ 166,889</u>
University of Pittsburgh—Educational and General	\$ 75,438	\$ 80,819	\$ 84,052
University of Pittsburgh—Medical Programs	4,456	4,768	4,959
University of Pittsburgh—Falk Clinic .....	.....	2,500	.....
University of Pittsburgh—Dental Clinics	752	805	837
University of Pittsburgh—Titusville Campus	598	640	666
University of Pittsburgh—Recruitment of Disadvantaged	200	200	200
Subtotal University of Pittsburgh	<u>\$ 81,444</u>	<u>\$ 89,732</u>	<u>\$ 90,714</u>

DEPARTMENT OF EDUCATION

Summary by Fund and Appropriation (Continued)

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants and Subsidies (continued)			
<i>State-Related Universities: (continued)</i>			
Temple University—Educational and General.....	\$ 81,160	\$ 89,000	\$ 92,560
Temple University—Medical Programs	5,932	6,347	6,601
Temple University—Dental Clinics	752	805	837
Temple University—Hospital	2,500	2,500	2,500
Temple University—Recruitment of Disadvantaged.....	200	200	200
Temple University—Maxillofacial Prosthodontics	50	50	. . . .
Subtotal Temple University	<u>\$ 90,594</u>	<u>\$ 98,902</u>	<u>\$ 102,698</u>
Lincoln University—Educational and General	\$ 4,612	\$ 5,519	\$ 5,739
Lincoln University—Recruitment of Disadvantaged	200	200	200
Lincoln University—Desegregation	1,000	1,000	1,000
Subtotal Lincoln University	<u>\$ 5,812</u>	<u>\$ 6,719</u>	<u>\$ 6,939</u>
<i>Non-State-Related Universities and Colleges:</i>			
Delaware Valley College of Science and Agriculture.....	\$ 307	\$ 319	\$ 332
Drexel University	4,242	4,412	4,588
Hahnemann Medical College—Medical Programs	3,673	3,930	4,087
Hahnemann Medical College—Allied Health Programs	175	182	189
Thomas Jefferson University—Medical Programs.....	4,374	4,680	4,867
Thomas Jefferson University—Allied Health Programs	1,886	1,961	2,039
The Medical College of Pennsylvania—Medical Programs	2,174	2,326	2,419
The Medical College of Pennsylvania—Allied Health Programs.....	258	268	279
University of Pennsylvania—Instruction	11,728	12,549	13,051
University of Pennsylvania—Dental Clinics	752	805	837
University of Pennsylvania—Medical Programs	3,240	3,467	3,606
University of Pennsylvania—School of Veterinary Medicine	5,644	6,039	6,281
University of Pennsylvania—New Bolton	1,560	2,059	2,141
University of Pennsylvania—Food and Animal Clinics	780	1,436	1,493
Pennsylvania College of Podiatric Medicine	742	794	826
Pennsylvania College of Optometry	905	968	1,007
Philadelphia College of Art	461	479	498
Philadelphia College of Textiles and Science	405	421	438
Philadelphia College of Performing Arts.....	107	111	115
Philadelphia College of Osteopathic Medicine	3,952	4,229	4,398
Subtotal Non-State-Related Universities and Colleges	<u>\$ 47,365</u>	<u>\$ 51,435</u>	<u>\$ 53,491</u>

DEPARTMENT OF EDUCATION

Summary by Fund and Appropriation (continued)

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants and Subsidies (continued)			
<i>Non-State-Related Institutions:</i>			
Berean Training and Industrial School—Maintenance	\$ 600	\$ 647	\$ 649
Berean Training and Industrial School—Rental Payments	100	102	102
Downingtown Industrial and Agricultural School—Maintenance	687	715	744
Downingtown Industrial and Agricultural School—Rental	100	81	81
Johnson School of Technology	148	154	160
Williamson Free School of Mechanical Trades	55	57	59
Subtotal Non-State-Related Institutions	<u>\$ 1,690</u>	<u>\$ 1,756</u>	<u>\$ 1,795</u>
Total—Grants and Subsidies	<u>\$3,664,176</u>	<u>\$3,994,854</u>	<u>\$4,225,637</u>
Total State Funds—General Fund	<u><u>\$3,701,057</u></u>	<u><u>\$4,035,626</u></u>	<u><u>\$4,268,451</u></u>
Federal Funds	\$ 45,597	\$ 54,183	\$ 51,608
Other Funds	1,796	1,859	1,886
Other Funds — Restricted Revenue .....	.....	.....	75,000
GENERAL FUND TOTAL	<u><u>\$3,748,450</u></u>	<u><u>\$4,091,668</u></u>	<u><u>4,396,945</u></u>
Motor License Fund			
Grants and Subsidies			
Safe Driving Course	\$ 2,518	\$ 2,605	\$ 2,552
TOTAL STATE FUNDS—MOTOR LICENSE FUND	<u><u>\$ 2,518</u></u>	<u><u>\$ 2,605</u></u>	<u><u>\$ 2,552</u></u>
Federal Funds	\$ 143	\$ 150	\$ 200
MOTOR LICENSE FUND TOTAL	<u><u>\$ 2,661</u></u>	<u><u>\$ 2,755</u></u>	<u><u>\$ 2,752</u></u>
Revenue Sharing Trust Fund			
Grants and Subsidies			
Special Education	\$ 2,500	.....	.....
TOTAL STATE FUNDS—REVENUE SHARING TRUST FUND	<u><u>\$ 2,500</u></u>	<u><u>.....</u></u>	<u><u>.....</u></u>
DEPARTMENT TOTAL — ALL FUNDS			
General Fund	\$3,701,057	\$4,035,626	\$4,268,451
Special Funds	5,018	2,605	2,552
Federal Funds	45,740	54,333	51,808
Other Funds	1,796	1,859	1,886
Other Funds — Restricted Revenue .....	.....	.....	75,000
TOTAL ALL FUNDS	<u><u>\$3,753,611</u></u>	<u><u>\$4,094,423</u></u>	<u><u>\$4,399,697</u></u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
General Government Operations			
State Funds	\$ 14,269	\$ 16,580	\$ 16,448
Federal Funds	15,352	17,987	17,516
Other Funds	438	605	627
TOTAL	\$ 30,059	\$ 35,172	\$ 34,591

Provides the overall planning, policy guidance and coordination functions for agency programs. Supplies administrative, legal, public information, planning, research, personnel, budget and supply services to the various educational programs.

Conducts research projects for the benefit of basic and higher education, prepares statistical data for State school district subsidy calculations, the Federal elementary and secondary grant program, and others as needed.

Provides consultation to the school districts on budget, accounting, and procurement services and leadership for the improvement of basic education, including monitoring and evaluation of special education. Administers and distributes Support of Public Schools, Support of Nonpublic Schools, and distributes Federal grants to school districts. See "Grants and Subsidies" for details.

Coordinates the development of higher education in order to promote implementation of the Commonwealth's policies on higher education in accordance with the needs of students and colleges within the guidelines established by the Governor, the Legislature, the State Board of Education, and Pennsylvania law. Accounting and fiscal reviews are performed for compliance with the Auditor General and the Federal Government. Provides matching State funds to qualify for Federal funds for administration of vocational education programs.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
General Government Operations	\$ 14,269	\$ 16,580	\$ 16,448
Federal Funds:			
Adult Basic Education — Administration	208	258	245
Education of Exceptional Children	2,204	2,492	2,589
ECIA Title I Programs — Administration	1,384	1,753	1,767
State Approving Agency (VA)	582	750	700
Food and Nutrition Service	2,109	2,421	2,354
Bilingual Education	40	52	60
Migrant Education Administration	276	482	414
Common Core Data Survey	13	18	18
Civil Rights Technical Training	342	450	346
National Origin Desegregation	81	125	77

GENERAL FUND **EDUCATION**

Source of Funds (continued)

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds: (continued)			
Adult Basic Education Evaluation	\$ 189	\$ 260	\$ 275
Vocational Education	3,672	4,200	4,140
Transition Program for Refugee Children	27	10	10
Migrant Education	125	199	193
Educationally Deprived Children — Migrant	157	198	184
LEAA — School Climate Improvement	28	75	57
Career Education	25	.....	.....
Parent Education Partnerships	131	231	107
Preventive Health Maintenance	88	168	145
Women's Education Equity .....	.....	25	.....
CETA — Training Opportunities	433	.....	.....
Job Training Partnership Administration — Linkage	326	741	1,000
Education Block Grant—Administration	2,130	2,200	2,310
Highway Safety	151	246	200
Project Access	16	.....	.....
Basic Skills	1	.....	.....
Teacher Centers	24	.....	.....
Addiction Prevention	309	318	325
Developmental Disabilities Act	167	170	.....
Developmental Disabilities Public Relations	78	125	.....
Strengthening State and Local Education Agencies	18	.....	.....
Education Innovations and Support	7	.....	.....
Desegregation of Public Education	11	.....	.....
NOICC .....	.....	20	.....
Other Funds:			
Reimbursement for EDP Services	56	62	65
Reimbursement — Department of Welfare	22	20	25
Conference Fees	77	90	90
Reimbursement from SERA	1	1	1
Television Studio	11	.....	.....
Media Van Sale .....	.....	1	.....
Services to SSHE	268	353	368
Chief State School Officers Grant	3	3	3
Environmental Education .....	.....	75	75
TOTAL	<u>\$ 30,059</u>	<u>\$ 35,172</u>	<u>\$ 34,591</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Teacher Preparation			
State Funds	\$ 500

The program will improve the quality and content of teacher education programs and criteria used for admission to the programs. It will include implementation of a professional support system for new teachers and will provide for a standard testing system for teacher certification

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
<i>Appropriation:</i>			
Teacher Preparation	<u>.....</u>	<u>.....</u>	<u>\$ 500</u>

GENERAL FUND

EDUCATION

	(Dollar Amounts in Thousands)		
State Library	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 2,232	\$ 2,526	\$ 3,375
Federal Funds	871	1,144	1,060
Other Funds	14	18	18
TOTAL	<u>\$ 3,117</u>	<u>\$ 3,688</u>	<u>\$ 4,453</u>

Promotes the improvement of library services throughout the Commonwealth by administration of a local support-incentive aid program and by conducting research and innovative programs. Operates the State Library in Harrisburg, which serves as a major reference library for State Government as well as an information base for all public libraries. Includes the school library portion of the Access PRR.

	(Dollar Amounts in Thousands)		
Source of Funds	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
State Library	\$ 2,232	\$ 2,526	\$ 3,375
Federal Funds:			
Library Services — Administration	793	896	905
Research and Development Information	45	.....	.....
Library Resources Title IV B	9	.....	.....
Nuclear Regulatory Commission Documents	17	15	16
National Endowment for Humanities	7	233	139
Other Funds			
Book Penalties and Reimbursement for Lost Books	9	12	12
LEXIS	5	6	6
TOTAL	<u>\$ 3,117</u>	<u>\$ 3,688</u>	<u>\$ 4,453</u>

	(Dollar Amounts in Thousands)		
Youth Development Centers — Education	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 3,617	\$ 3,316	\$ 3,376
Federal Funds	54	.....	.....
Other Funds	28	.....	.....
TOTAL	<u>\$ 3,699</u>	<u>\$ 3,316</u>	<u>\$ 3,376</u>

Provides for administration and operation of educational programs for children assigned to youth development centers.

	(Dollar Amounts in Thousands)		
Source of Funds	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Youth Development Centers—Education	\$ 3,617	\$ 3,316	\$ 3,376
Federal Funds:			
Computer Assisted Instruction	54	.....	.....
Other Funds:			
Department of Public Welfare Services	28	.....	.....
TOTAL	<u>\$ 3,699</u>	<u>\$ 3,316</u>	<u>\$ 3,376</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Correctional Institutions — Education			
State Funds	\$ 2,429	\$ 2,989	\$ 3,488
Federal Funds	2,215	2,963	3,070
Other Funds	4	. . . .	4.
TOTAL	<u>\$ 4,648</u>	<u>\$ 5,952</u>	<u>\$ 6,562</u>

Provides administration and subsidies for the operation of educational programs for inmates of State correctional institutions.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Correctional Institutions Education	\$ 2,429	\$ 2,989	\$ 3,488
Federal Funds			
Correction Education	2,063	2,381	2,429
JTPA — Correctional Education	135	582	641
CETA — Correctional Education	17	. . . .	. . . .
Other Funds			
Grant from Buhl Foundation	4	. . . .	4
TOTAL	<u>\$ 4,648</u>	<u>\$ 5,952</u>	<u>\$ 6,562</u>

DEBT SERVICE REQUIREMENTS

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
General State Authority Rentals — State-aided Institutions			
State Funds	\$ 3,613	\$ 3,718	\$ 3,679
Other Funds	607	547	547
TOTAL	<u>\$ 4,220</u>	<u>\$ 4,265</u>	<u>\$ 4,226</u>

Provides funds for payments to the General State Authority on behalf of certain State-aided educational institutions for capital improvements projects. Act 451 approved August 14, 1963 requires General State Authority rentals at State-aided institutions for capital improvements designed, constructed and occupied subsequent to August 1963 to be paid by the institutions themselves.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
General State Authority Rentals — State-aided Institutions	\$ 3,613	\$ 3,718	\$ 3,679
Other Funds:			
Sublease Rentals	607	547	547
TOTAL	<u>\$ 4,220</u>	<u>\$ 4,265</u>	<u>\$ 4,226</u>

INSTITUTIONAL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Special and Vocational Education Services			
State Funds	\$ 10,721	\$ 11,643	\$ 11,948
Federal Funds	806	1,162	1,022
Other Funds	687	689	690
TOTAL	\$ 12,214	\$ 13,494	\$ 13,660

The Scranton State School for the Deaf provides instruction for children from the nursery school level through high school.

Scotland School for Veterans' Children was established to provide a home life and elementary and secondary school education for sons and daughters of soldiers, sailors and marines who served in World Wars I and II and the Korean and Vietnam conflicts.

Thaddeus Stevens State School of Technology provides residence and vocational instruction for students, often orphaned or disadvantaged, ranging from 16 to 18 years of age.

	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>
Institutional Enrollments are:			
Scranton State School for the Deaf	159	170	180
Scotland School for Veterans' Children	365	370	380
Thaddeus Stevens State School of Technology	440	425	445
TOTAL	964	965	1,005

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Special and Vocational Educational Institutions			
Funds by Institution			
Scranton State School for the Deaf			
State Funds	\$ 2,608	\$ 2,790	\$ 2,887
Federal Funds	112	112	117
Other Funds	27	30	30
TOTAL	\$ 2,747	\$ 2,932	\$ 3,034
Scotland School for Veterans' Children			
State Funds	\$ 5,511	\$ 5,896	\$ 6,025
Federal Funds	445	550	555
Other Funds	51	39	40
TOTAL	\$ 6,007	\$ 6,485	\$ 6,620
Thaddeus Stevens State School of Technology			
State Funds	\$ 2,602	\$ 2,957	\$ 3,036
Federal Funds	249	500	350
Other Funds	609	620	620
TOTAL	\$ 3,460	\$ 4,077	\$ 4,006

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Scranton State School for the Deaf	\$ 2,608	\$ 2,790	\$ 2,887
Scotland School for Veterans' Children	5,511	5,896	6,025
Thaddeus Stevens State School of Technology	2,602	2,957	3,036
Federal Funds:			
Education for the Handicapped — Scranton	78	78	78
National School Milk Lunch — Scranton	30	30	30
Life Long Learning — Scranton	4	4	9
ESEA Title I — Education of Children from Low-Income Families — Scotland	245	310	315
National School Milk Lunch — Scotland	200	240	240
Project Growth — Thaddeus Stevens	249	500	350
Other Funds:			
Tuition and Fees (Thaddeus Stevens)	609	620	620
Cafeteria Reimbursement (Scotland)	51	39	40
Cafeteria Reimbursement and Rentals (Scranton)	27	30	30
TOTAL	<u>\$ 12,214</u>	<u>\$ 13,494</u>	<u>\$ 13,660</u>

GRANTS AND SUBSIDIES

Support of Public Schools	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$2,893,252	\$3,163,598	\$3,357,305
Federal Funds	19,304	20,407	20,790
TOTAL	<u>\$2,912,556</u>	<u>\$3,184,005</u>	<u>\$3,378,095</u>

Provides State support to school districts. Subsidy payments are made for basic instruction, vocational education, rentals and sinking fund requirements, pupil transportation, special education, instruction of students unable to attend school, financially handicapped districts, tuition for orphans and children placed in private homes, payments in lieu of taxes, education of deaf, blind, and cerebral palsied, and other handicapped children at approved private schools, education of the disadvantaged, intermediate units, school employe benefits, school food programs, and education of school-age individuals in State institutions for the handicapped.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Equalized Subsidy for Basic Education	\$1,767,800	\$1,893,746	\$1,988,649
Agenda for Excellence .....	.....	24,000	48,000
Excellence in Teaching Awards .....	.....	4,000	10,000
Adult Literacy .....	.....	.....	1,000
Vocational Education	36,260	37,223	45,172
Authority Rentals and Sinking Fund Requirements.....	137,646	143,150	141,967
Authority Rentals and Sinking Fund Requirements— Recommended Supplemental .....	.....	4,533	.....
Pupil Transportation	206,205	185,000	197,000
Pupil Transportation — Recommended Supplemental .....	.....	5,000	.....
Non-Public Pupil Transportation	7,253	6,233	6,752
Non-Public Pupil Transportation—Recommended Supplemental .....	.....	310	.....
Special Education	216,677	234,259 ^a	248,856
Early Intervention—Handicapped Children.....	.....	7,400 ^b	10,000
Homebound Instruction	625	525	525
Tuition for Orphans and Children Placed in Private Homes....	11,715	11,744	13,369
Tuition for Orphans and Children Placed in Private Homes— Recommended Supplemental .....	.....	900	.....
Payments in Lieu of Taxes	50	53	60
Education of Migrant Laborers' Children	147	157	165
Education of the Disadvantaged	1,000	1,000	1,000
Special Education — Approved Private Schools	38,076	40,741	42,778
Higher Education of Blind or Deaf Students	50	50	50
Intermediate Units	9,562	9,944	10,644
School Food Services	10,715	10,844	10,844
School Employes' Social Security	119,300	123,000	137,400
School Employes' Social Security—Recommended Supplemental .....	.....	3,213	.....
School Employers' Retirement Fund:			
Contingent Reserve Account and Supplemental Accounts	313,813	356,370	421,706
Contingent Reserve Account and Supplemental Accounts— Recommended Supplemental .....	.....	23,969	.....
Pension Increase for Retired Teachers .....	.....	11,500	.....
Pension Increase for Retired Teachers—Recommended Supplemental .....	.....	3,946	.....
Former Teacher's Account	1	2	.....

^a Actually appropriated as \$234,770 excludes \$511,000 for various Governor's Schools. For 1985-86 these schools are being shown as separate appropriations and are detailed elsewhere in the budget.

^b For 1984-85 this appropriation was reflected as an augmentation entitled "Reimbursement—Early Intervention".

GENERAL FUND

EDUCATION

<i>Source of Funds (continued)</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations: (continued)			
State Schools and Hospitals—Education	\$ 16,071	\$ 17,000	\$ 17,754
Private Residential Rehabilitative Institutions	186	186	.....
School District Payments Racing .....	.....	3,500	3,500
Education of Indigent Children	100	100	114
Federal Funds:			
Education Block Grant—School District	17,697	17,600	19,104
Education Block Grant—School Improvement	66	.....	.....
Education Block Grant—Technology Initiative	1,541	.....	1,686
Education Block Grant — Computer Knowledge Enhancement .....	.....	2,807	.....
TOTAL	<u>\$2,912,556</u>	<u>\$3,184,005</u>	<u>\$3,378,095</u>

Job Training Partnership	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 4,900	\$ 6,000	\$ 7,000
Federal Funds	6,995	8,146	8,150
TOTAL	<u>\$ 11,895</u>	<u>\$ 14,146</u>	<u>\$ 15,150</u>

Provides State funds necessary to match the education portion of the Federal Job Training Partnership Act funds. Job training programs are developed through this appropriation in the areas of health occupations, adult literacy and training programs for the economically disadvantaged.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
JTPA — Matching Funds	\$ 4,900	\$ 6,000	\$ 7,000
Federal Funds:			
JTPA — Educational Training	6,995	8,146	8,150
TOTAL	<u>\$ 11,895</u>	<u>\$ 14,146</u>	<u>\$ 15,150</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Support of Nonpublic Schools			
State Funds	\$ 44,452	\$ 47,062	\$ 48,506

Provides, through the intermediate units, services such as guidance counseling, psychological services, and other auxiliary services to nonpublic schools. Also lends textbooks and instructional supplies to children who are attending nonpublic schools in the Commonwealth.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Services to Nonpublic Schools	\$ 33,277	\$ 35,606	\$ 37,386
Textbooks for Nonpublic Schools	7,425	7,413	7,413
Student Supplies for Nonpublic Schools	3,750	4,043	3,707
TOTAL	<u>\$ 44,452</u>	<u>\$ 47,062</u>	<u>\$ 48,506</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Teen Pregnancy and Parenthood			
State Funds	\$ 946

To assist local education agencies in creating new programs and/or expanding existing ones to meet the comprehensive needs of pregnant and parenting teenagers.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Teen Pregnancy and Parenthood	<u>\$ 946</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Library Services			
State Funds	\$ 17,361	\$ 18,432	\$ 21,854
Federal Funds .....	.....	2,374	.....
TOTAL	<u>\$ 17,361</u>	<u>\$ 20,806</u>	<u>\$ 21,854</u>

Provides aid to public libraries for the development of a statewide system of libraries and library services in Pennsylvania. The categories of aid are as follows: State Aid to Local Libraries, State Aid to County Libraries, State Aid to District Library Centers, State Aid to Regional Library Resource Centers, and Equalization Aid. Also provides State funds to the Free Library of Philadelphia and to the Carnegie Library of Pittsburgh to meet the costs of serving as regional libraries in the distribution of reading materials and talking books to the blind and for services to persons with other physical handicaps. Includes the equalization aid and interlibrary cooperation portion of the Library Access program revision.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Improvement of Library Services	\$ 15,997	\$ 17,000	\$ 18,350
Library Access .....	.....	.....	2,000
Library Services for the Blind and the Handicapped	1,364	1,432	1,504
Federal Funds:			
Library Services and Construction Act:			
Jobs Bill .....	.....	2,374	.....
TOTAL	<u>\$ 17,361</u>	<u>\$ 20,806</u>	<u>\$ 21,854</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Educational Radio and Television			
State Funds	\$ 283	\$ 300	\$ 400

Purchases, produces, records, and distributes programming, and provides and procures auxiliary services for educational broadcasting. Services provided by this activity are for the support of daytime educational broadcasting for instructional purposes. Includes funds for the instructional television initiative in cooperation with PPTN.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Educational Radio and Television Grants	<u>\$ 283</u>	<u>\$ 300</u>	<u>\$ 400</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Aid to Community Colleges and Technical Institutes			
State Funds	\$ 82,792	\$ 88,426	\$ 94,292

Provides aid to community colleges in order to achieve the purpose of extending educational opportunity in response to community or area need. The Commonwealth pays one-third of each college's approved operating expenses to a maximum of \$800 per full-time equivalent student. In addition the community colleges are reimbursed \$300 for each student enrolled in an occupational program. The Commonwealth also pays one-half of each college's approved capital expenses.

The community colleges now in operation and their enrollment estimates follow.

Fall Enrollments			
The table below lists equivalent full-time students (EFTS is calculated by dividing total student credit hours by 30).			
	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Community Colleges			
Allegheny County	18,335	18,470	17,529
Beaver County	2,320	2,368	2,368
Bucks County	5,457	5,333	5,333
Butler County	1,536	1,560	1,561
Delaware County	5,943	6,186	6,183
Harrisburg Area	4,608	4,708	4,750
Lehigh County	1,940	1,860	1,788
Luzerne County	2,443	2,516	2,592
Montgomery County	4,139	4,702	4,502
Northampton County	2,435	2,433	2,488
Philadelphia	8,682	10,153	11,252
Reading	873	988	784
Westmoreland County	2,437	2,511	2,582
Williamsport Area	3,513	4,379	3,777
TOTAL	<u>64,661</u>	<u>68,167</u>	<u>67,489</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Community Colleges—Capital and Operating	\$ 82,792	\$ 88,426	\$ 94,292

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Higher Education of the Disadvantaged			
State Funds	\$ 5,112	\$ 5,470	\$ 5,689

Provides grants to institutions of higher education for special programs for disadvantaged students.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Higher Education of the Disadvantaged	<u>\$ 5,112</u>	<u>\$ 5,470</u>	<u>\$ 5,689</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
State System of Higher Education			
State Funds	\$ 235,053	\$ 250,251	\$ 262,753
Other Funds	18	. . . .	. . . .
TOTAL	<u>\$ 235,071</u>	<u>\$ 250,251</u>	<u>\$ 262,753</u>

Provides support for the fourteen institutions of the State System of Higher Education. The System was created by Act 188 of 1982 and joins the former thirteen State Colleges and Indiana University into a university system designed to serve as centers for higher education offering a wide range of curricula at all degree levels. The System is governed by a Board of Governors nominated by the Governor and a Chancellor appointed by the Board.

Full-Time Equivalent Enrollment			
	1983-84	1984-85	1985-86
Institutions			
Bloomsburg University	6,221	6,230	6,250
California University	4,628	4,728	4,728
Cheyney University	1,539	1,501	1,798
Clarion University	5,649	5,590	5,559
East Stroudsburg University	4,184	4,150	4,124
Edinboro University	5,714	5,800	5,750
Indiana University of Pennsylvania	12,767	12,767	12,777
Kutztown University	5,588	5,700	5,800
Lock Haven University	2,585	2,580	2,575
Mansfield University	2,801	2,801	2,801
Millersville University	6,213	6,162	6,167
Shippensburg University	5,543	5,643	5,663
Slippery Rock University	5,955	6,207	6,328
West Chester University	8,421	8,253	8,253
TOTAL	<u>77,808</u>	<u>78,112</u>	<u>78,573</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State System of Higher Education (continued)			
<i>Source of Funds</i>			
Appropriation:			
State System of Higher Education	\$ 235,053	\$ 250,051	\$ 260,053
SSHE—Recruitment of Disadvantaged Students .....	.....	200	200
SSHE—Deferred Maintenance .....	.....	.....	2,500
Other Funds:			
Sale of Equipment and Supplies	18	.....	.....
TOTAL	<u>\$ 235,071</u>	<u>\$ 250,251</u>	<u>\$ 262,753</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Conservatory Leadership School			
State Funds	\$ 30	\$ 30	\$ 30

Provides funds to support the operation of the Conservatory Leadership School.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Conservatory Leadership School	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 30</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Ethnic Heritage Studies			
State Funds	\$ 100	\$ 100	\$ 100

Provides grants for support of ethnic heritage studies centers at the University of Pittsburgh and Balch Institute.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Ethnic Heritage Studies	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 100</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Schools for Talented Students			
State Funds	\$ 268	\$ 511	\$ 585

Provides funds to support three summer schools for exceptionally talented high school students.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Pennsylvania School for the Sciences .....	. . . .	\$ 157 ^a	\$ 175
Governor's School for the Arts	\$ 268	279 ^a	295
School for International Studies .....	. . . .	75 ^a	115
TOTAL	<u>\$ 268</u>	<u>\$ 511</u>	<u>\$ 585</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Math and Science Instructional Development			
State Funds	\$ 300	\$ 300	\$ 400

Provides funds for programs to improve the quality of math and science instruction received by elementary and secondary students. Three programs are involved: student loan forgiveness for students with math and science backgrounds who become teachers, in-service training for current math and science teachers, and business and industry involvement in math and science instruction in schools.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Math and Science Instructional Development	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 400</u>

^aFor 1984-85 these funds were included in the appropriation for Special Education.

GENERAL FUND

EDUCATION

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Desegregation Compliance			
State Funds	\$ 1,500	\$ 2472	\$ 1,653

Provides funds for the enhancement of the administrative and academic functions of Cheyney University of the State System of Higher Education in accordance with the Department of Education's agreement with the United States Office of Civil Rights.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Desegregation Compliance—Cheyney	<u>\$ 1,500</u>	<u>\$ 2,472</u>	<u>\$ 1,653</u>

Equal Opportunity Professional Education

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 258	\$ 348

Provides for scholarships for graduates of Lincoln and Cheyney Universities to pursue post graduate programs at the other State Related Universities in accordance with the 1983 agreement with the Federal Office of Civil Rights.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Equal Opportunity Professional Education	<u>. . . .</u>	<u>\$ 258^a</u>	<u>\$ 348</u>

Rural Initiatives

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 50	

Provides funds to the Warren/Forest Higher Education Council to provide higher education in Warren in cooperation with various institutions.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Rural Initiatives	<u>. . . .</u>	<u>\$ 50</u>	<u>_____</u>

^aActually appropriated to the Higher Education Assistance Agency.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
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Medical Training

State Funds	\$ 2,500
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Provides funds to supplement medical training.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
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Source of Funds

Appropriation:			
Medical Training Supplement	<u>\$ 2,500</u>	<u>.....</u>	<u>.....</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
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College of Physicians

State Funds	\$ 100
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Provides funds for the College of Physicians, a regional medical library in Philadelphia, to make medical and scientific information available to other Pennsylvania libraries.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
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Source of Funds

Appropriation:			
College of Physicians	<u>.....</u>	<u>\$ 100</u>	<u>.....</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
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Chairs of Excellence

State Funds	\$ 1,000
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Provides matching funds for a program to bring eminent scholars to Pennsylvania institutions.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
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Source of Funds

Appropriation:			
Chairs of Excellence	<u>.....</u>	<u>.....</u>	<u>\$ 1,000</u>

Psychiatric Education

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
State Funds	\$ 250	\$ 250

Provides funds for the development of community based consultation, training, and research programs Pennsylvania for the chronically mentally ill, emotionally disturbed children, and psychiatrically impaired elderly.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Psychiatric Education	<u>\$ 250</u>	<u>\$ 250</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Science and Engineering Equipment			
Other Funds	\$ 75,000

Provides for expenditure of liquor franchise revenues for equipment for elementary, secondary, and vocational schools; community colleges, the State System of Higher education, and other science and engineering colleges and universities.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Other Funds:			
Liquor Franchise Revenues	\$ 75,000

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Aid to Universities, Colleges and Other Institutions			
State Funds	\$ 376,273	\$ 411,244	\$ 422,526

Provides aid to the State-related universities: Pennsylvania State University, University of Pittsburgh, Temple University and Lincoln University and to non-State-related universities, colleges and other institutions of learning for maintenance, instructional programs, research and extension services.

Pennsylvania State University

The Pennsylvania State University receives aid for academic services which provide resident education at the undergraduate and graduate levels leading to associate, baccalaureate, masters, doctors and certain professional degrees; for continuing and extension education for research activities at University Park; for medical education programs at the Hershey Medical Center, for twenty Commonwealth campuses and graduate centers throughout the State.

University of Pittsburgh

Receives aid for academic services which provide resident education at the undergraduate and graduate levels leading to associate, baccalaureate, masters, doctors and certain professional degrees including medicine and dentistry; for continuing education; and for research activities.

Temple University

Receives aid for academic services which provide resident education at the undergraduate and graduate levels leading to associate, baccalaureate, masters, doctors and certain professional degrees including medicine, for extension services, and for research activities.

Lincoln University

The Commonwealth provides aid to Lincoln University to maintain resident instruction in liberal arts programs and certain professional degree programs.

Non-State Related Universities and Colleges

The non-State-related colleges and universities currently receive aid from this program. These institutions offer degree and professional programs in the arts and sciences, technology, agriculture, law, medicine, allied health, optometry and podiatry.

Other Non-State-Related Institutions of Learning

Provides assistance to four institutions of secondary and postsecondary education conducting programs in manual training, industrial arts and agricultural science.

	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
State-Related Universities			
Pennsylvania State University	\$ 149,368	\$ 162,700	\$ 166,889
University of Pittsburgh	81,444	89,732	90,714
Temple University	90,594	98,902	102,698
Lincoln University	5,812	6,719	6,939
Total-State-Related University	\$ 327,218	\$ 358,053	\$ 367,240

	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Non-State-Related Universities and Colleges			
Delaware Valley College of Science and Agriculture	\$ 307	\$ 319	\$ 332
Drexel University	4,242	4,412	4,588
Hahnemann Medical College	3,848	4,112	4,276
Thomas Jefferson University	6,260	6,641	6,906
The Medical College of Pennsylvania	2,432	2,594	2,698
University of Pennsylvania	23,704	26,355	27,409
Pennsylvania College of Podiatric Medicine	742	794	826
Pennsylvania College of Optometry	905	968	1,007
Philadelphia College of Art	461	479	498
Philadelphia College of Textiles and Science	405	421	4,398
Philadelphia College of Performing Arts	107	111	438
Philadelphia College of Osteopathic Medicine	3,952	4,229	115
Total — Non-State-Related Universities and Colleges	\$ 47,365	\$ 51,435	\$ 53,491

	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Non-State-Related Institutions			
Berean Training and Industrial School	\$ 700	\$ 749	\$ 751
Downtown Industrial and Agricultural School	787	796	825
Johnson School of Technology	148	154	160
Williamson Free School of Mechanical Trades	55	57	59
Total — Non-State-Related Institutions	\$ 1,690	\$ 1,756	\$ 1,795

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
<i>Appropriations:</i>			
State-Related Universities			
Pennsylvania State University—Educational and General	\$ 110,801	\$ 118,557	\$ 123,299
Pennsylvania State University—Research	9,932	10,627	11,052
Pennsylvania State University—Medical Program	3,160	3,381	3,516
Pennsylvania State University—Agricultural Research	11,820	12,647	13,153
Pennsylvania State University—Agricultural Extension Services	10,002	10,702	11,130
Pennsylvania State University—Recruitment of Disadvantaged Students	200	200	200
Pennsylvania State University—Soil Survey	100	100	104
Pennsylvania State University—Elizabethtown Children's Hospital	3,328	3,561	3,735
Pennsylvania State University—Agricultural Extension Com- puter Network . . . . .	. . . . .	1,900	700
Pennsylvania State University—Research Coal Slurry . . . . .	. . . . .	500	. . . . .
Pennsylvania State University—Small Farm Project . . . . .	. . . . .	75	. . . . .
Pennsylvania State University—Attendant Care Study . . . . .	. . . . .	50	. . . . .
Pennsylvania State University—Buhl—Henderson Library	25	25	. . . . .
Pennsylvania State University—Avian Flu Research . . . . .	. . . . .	375	. . . . .
Subtotal — Pennsylvania State University	\$ 149,368	\$ 162,700	\$ 166,889
University of Pittsburgh—Educational and General	\$ 75,438	\$ 80,819	\$ 84,052
University of Pittsburgh—Medical Program	4,456	4,768	4,959
University of Pittsburgh—Falk Clinic . . . . .	. . . . .	2,500	. . . . .
University of Pittsburgh—Dental Clinic	752	805	837
University of Pittsburgh—Titusville Campus	598	640	666
University of Pittsburgh—Recruitment of Disadvantaged Students	200	200	200
Subtotal — University of Pittsburgh	\$ 81,444	\$ 89,732	\$ 90,714
Temple University—Educational and General	\$ 81,160	\$ 89,000	\$ 92,560
Temple University—Medical Program	5,932	6,347	6,601
Temple University—Dental Clinic	752	805	837
Temple University—Hospital	2,500	2,500	2,500
Temple University—Recruitment of Disadvantaged Students	200	200	200
Temple University—Maxillofacial Prosthodontics	50	50	. . . . .
Subtotal	\$ 90,594	\$ 98,902	\$ 102,698
Lincoln University—Education and General	\$ 4,612*	\$ 5,519	\$ 5,739
Lincoln University—Recruitment of Disadvantaged Students	200	200	200
Lincoln University—Enhanced Opportunity	1,000	1,000	1,000
Subtotal	\$ 5,812	\$ 6,719	\$ 6,939

*For 1983-84 actually appropriated as \$4,422,000 for Education and General and \$190,000 for Human Services; in 1984-85 actually appropriated as \$5,316,000 for Education and General and \$203,000 for Human Services.

Source of Funds (continued)	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations: (continued)			
Non-State-Related Universities and Colleges			
Delaware Valley College of Science and Agriculture	\$ 307	\$ 319	\$ 332
Drexel University	4,242	4,412	4,588
Hahnemann Medical College—Medical Programs	3,673	3,930	4,087
Hahnemann Medical College—Allied Health Program	175	182	189
The Thomas Jefferson University—Medical Programs	4,374	4,680	4,867
The Thomas Jefferson University—Allied Health Programs ..	1,886	1,961	2,039
The Medical College of Pennsylvania—Medical Programs ...	2,174	2,326	2,419
The Medical College of Pennsylvania—Allied Health Programs	258	268	279
University of Pennsylvania—Instruction	11,728	12,549	13,051
University of Pennsylvania—Dental Clinics	752	805	837
University of Pennsylvania—Medical Programs	3,240	3,467	3,606
University of Pennsylvania—School of Veterinary Medicine ..	5,644	6,039	6,281
University of Pennsylvania—New Bolton	1,560	2,059	2,141
University of Pennsylvania—Food and Animal Clinics	780	1,436	1,493
Pennsylvania College of Podiatric Medicine	742	794	826
Pennsylvania College of Optometry	905	968	1,007
Philadelphia College of Art	461	479	498
Philadelphia College of Textiles Science	405	421	438
Philadelphia College of Performing Arts	107	111	115
Philadelphia College of Osteopathic Medicine	3,952	4,229	4,398
Subtotal	\$ 47,365	\$ 51,435	\$ 53,491
Non-State-Related Institutions			
Berean Training and Industrial School—Maintenance	\$ 600	\$ 647	\$ 649
Berean Training and Industrial School—Rental Payments	100	102	102
Downingtown Industrial and Agricultural School— Maintenance	687	715	744
Downingtown Industrial and Agricultural School—Rentals ...	100	81	81
Johnson School of Technology	148	154	160
Williamson Free School of Mechanical Trades	55	57	59
Subtotal	\$ 1,690	\$ 1,756	\$ 1,795
TOTAL	\$ 376,273	\$ 411,244	\$ 422,526

GRANTS AND SUBSIDIES

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Safe Driving Course			
State Funds	\$ 2,518	\$ 2,605	\$ 2,552
Federal Funds	143	150	200
TOTAL	<u>\$ 2,661</u>	<u>\$ 2,755</u>	<u>\$ 2,752</u>

Through financial and technical aid, assists school districts in the establishment and operation of a standardized driver education program; examines, inspects and licenses private training schools and instructors. Grants are made to public high schools in the amount of \$35 for each student completing a standard driver education program.

Promotes various highway safety programs through the elementary schools and through publication of bulletins and other materials. Activities include bicycle safety, safety education for school bus drivers, and the training and maintenance of school patrols. Also analyzes and improves driver education courses of study for secondary school pupils and adults.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Safe Driving Course	\$ 2,518	\$ 2,605	\$ 2,552
Federal Funds:			
AL-COHOL	127	150	150
Driver Education Curriculum	16	.....	.....
Traffic Safety Education Materials .....	.....	.....	50
TOTAL	<u>\$ 2,661</u>	<u>\$ 2,755</u>	<u>\$ 2,752</u>

**Revenue Sharing Trust Fund
Grants and Subsidies**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Support of Public Schools			
State Funds	\$ 2,500	.....	.....

These funds provided support for the cost of providing special education services to qualified children.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Special Education	<u>\$ 2,500</u>	<u>.....</u>	<u>.....</u>

Restricted Receipts Not Included in Department Total

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Career Education Incentive	\$ 77	\$ 2	.....
Education Consolidation and Improvement Act:			
Education of Children of Low-Income Families — Title I ...	144,729	157,890	\$ 167,268
Consolidation of Certain Educational Programs — Title IV...	.....	35	.....
Education of the Handicapped — Title VI	143	560	500
Adult Basic Education	4,569	4,635	4,824
Library Services — Extension, Development, and Improvement	2,041	3,418	2,795
Library Services — Jobs Bill	661	.....	.....
Education of Handicapped	37,200	40,000	43,626
Gifted and Talented	16	.....	.....
Vocational Education Act	35,862	36,000	36,053
Additional Dormitory Rental Fees ^a	105	.....	.....
Additional Dormitory Rental Fees:			
Reserve for Contingencies and Capital Replacement ^a	1,804	.....	.....
Reserve for Furniture and Equipment ^a	2,243	.....	.....
Food Nutrition Services	116,455	122,000	128,392
Comprehensive Employment and Training Act	2,423	.....	.....
Transition Programs — Refugee Children	525	694	1,000
TOTAL	<u>\$ 348,853</u>	<u>\$ 365,234</u>	<u>\$ 384,458</u>

^aFor the available, budget, and future years these State System of Higher Education Fees will not be transmitted through the Department of Education.

DEPARTMENT OF EDUCATION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 7,743	\$ 8,173	\$ 7,890	\$ 8,206	\$ 8,534	\$ 8,875	\$ 9,230
General Instruction	\$1,625,896	\$1,767,186	\$1,866,652	\$1,937,018	\$2,039,045	\$2,178,873	\$2,353,420
General Preschool Education	104,076	114,186	123,434	132,818	144,657	157,557	171,251
General Elementary and Secondary Education	1,521,820	1,653,000	1,743,218	1,804,200	1,894,388	2,021,316	2,182,169
Special Education	\$ 643,153	\$ 711,041	\$ 756,775	\$ 794,359	\$ 850,761	\$ 916,546	\$ 986,155
Mentally Handicapped Education	212,588	237,491	254,613	266,638	289,225	310,996	332,961
Physically Handicapped Education	308,459	338,656	360,366	379,703	405,568	435,549	469,032
Gifted and Talented Education	122,106	134,894	141,796	148,018	155,968	170,001	184,162
Compensatory Programs	\$ 330,055	\$ 369,604	\$ 389,630	\$ 408,873	\$ 438,398	\$ 474,733	\$ 518,684
Compensatory Preschool Education	14,084	23,496	24,597	25,619	27,067	28,889	31,347
Compensatory Elementary and Secondary Education	315,971	346,108	365,033	383,254	411,331	445,844	487,337
Vocational Education	\$ 353,674	\$ 377,825	\$ 402,133	\$ 419,371	\$ 437,435	\$ 445,914	\$ 488,635
Vocational Education	349,789	372,687	396,493	413,585	431,498	439,819	482,377
Community Education	3,885	5,138	5,640	5,786	5,937	6,095	6,258
Higher Education	\$ 709,038	\$ 764,454	\$ 795,070	\$ 826,610	\$ 856,834	\$ 888,370	\$ 923,185
Higher Education	709,038	764,454	795,070	826,610	856,834	888,370	923,185
Protection of Persons and Property	\$ 2,518	\$ 2,605	\$ 2,552	\$ 2,552	\$ 2,503	\$ 2,502	\$ 2,503
Highway Safety Education	2,518	2,605	2,552	2,552	2,503	2,502	2,503
Economic Development and Income Maintenance	\$ 14,405	\$ 16,285	\$ 25,072	\$ 26,210	\$ 27,417	\$ 28,696	\$ 30,052
Adult Employment Training Services ..	14,405	16,285	25,072	26,210	27,417	28,696	30,052
Recreation and Cultural Enrichment	\$ 19,593	\$ 21,058	\$ 25,229	\$ 26,833	\$ 28,490	\$ 30,204	\$ 31,679
State Library Services	19,593	21,508	25,229	26,833	28,490	30,204	31,679
DEPARTMENT TOTAL	<u>\$3,706,075</u>	<u>\$4,038,231</u>	<u>\$4,271,003</u>	<u>\$4,450,032</u>	<u>\$4,689,417</u>	<u>\$4,974,713</u>	<u>\$5,343,543</u>

Summary of Enrollments in Pennsylvania Elementary and Secondary and Vocational Education 1983-84 to 1989-90

Program Category	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Instruction							
General Preschool Education	136,884	135,100	138,060	138,630	140,000	140,360	140,700
General Elementary and Secondary Education	1,336,074	1,307,623	1,283,613	1,267,793	1,251,563	1,240,563	1,227,573
PROGRAM CATEGORY TOTAL ...	<u>1,472,958</u>	<u>1,442,723</u>	<u>1,421,673</u>	<u>1,406,423</u>	<u>1,391,563</u>	<u>1,380,923</u>	<u>1,368,273</u>
Special Education							
Mentally Handicapped Education	54,495	57,075	57,275	57,375	57,375	57,375	57,375
Physically Handicapped Education	129,280	129,400	129,150	128,700	128,300	128,000	127,600
Gifted and Talented Education	67,752	67,252	66,752	66,252	65,752	65,252	65,252
PROGRAM CATEGORY TOTAL ...	<u>251,527</u>	<u>253,727</u>	<u>253,177</u>	<u>252,327</u>	<u>251,427</u>	<u>250,627</u>	<u>250,227</u>
Compensatory Programs							
Compensatory Preschool Education	10,000	15,000	14,500	14,000	14,000	14,000	14,000
Compensatory Elementary and Secondary Education	225,000	225,000	223,500	222,000	222,000	222,000	222,000
PROGRAM CATEGORY TOTAL ...	<u>235,000</u>	<u>240,000</u>	<u>238,000</u>	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>	<u>236,000</u>
Vocational Education							
Vocational Education	173,200	168,600	168,600	167,400	160,300	150,700	150,700
Community Education	33,600	36,400	36,955	37,700	38,200	38,200	38,200
PROGRAM CATEGORY TOTAL ...	<u>206,800</u>	<u>205,000</u>	<u>205,555</u>	<u>205,100</u>	<u>198,500</u>	<u>188,900</u>	<u>188,900</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,743	\$ 8,173	\$ 7,890	\$ 8,206	\$ 8,534	\$ 8,875	\$ 9,230
Federal Funds	4,231	5,202	4,995	4,995	4,995	4,995	4,995
Other Funds	337	417	417	452	471	491	512
TOTAL	\$ 12,311	\$ 13,792	\$ 13,319	\$ 13,653	\$ 14,000	\$ 14,361	\$ 14,737

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

A Productivity Improvement Initiative of \$25,000 is included in this program for the budget year. The initiative will provide for liason between the central office and the special education regional staff. A major objective of the Bureau of Special Education, Division of Regional Review, is to resolve complaints (at least 400 per year) found to be valid under applicable statutes governing exceptional students. There are four online computer systems which assist the division in the daily performance of this objective. The hearings and complaints tracking system enables the division to monitor the status of each complaint. The corrective action plan tracking system allows the division to monitor institutions' remedial action in response to program audits. The division also relies on the work activity system (WAS) to

make and report on work assignments, and an electronic mail system, the professional office system (PROFS), is used regularly to exchange memorandums and calendar items.

A revised communications procedure would utilize a data and telecommunication terminal and printer at each regional location. This equipment will meet the staffs' need for concurrent voice/data sessions between a remote location and the department. As a lightweight, portable intergrated voice and data work station, it would provide reviewers with a direct connection to the department's computer using existing on-site, dial-up telephone lines from any of the remote locations. This change will result in increased efficiency for the affected employes and savings in postage, travel, and telephone costs. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

In addition to including the executive offices of the Department of Education, budget, publication and legal offices, this program also provides staff support to the State Board of Education and other administrative boards and commissions. These include boards for private, academic, business, trade and correspondence schools, and the Professional Standards and Practices Commission.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 7,743	\$ 8,173	\$ 7,890	\$ 8,206	\$ 8,534	\$ 8,875	\$ 9,230

General Preschool Education

OBJECTIVE: To prepare four and five year old children with the social, physical and communication skills necessary to learn effectively in their ensuing years of school.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 104,076	\$ 114,186	\$ 123,434	\$ 132,818	\$ 144,657	\$ 157,557	\$ 171,251
Federal Funds	81	93	91	91	91	91	91
TOTAL	\$ 104,157	\$ 114,279	\$ 123,525	\$ 132,909	\$ 144,748	\$ 157,648	\$ 171,342

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Enrollments	136,884	135,100	138,060	138,630	140,000	140,360	140,700
Percentage of school districts offering preschool education:							
Public	99%	99%	99%	99%	99%	99%	99%
Nonpublic	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of five year olds enrolled in preschool education:							
Public	73.8%	70.1%	70.6%	70.9%	71.0%	70.6%	70.2%
Nonpublic	19.4%	18.3%	18.3%	18.3%	18.2%	18.2%	18.1%
Enrollments in the Alternative Day Kindergartening Program	1,938	2,738	2,930	3,135	3,354	3,588	3,759
Transition class enrollments	1,524	1,387	1,262	1,148	1,045	951	865

Program Analysis:

Pre-school education consists mainly of kindergarten programs which are offered by 497 of the Commonwealth's 501 school districts. These programs are available as a local option in both public and non-public schools and the four and five year olds who attend do so on a voluntary basis.

Alternative Day Kindergartening permits school districts to initiate a kindergarten program that is an exception to the law requiring 180 days of school. This program was developed as a result of budgetary constraints facing many school districts.

Pre-school programs have been very successful in preparing children for first grade with many districts reporting substantial improvement in first grade reading achievement after pre-school programs were initiated.

The role that early educational experiences play in increasing a child's potential for learning cannot be overestimated. This is especially true of the educational experiences that take place both in the home and the school.

The parents' role in the early years of their child's educational development is being given increased recognition with educators developing pre-school programs involving both parents and children.

Transition classes are interim programs for children who upon the completion of kindergarten need some additional preparation before they are ready for first grade. As was indicated in last year's budget, enrollment in these classes is declining.

General Preschool Education (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 59	\$ 62	\$ 63	\$ 66	\$ 68	\$ 71	\$ 74
Equalized Subsidy for Basic Education ..	54,802	58,706	63,637	68,250	74,544	82,674	91,252
Authority Rentals and Sinking Fund							
Requirements	8,534	9,304	9,228	9,380	9,660	9,800	9,940
Pupil Transportation	12,785	11,970	12,805	13,727	14,986	15,964	17,001
Nonpublic Pupil Transportation	450	412	439	466	495	517	539
Intermediate Units	593	626	692	749	810	863	919
School Employees' Social Security	7,397	7,951	8,931	9,896	10,956	11,948	13,028
School Employees' Retirement Fund:							
Contingent Reserve and Supplemental							
Accounts	19,456	23,961	27,411	30,049	32,896	35,475	38,249
Pension Increase for Retired Teachers ..	.....	973	.....	.....	.....	.....	.....
School District Payments—Racing .....	.....	221	228	235	242	245	249
GENERAL FUND TOTAL	\$ 104,076	\$ 114,186	\$ 123,434	\$ 132,818	\$ 144,657	\$ 157,557	\$ 171,251

General Elementary and Secondary Education

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

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$1,521,820	\$1,653,000	\$1,743,218	\$1,804,200	\$1,894,388	\$2,021,316	\$2,182,169
Federal Funds	21,839	23,356	23,701	24,521	24,531	24,541	24,551
Other Funds	87	376	248	249	250	251	252
TOTAL	\$1,543,746	\$1,676,732	\$1,767,167	\$1,828,970	\$1,919,169	\$2,046,108	\$2,206,972

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Public school enrollments	1,002,981	966,323	938,850	919,278	898,528	882,308	869,198
Nonpublic school enrollments	333,093	341,300	344,763	348,515	353,035	358,255	358,375
Median instructional cost per public school pupil	\$1,961	\$2,198	\$2,373	\$2,564	\$2,768	\$2,990	\$3,230
High school graduates	97,850	95,050	91,300	93,200	96,600	100,700	101,800
Graduates enrolling in business, technical or college programs	53,806	52,242	50,219	51,210	53,154	55,571	55,601
Teachers enrolled in math/science in-service program:							
Elementary teachers	350	600	600	400	400	400	400
Secondary teachers	250	200	200	200	200	200	200
Public/private partnerships in math/science programs	6	10	20	20	20	20	20

Program Analysis:

General elementary and secondary education refers to the majority of basic education school enrollments; it is composed of general and college preparatory curricula for pupils who are not disadvantaged, handicapped or enrolled in vocational training.

As reflected in the chart on the next page, Commonwealth support of basic education on a per student basis has significantly increased in each of the last four years and in fact the rate of increase far exceeds the rate of inflation over the same period of time.

Among the major concerns of the Commonwealth with regard to elementary and secondary education are general educational quality, increasing student achievement and teacher effectiveness. Last year's budget requested funding through a Program Revision Request to develop programs to meet these concerns.

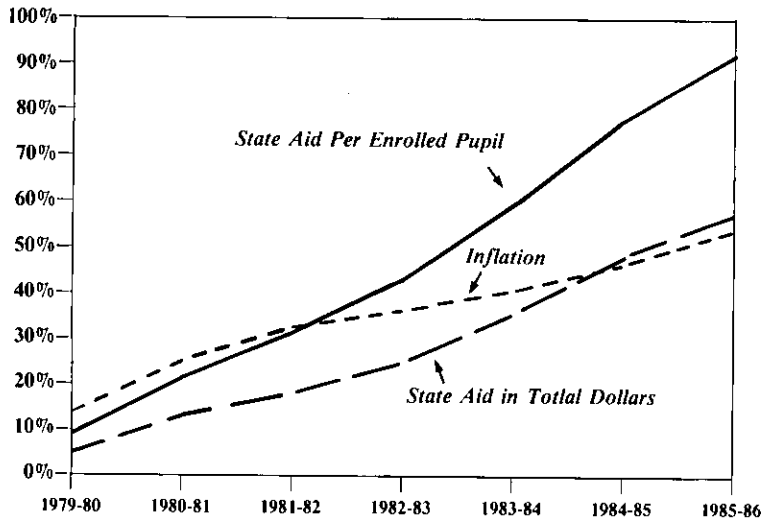
The Program Revision, Agenda for Excellence, identified aspects of the Commonwealth's educational programs which were in need of improvement and proposed a comprehensive set of initiatives to address these needs. Specifically, Agenda for Excellence called for a revision in the curriculum offered in schools with a emphasis in mathematics and science courses, competency testing and remediation in reading and mathematics and a program to recognize outstanding teachers.

Curriculum regulations have been adopted and will be in effect for 9th grade students for the 1985-86 school year. Surveys indicate that over half of the Commonwealth's school districts have already revised their curriculum requirements and are meeting the revised standard of 21 credits for graduation.

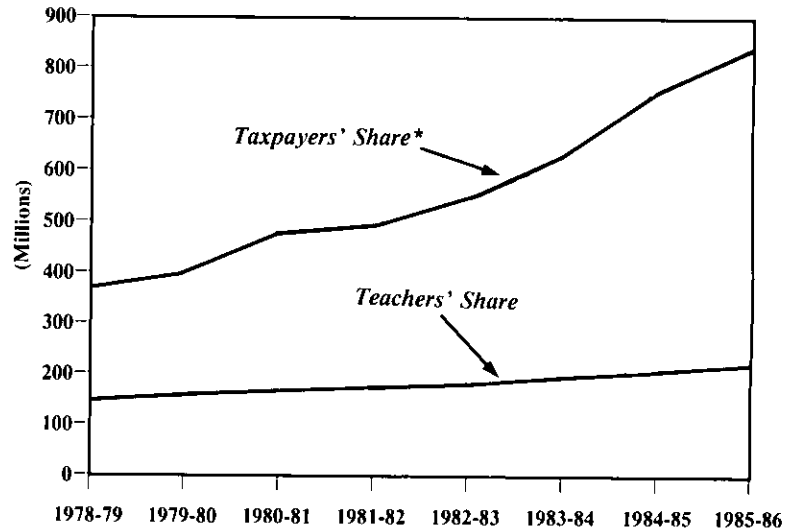
This past year over 400,000 students were given competen-

General Elementary and Secondary Education (continued)

Support of Public Schools
vs School Enrollment



School Employees Retirement Costs



* Shared equally by the Commonwealth and local education agencies.

cy tests in an effort to identify those third, fifth and eighth grade students who were deficient in meeting a pre-determined competency level in reading comprehension and mathematics. Remedial programs are being designed for those students failing to meet the minimum standards in order to bring them up to acceptable levels of performance.

The recommended amount includes funding to establish an annual award program for outstanding teachers. Up to five percent of each district's teachers would be eligible for cash awards of \$2,000. The program would be optional and in those districts wishing to participate, the school boards would determine the criteria to be considered in making the awards. In order to assure conformity among the districts, the Department of Education would approve the criteria.

It is envisioned that the criteria would include performance in the classroom and continued professional growth and leadership in the development and support of new teachers.

The Commonwealth subsidies for public school employe retirement, including the cost of living increases recently granted, have increased dramatically since 1978-79. The

chart shows a 130 percent increase in employer costs from 1978-79 to 1985-86. Because the rate of employe contributions has not changed except for members hired after Act 31 of 1983 the cost to members has increased by only 51 percent. The chart reflects employe and employer obligations in accordance with actual rates and payrolls; it does not reflect the cash flow of the fund which is affected by employe withdrawals and time purchases, reconciliation payments by the Commonwealth, and the timing of school district payments. The new retirement systems currently under study for future school and state employes would mitigate future increases in the cost of the systems while providing adequate benefits to their members.

The School Employees retirement Fund statement showing school retirement costs is presented in the Special Funds Appendix to Volume I.

Funding is also included to develop and expand programs to aid pregnant and/or parenting teenagers in hope of stemming the drop out rate among this segment of the student population. This program is more fully explained in the program revision request following this subcategory.

General Elementary and Secondary Education (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,115	\$ 3,754	\$ 3,803	\$ 3,955	\$ 4,113	\$ 4,278	\$ 4,449
Scotland School for Veterans Children ..	5,511	5,896	6,025	6,266	6,517	6,777	7,048
Equalized Subsidy for Basic Education ..	1,011,182	1,068,073	1,109,666	1,147,848	1,210,252	1,306,246	1,436,575
Agenda for Excellence .....	.....	24,000	48,000	48,000	48,000	48,000	48,000
Excellence in Teaching Awards .....	.....	4,000	10,000	10,000	10,000	10,000	10,000
Authority Rentals and Sinking Fund							
Requirements	79,422	83,884	79,643	77,980	77,420	77,280	76,860
Pupil Transportation	118,980	107,920	110,517	114,118	120,108	125,885	131,461
Nonpublic Pupil Transportation	4,185	3,716	3,788	3,878	3,966	4,075	4,168
Payments in Lieu of Taxes	50	53	60	54	54	55	55
Intermediate Units	5,517	5,648	5,971	6,225	6,489	6,802	7,103
School Employees' Social Security	68,836	71,689	77,081	82,272	87,807	94,222	100,738
School Employees' Retirement Fund:							
Contingent Reserve and Supplemental							
Accounts	181,070	216,032	236,578	249,812	263,643	279,745	295,753
Pension Increase for Retired Teachers ..	.....	8,773	.....	.....	.....	.....	.....
Former Teachers' Account	1	2	.....	.....	.....	.....	.....
School District Payments — Racing .....	.....	1,988	1,964	1,950	1,936	1,932	1,922
Services to Nonpublic Schools	33,277	35,606	37,386	38,881	41,218	43,278	45,442
Textbooks for Nonpublic Schools	7,425	7,413	7,413	7,413	7,413	7,413	7,413
Student Supplies for Nonpublic Schools ..	3,750	4,043	3,707	3,707	3,707	3,707	3,707
Teen Pregnancy and Parenthood .....	.....	.....	946	1,143	1,015	863	685
Education Radio and Television Grants ..	169	180	240	268	300	328	360
Conservatory Leadership School	30	30	30	30	30	30	30
Math and Science Instructional							
Development	300	300	400	400	400	400	400
GENERAL FUND TOTAL	<u>\$1,521,820</u>	<u>\$1,653,000</u>	<u>\$1,743,218</u>	<u>\$1,804,200</u>	<u>\$1,894,388</u>	<u>\$2,021,316</u>	<u>\$2,182,169</u>

**General Elementary and Secondary Education
Program Revision: Teen Pregnancy and Parenthood**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund			\$ 2,396	\$ 2,597	\$ 2,473	\$ 2,325	\$ 2,151
Federal Funds			748	748	748	748	748
TOTAL			\$ 3,144	\$ 3,345	\$ 3,221	\$ 3,073	\$ 2,899

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Comprehensive programs for teenage parents:							
Current	13	13	13	13	13	13	13
Program Revision			40	46	51	56	61
Pregnant and parenting teenagers served by comprehensive programs:							
Current	390	390	390	390	390	390	390
Program Revision			1,200	1,380	1,530	1,680	1,830

Program Analysis:

Teen pregnancy and parenthood is a serious and continuing problem in Pennsylvania and the nation as a whole. Children raising children is surprisingly common and all too frequently leads to adverse health and economic consequences.

Pregnant teenagers often drop out of school prior to graduation and along with the fetus are more susceptible to health risks as they are less likely to receive adequate prenatal care.

Among the needs of pregnant teenagers and parents are suitable prenatal and postpartum health care, encouragement to continue their education, parenting and health education and day care services.

The primary thrust of this program revision is to assist local education agencies in creating new programs and/or expanding existing ones to meet the comprehensive needs of pregnant and parenting teenagers. To be eligible for a grant under this program, local education agencies would, have to provide comprehensive services including: educational counseling, day care, instruction in prenatal, postpartum and child health care and job training and placement services.

Coordination of state and local programs is imperative in developing a comprehensive approach to dealing with the problems of teen pregnancy and parenthood. This program

will serve as the liaison to ensure the efficient intermeshing of local programs with those of other State agencies is achieved.

In order to expand prenatal and maternity care services to teenagers throughout the Commonwealth, \$748,000 from the Maternal and Child Health Block Grant will be used to establish a special information and referral toll-free hotline for pregnant teenagers and their parents. Funding is also recommended to expand and improve drug and alcohol abuse treatment programs for pregnant and parenting teenagers and to establish and/or expand training programs on fetal alcohol syndrome.

Private Industry Councils established by the Job Training Partnership Act would also be eligible to receive funds on a competitive basis to establish or expand comprehensive programs for pregnant teenagers or teenage parents who have dropped out of school or are beyond school age, in order to help them complete a General Education Development course and/or obtain a skill and find employment. The Private Industry Councils would have flexibility in designing their programs, as long as the programs included key elements such as day care and job training.

In addition to the funding shown, \$900,000 will be expended from a restricted account in support of this program.

**General Elementary and Secondary Education
Program Revision: Teen Pregnancy and Parenthood (continued)**

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Teen Pregnancy and Parenthood.....	<u>.....</u>	<u>.....</u>	<u>\$ 946</u>	<u>\$ 1,143</u>	<u>\$ 1,015</u>	<u>\$ 863</u>	<u>\$ 685</u>

In addition to the amounts shown above, this Program Revision also includes funding in the following subcategories in the Departments of Health and Labor and Industry.

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
DEPARTMENT OF HEALTH							
Treatment of Drug and Alcohol Abuse							
GENERAL FUND							
Assistance to Drug and Alcohol Programs	<u>.....</u>	<u>.....</u>	<u>\$ 200</u>	<u>\$ 204</u>	<u>\$ 208</u>	<u>\$ 212</u>	<u>\$ 216</u>
 DEPARTMENT OF LABOR AND INDUSTRY							
Employability Development — Socially and Economically Handicapped							
GENERAL FUND							
Teen Pregnancy and Parenthood....	<u>.....</u>	<u>.....</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ 1,250</u>

SPECIAL EDUCATION CATEGORY ANALYSIS

Special education is experiencing a time of consolidation and refinement of the growth and development that occurred in programs and services during the 1970's. The procedural safeguards afforded to every exceptional child through State and Federal mandates have been elaborated and defined through several court cases. Such refinements should result in even a better program and service delivery system to handicapped and gifted children.

The extended school year, available to certain exceptional children via the *Armstrong v. Kline* court case allows those handicapped students to benefit from more than 180 days of education to prevent regression over the summer months. This program is provided to eligible students in both public school and approved private school settings. Schedules range from a six-week summer school experience to homebound instruction based on individual educational need.

Special education, in partnership with basic education, is serving about 250,000 school aged students in Pennsylvania school districts, intermediate units, approved schools, private residential facilities and state schools and hospitals.

According to the concept of least restrictive environment for handicapped students, placement in approved private schools is done only when the public system has exhausted all options to appropriately provide for the educational needs of the student. The Department of Education requires prior approval of such placements by public school officials and the Bureau of Special Education. Currently, there are 37 approved private schools serving the blind, the deaf, the brain damaged, the cerebral palsied, the muscular dystrophic, the mentally retarded, and the emotionally disturbed. The majority of these schools are day programs, but 16 offer residential facilities in lieu of transportation costs to those moderately to severely handicapped individuals coming from areas beyond reasonable daily bus service.

During 1983-84, the Bureau of Special Education in compliance with its State Plan for Special Education conducted program and service evaluations of all the approved private schools for the handicapped. Outcomes ranged from approval with modifications to be made by a certain date to full approval with no modifications needed. Where modifications were necessary to meet full compliance to mandates, Bureau of Special Education personnel worked with approved private school staff to aid and assist in corrective action. Another full cycle of approved private school evaluations will begin in the fall of 1985.

The Bureau of Special Education, as a part of the Department of Education's obligation to oversee all school programs and in compliance with the State Plan filed with the Federal government, is initiating the second cycle of public school special education program and service audits. Over the next three years, every intermediate unit in the Commonwealth and its encompassing school districts will undergo a thorough program and service on-site audit to determine compliance with State and Federal mandates. If areas of noncompliance are cited in the audit reports, a corrective action plan will be agreed upon by the local education agency (LEA) and monitored by the Bureau of Special Education until full compliance is achieved. The basis for these audits are the State and Federal mandates affecting special education and the intermediate unit/school district special education plan. Increasing emphasis on the importance of plan accuracy has been stressed through a refined amendment process and a growing relationship between plan content, budget content, and child tracking information. Such cross checking during an audit allows the Department of Education to point out problem areas and earmark them for attention and correction.

The planning process is on-going and requires school districts and intermediate units to maintain their Special Education Plans with department approval. Such approval is given through plan updates and amendments when program and service changes are made at the local level. Copies of intermediate unit/school district plans are maintained at the local district, the intermediate unit and the Pennsylvania Bureau of Special Education.

Special areas of activity for the coming year include the revised budget procedures for the funding of special education programs and services. Guidelines and formats for budgeting have been distributed to local education agencies and the 1985 budgets are to be done accordingly. The new system emphasizes objectives and functions by category to portray how monies are allocated and spent. This improvement allows a more efficient cost analysis category by category statewide as well as locally.

A second activity will be the development of revisions and changes to the Special Education Standards. Comments from public and private schools, advocacy groups, professional groups, parents, higher education, etc., has been collected and are currently being collated into a draft version of proposed standards. Public hearings are tentatively scheduled during the 1984-85 school year. The hearings will be held to obtain further input before the finalization process begins. It is projected that such revisions will become effective in 1986.

A third activity will be the expansion of the preschool program for the handicapped in Pennsylvania. The budget includes a request for \$10 million to be distributed to the intermediate units to serve those children who are in need of special education programs and services but fall below the entry age to public school in their local school districts. Guidelines for the development and operation of these programs have been disseminated for the 1984-85 school year.

A fourth activity is the implementation of project PIPE (Parents in Partnership with Educators). Based on the success of the "Parent-to-Parent" project, parents of handicapped children will, working with education, develop a list of "Indicators of Quality Special Education," and, at the invitation of intermediate unit special education directors, review intermediate unit programs. A parent certificate will be awarded and/or a parent-educator change process initiated to assist intermediate units in program revisions necessary for "quality" special education.

Finally, special education programs and services to minorities will be assessed in an effort to improve evaluative and programmatic skills in this area. After data collection has been completed, the Bureau of Special Education will concentrate on those local educational agencies which show overenrollment of minority students in classes for the handicapped and underenrollment of minorities in classes for the mentally gifted. Over and underenrollments will be determined by comparing the percentage of each minority in the total school district/intermediate unit school age population with the percentage of each minority in special education categories. Technical assistance in the areas of referral, evaluation, curricula, and achievement assessment will be offered where problems appear to exist.

Mentally Handicapped Education

OBJECTIVE: To identify school-aged students having mental handicaps and to provide educational opportunities which will assist them to develop according to their interests and abilities and, when possible, become assimilated into regular instructional programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 211,338	\$ 237,491	\$ 254,613	\$ 266,638	\$ 289,225	\$ 310,996	\$ 332,961
Special Funds	1,250						
Federal Funds	866	993	976	976	976	976	976
Other Funds	24,738	25,780	27,602	27,789	27,789	27,789	27,789
TOTAL	\$ 238,192	\$ 264,264	\$ 283,191	\$ 295,403	\$ 317,990	\$ 339,761	\$ 361,726

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Pupils enrolled in programs for the mentally handicapped	54,495	57,075	57,275	57,375	57,375	57,375	57,375
Full-time equivalent enrollment	37,000	37,000	37,100	37,000	36,500	36,400	36,300
Special Education Program Audits		10	10	9	10	10	9
Approved Private School Evaluations	36		10	10	5	5	7
Budget Reviews Conducted	39	39	39	39	39	39	39
Special Education Plans Amended	400	400	400	400	400	400	400

Program Analysis:

The major component of the mentally handicapped population is the mentally retarded. Within this exceptionality there are three subdivisions: educable mentally retarded people who have less than average IQ's but are able to cope with the demands of everyday life, the trainable mentally retarded who can usually learn to cope with life situations, the severely and profoundly retarded who are unable to cope with everyday life and are entirely dependent on others. The other area of mental handicap is socially and emotionally disturbed people. This segment includes people of at least average IQ but who because of their emotional problems function at below average level academically.

A computerized child tracking system has been developed so that the department can be aware of services to children as they move from program to program or district to district. The system has permitted the reporting of more detail information on the education of mentally handicapped in terms of full and part-time students and resource room and itinerant room enrollments. As the system has become fully implemented it has also provided a more accurate count of students in mentally handicapped programs through the elimination of double counting and other data errors in-

herent in manual data systems.

The downward revision in the measure, full-time equivalent enrollment, is due to a refinement in the tracking system that allows for a more realistic classification between full time and part time students.

Private school placement affects socially and emotionally disturbed children most in this program since they comprise virtually all of the mentally handicapped private school enrollment. Mainstreaming of the students and more emphasis on public rather than private placement should begin to reduce the reliance of the less severely handicapped on private schools.

In addition to public and private schools, programs for the mentally handicapped are conducted in nine State schools and hospitals. These children are, in most cases, severely mentally retarded and there are no standardized criteria for determination of the effectiveness of their educational program.

The measure, special education program audits, refers to an in-depth audit conducted at least once every three years for each Intermediate Unit and its school districts. The audits provide an analysis of the number and quality of the

Mentally Handicapped Education (continued)

Program Analysis: (continued)

special education programs being offered.

This program has recently begun to address the problem of overrepresentation of minorities in classes for the educable mentally retarded and socially and emotionally disturbed. During the normal audit process, determinations will be made on disproportionate representation of minorities in intermediate unit and school district special education programs. Screening/identification, evaluation, reevaluation and placement procedures will be analyzed to assure fairness and objectivity in placement of students.

All audits were suspended until September 1984, as the audit teams were under Federal order to evaluate all approved private schools during the 1983-84 fiscal year. For this reason, no audits were done in the 1983-84 fiscal year.

An evaluation of an approved private school is used to determine the schools compliance with Federal and Commonwealth mandates regarding the provision of special education programs to severely involved exceptional children. Federal regulations require these evaluations to be held once every two years and the Commonwealth had fallen behind their schedule. The program is now on a normal cycle.

This program also conducts reviews of each Intermediate Unit's proposed budget for special education programs to ensure the proposed budget coincides with mandated programs and approved special education plans.

Special education plans are operational descriptions of programs and services provided to exceptional children. Since funding is based to a large extent on the plans, local educational agencies keep their plans current through the amendment process. Department of Education approval is necessary for any plan amendment in areas involving either funding or compliance with law.

In recognition of the special needs of handicapped children, the 1984-85 budget included funds for expansion of the Commonwealth's early intervention program. Funding for continuation of the program is included in the recommended amount for this subcategory. Early intervention is the identification of problems facing mentally and/or physically handicapped children and the attempt to remediate them before the child's development is seriously affected. This program is more fully discussed in the Physically Handicapped Education subcategory.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 93	\$ 98	\$ 100	\$ 104	\$ 108	\$ 112	\$ 117
Equalized Subsidy For Basic Education ..	53,034	60,600	65,625	68,250	74,544	82,674	91,252
Authority Rentals and Sinking Fund							
Requirements	4,129	4,726	4,685	4,620	4,760	4,900	4,900
Pupil Transportation	6,186	6,080	6,501	6,761	7,385	7,982	8,381
Nonpublic Pupil Transportation	218	209	223	230	244	258	266
Special Education	108,339	117,130	124,428	130,649	141,815	150,325	159,343
Early Intervention—Handicapped							
Children		3,700	5,000	5,250	5,512	5,788	6,077
Homebound Instruction	38	32	32	32	32	32	32
Tuition for Orphans and Children Placed in Private Homes	2,335	2,634	2,792	2,959	3,137	3,325	3,525
Special Education—Approved Private							
Schools	7,615	8,148	8,556	8,983	9,613	10,190	10,801
Intermediate Units	287	318	351	369	399	431	453
School Employees' Social Security	3,579	4,039	4,534	4,874	5,399	5,974	6,422
School Employees' Retirement Fund:							
Contingent Reserve and Supplemental Accounts	9,414	12,171	13,916	14,800	16,210	17,737	18,855
Pension Increase for Retired Teachers ..		494					
State Schools and Hospitals—Education ..	16,071	17,000	17,754	18,641	19,948	21,145	22,414
School District Payments—Racing		112	116	116	119	123	123
GENERAL FUND TOTAL	\$ 211,338	\$ 237,491	\$ 254,613	\$ 266,638	\$ 289,225	\$ 310,996	\$ 332,961
REVENUE SHARING TRUST FUND							
Special Education	\$ 1,250						

Physically Handicapped Education

OBJECTIVE: To identify those children having physical handicaps and to provide educational opportunities which will help them to develop according to their abilities and, when possible, become assimilated into regular instructional programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 307,459	\$ 338,656	\$ 360,366	\$ 379,703	\$ 405,568	\$ 435,549	\$ 469,032
Special Funds	1,000	.....	.....	.....	.....	.....	.....
Federal Funds	978	1,105	1,093	1,097	1,097	1,097	1,097
Other Funds	24,910	25,902	27,716	\$ 27,904	27,819	27,819	27,819
TOTAL	\$ 334,347	\$ 365,663	\$ 389,175	\$ 408,704	\$ 434,484	\$ 464,465	\$ 497,948

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Pupils enrolled in programs	129,280	129,400	129,150	128,700	128,300	128,000	127,600
Full-time equivalent enrollment	37,000	37,100	36,900	36,300	36,100	36,100	35,800
Special Education Program Audits .....	.....	10	10	9	10	10	9
Approved Private School Evaluations	36	.....	10	10	5	5	7
Budget Reviews Conducted	39	39	39	39	39	39	39
Special Education Plans Amended	400	400	400	400	400	400	400

Program Analysis:

This program consists of education for pupils who have special needs as the result of orthopedic disabilities, brain injuries and learning disabilities, and impairments in speech, hearing or vision.

The computerized child tracking system developed by the department has provided revised data on enrollments in these programs. The computerized system has eliminated the double counting and other data errors inherent in the previous manual system and therefore provides a more accurate count of physically handicapped students being served. The changes in the program measures for "Pupils enrolled in programs" and "Full-time equivalent enrollment" represent refinements to the data provided by the system rather than an actual change in the measures of the magnitude indicated.

There is concern that the educable mentally retarded students are being misclassified as learning disabled, a physically handicapped classification. Indications are that the misclassification results in incorrect treatment and less effective education of the pupil as well as administrative dif-

ficulties in planning and budgeting. Placement of a relatively large percentage of learning disabled pupils in the regular classroom for at least part of their education contains costs.

Although placements of the physically handicapped will stabilize, educational costs are increasing because services stipulated in the individual education plan (IEPs) have become more extensive.

Finally, the concept of integration (mainstreaming) will assist the approved private schools to maintain their status on the educational continuum by reducing the number of mildly handicapped enrolled and changing the role of these schools so that they serve the multihandicapped or the severely handicapped who cannot be appropriately placed in the public school sector. The mainstreaming concept may stabilize some escalating costs in special education at the State and local levels.

The measure "Special Education Program Audits" refers to an in-depth audit conducted at least once every three years for each Intermediate Unit and its school districts. The

Physically Handicapped Education (continued)

Program Analysis: (continued)

audits provide an analysis of the number and quality of the special education programs being offered and their compliance with pertinent Federal and Commonwealth statutes.

All audits were suspended until September 1984, as the audit teams were under Federal order to evaluate all approved private schools during the 1983-84 fiscal year. This is the reason no audits were done in the 1983-84 fiscal year.

An evaluation of an approved private school is used to determine the school's compliance with Federal and Commonwealth mandates regarding the provision of special education programs to severely involved exceptional children. Federal regulations require these evaluations to be held once every two years and the Commonwealth had fallen behind schedule. The program is now on a normal cycle.

This program also conducts review of each Intermediate Unit's proposed budget for special education programs to ensure the proposed budget coincides with mandated programs and approved special education plans.

Special education plans are operational descriptions of programs and services provided to exceptional children. Since funding is based to a large extent on the plans, local educational agencies keep their plans current through the amendment process. Department of Education approval is

necessary for any plan amendment in areas involving either funding or compliance with law.

In recognition of the special needs of both mentally and physically handicapped preschool children, this budget continues and increases state funding for the Commonwealth's Early Intervention Program by \$2.6 million, or 35 percent. Early intervention is the identification of problems facing mentally and/or physically handicapped children and the attempt to remediate them before a child's development is seriously affected. Early intervention includes a broad range of services depending on each child's needs. Services may include infant stimulation, developmental motor skills therapy educational programs, psychological testing and treatment.

The first five years of life are critical for all children and take on even greater importance for those youngsters with handicaps. A tremendous amount of growth and development takes place during this important stage. Research done on children who receive these early intervention services shows that the children experience significant developmental improvements and often require fewer specialized services later in life.

**ESTIMATED ENROLLMENTS FOR 1983-84
PHYSICALLY HANDICAPPED PROGRAMS**

Type of Handicap	Total Enrollment
Physically disabled	1,406
Brain injured and learning disabled	58,756
Hearing impaired	2,625
Visually impaired	1,088
Speech and language impaired	53,958
Mixed handicapped category	11,447
TOTAL	129,280

Physically Handicapped Education (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 74	\$ 78	\$ 80	\$ 83	\$ 87	\$ 90	\$ 94
Scranton State School for the Deaf	2,608	2,790	2,887	3,002	3,123	3,247	3,377
Equalized Subsidy for Basic Education ..	129,049	140,137	149,149	157,183	168,821	184,245	203,363
Authority Rentals and Sinking Fund							
Requirements	10,048	10,929	10,648	10,640	10,780	10,920	10,920
Pupil Transportation	15,053	14,060	14,775	15,571	16,724	17,788	18,678
Nonpublic Pupil Transportation	529	484	506	529	552	576	592
Special Education	86,671	93,704	99,542	104,519	110,838	117,488	124,538
Early Intervention — Handicapped							
Children		3,700	5,000	5,250	5,513	5,788	6,077
Homebound Instruction	587	493	493	493	493	493	493
Special Education—Approved Private							
Schools	30,461	32,593	34,222	35,933	38,452	40,759	43,205
Higher Education of Blind or Deaf							
Students	50	50	50	50	50	50	50
Intermediate Units	698	736	798	849	904	961	1,009
School Employees' Social Security	8,709	9,340	10,305	11,226	12,226	13,314	14,313
School Employees' Retirement Fund:							
Contingent Reserve and Supplemental							
Accounts	22,908	28,145	31,628	34,086	36,710	39,529	42,020
Pension Increase for Retired Teachers .		1,143					
School District Payments—Racing		259	263	266	270	273	273
Educational Radio and Television Grants	14	15	20	23	25	28	30
GENERAL FUND TOTAL	\$ 307,459	\$ 338,656	\$ 360,366	\$ 379,703	\$ 405,568	\$ 435,549	\$ 469,032
REVENUE SHARING TRUST FUND							
Special Education	\$ 1,000						

Gifted and Talented Education

OBJECTIVE: To provide quality educational programs to exceptional pupils to develop their fullest potential.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 121,856	\$ 134,894	\$ 141,796	\$ 148,018	\$ 155,968	\$ 170,001	\$ 184,162
Special Funds	250	.....	.....	.....	.....	.....	.....
Other Funds	16	.....	.....	.....	.....	.....	.....
TOTAL	\$ 122,122	\$ 134,894	\$ 141,796	\$ 148,018	\$ 155,968	\$ 170,001	\$ 184,162

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Pupils enrolled in programs for the gifted .	67,752	67,252	66,752	66,252	65,752	65,252	65,252
Special Education Program Audits .....	.....	10	10	9	10	10	9
Budget Reviews Conducted	39	39	39	39	39	39	39
Special Education Plans Amended	250	250	250	250	250	250	250

Program Analysis:

Education for the gifted is comprised of differential opportunities and higher level cognitive training provided by special and regular education for students with extraordinary intellectual potential. Twenty-nine intermediate units and 501 school districts share the responsibility for providing an enriched learning milieu individualized to the intellectual and interest level of each gifted student.

The program is based on the department's special education plan which gives general structure to areas such as student identification, screening and evaluation, facilities, curriculum, instructional materials, and program evaluation while allowing for local decisions in areas such as program scope and depth, personnel selection and training and organizational patterns. In some cases, full-time programs are provided, but most often regular education with peers is supplemented with part-time special programs, resource rooms, seminars, itinerant teachers and independent study. Each program is geared to meet the particular student learning levels, rates and styles.

The law as interpreted through the courts requires that an individualized education plan be prepared for each child and reviewed annually. The State has developed procedures for parents to negotiate with school staff on an appropriate program for their child. Colleges and universities are moving toward providing teacher training programs specific-

ly to educate the gifted with a total of 16 now offering one or more courses. Presently, gifted and talented education is the only category of special education that does not require any special teacher certification. Several advocacy groups have been working with the Department of Education to develop standards for teachers dealing with gifted students, and it is anticipated that within the next few years special certification will be necessary.

A data collection and program monitoring system forms the basis for program audits resulting in an accurate perception of the overall program options, degree of compliance and additional measures needed.

An additional segment of the program consists of three special programs for exceptionally talented high school students. The Governor's School for the Arts brings together approximately 225 students and a highly qualified staff from across the State for an intensive five week summer program in the arts. The Pennsylvania School for the Sciences is a program designed to bring together students who have been identified as outstandingly talented in the sciences. The School for the Sciences, which operated for the first time in the summer of 1982, serves approximately 80 students annually, while the Governor's School for International Studies provides an educational program for talented high school students in the fields of social studies, history and

Gifted and Talented Education (continued)

Program Analysis: (continued)

foreign languages. The Governor's School for International Studies provided intensive training for 62 students during 1984-85.

Students attend a five week course of study with the initial site the University of Pittsburgh. It is anticipated that the site will rotate among various colleges and universities throughout the Commonwealth.

The measure "Special Education Program Audits" refers to an in-depth audit conducted at least once every three years for each Intermediate Unit and its school districts. The audits provide an analysis of the number and quality of the special education programs being offered and their compliance with pertinent Federal and Commonwealth statutes.

All audits were suspended until September 1984, as the

audit teams were under Federal order to evaluate all approved private schools during the 1983-84 fiscal year. This is the reason no audits were done during the 1983-84 fiscal year.

This program also conducts reviews of each Intermediate Unit's proposed budget for special education programs to ensure the proposed budget coincides with mandated programs and approved special education plans.

Special education plans are operational descriptions of programs and services provided to exceptional children. Since funding is based to a large extent on the plans, local educational agencies keep their plans current through the amendment process. Department of Education approval is necessary for any plan amendment in areas involving either funding or compliance with law.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 19	\$ 20	\$ 20	\$ 21	\$ 22	\$ 23	\$ 24
Equalized Subsidy for Basic Education . .	68,944	75,750	79,546	82,728	87,699	96,846	106,896
Authority Rentals and Sinking Fund							
Requirements	5,368	5,907	5,679	5,600	5,600	5,740	5,740
Pupil Transportation	8,042	7,600	7,880	8,195	8,688	9,350	9,818
Nonpublic Pupil Transportation	283	262	270	278	287	303	311
Special Education	21,667	23,425	24,886	26,130	26,961	28,578	30,293
Intermediate Units	373	398	426	447	469	505	530
School Employee's Social Security	4,653	5,049	5,496	5,908	6,351	6,998	7,523
School Employees' Retirement Fund:							
Contingent Reserve and							
Supplemental Accounts	12,239	15,214	16,868	17,940	19,070	20,778	22,087
Pension Increase for Retired Teachers		618					
School District Payments — Racing		140	140	140	140	144	144
Pennsylvania School for the Sciences		157	175	192	211	232	256
Governor's School for the Arts	268	279	295	313	331	351	372
Governor's School for International							
Studies		75	115	126	139	153	168
GENERAL FUND TOTAL	\$ 121,856	\$ 134,894	\$ 141,796	\$ 148,018	\$ 155,968	\$ 170,001	\$ 184,162
REVENUE SHARING TRUST FUND							
Special Education	\$ 250						

Compensatory Preschool Education

OBJECTIVE: To assure that children under eight years of age from culturally and economically deprived families are able to learn effectively in the elementary school environment.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 14,084	\$ 23,496	\$ 24,597	\$ 25,619	\$ 27,067	\$ 28,889	\$ 31,347
Other Funds	6,622	8,047	8,563	8,603	8,603	8,603	8,603
TOTAL	\$ 20,706	\$ 31,543	\$ 33,160	\$ 34,222	\$ 35,670	\$ 37,492	\$ 39,950

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Eligible disadvantaged children	20,000	21,000	21,000	21,000	21,000	21,000	21,000
Enrollments	10,000	15,000	14,500	14,000	14,000	14,000	14,000
Programs reviewed	20	20	20	20	20	20	20
Programs evaluated	20	20	20	20	20	20	20

Program Analysis:

Children from economically and educationally disadvantaged families across the Commonwealth are enrolled in preschool compensatory programs which provide them with special activities that will help overcome any educational disadvantage they may experience when they enter elementary school. More than one half of the children are enrolled in activities under Chapter I of the Federal Education Consolidation and Improvement Act (ECIA). Acceptance into this program is based solely on measures of educational deprivation. Distribution of ECIA funding among the Commonwealth's various school districts is, by Federal law, based on the result of the United States census information and districts were uncertain of the results of the 1980 census.

Accordingly for the 1983-84 fiscal year, districts were cautious on hiring staff and developing programs and as a result anticipated enrollment for that year fell short of the amount estimated in last year's budget. It is expected that enrollments will rise for 1984-85 and remain fairly stable for the foreseeable future.

The remainder of the children are in programs for children from low income families who may or may not be educationally deprived. These programs include Head Start,

Preschool Day Care and Follow Through.

Participation in Follow Through continues to decrease as Federal funding is being phased out. Head Start and Preschool Day Care should increase slightly due to increased levels of Federal funding while participation under Chapter I of ECIA should remain constant.

Preschool activities in nearly all the programs contain a concentration of activities designed to improve basic skills in reading and mathematics. The Commonwealth reviews all programs to ensure compliance with all statutory requirements and also evaluates selected programs to measure their effectiveness.

To date, all analyses indicate these programs have a positive effect on the educational experience of the children involved. One of the largest programs in the Commonwealth, the Philadelphia preschool program, continues to show that its children perform somewhat better than similar children who are not in the program. Of particular interest is that when parents are involved in decisions about the program, their children show greater gains than children whose parents were not involved.

Compensatory Preschool Education (continued)

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Equalized Subsidy for Basic Education ..	\$ 8,839	\$ 15,150	\$ 15,909	\$ 16,546	\$ 17,540	\$ 18,897	\$ 20,858
Authority Rentals and Sinking Fund							
Requirments	688	1,181	1,136	1,120	1,120	1,120	1,120
Pupil Transportation	1,031	1,520	1,576	1,639	1,738	1,824	1,916
Nonpublic Pupil Transportation	36	52	54	56	57	59	61
Tuition for Orphans and Children Placed in Private Homes	469	500	529	562	596	632	671
Education of Migrant Laborers' Children	7	8	8	9	10	10	11
Education of the Disadvantaged	800	800	800	800	800	800	800
Intermediate Units	48	80	85	89	94	99	104
School Employes' Social Security	597	1,010	1,099	1,182	1,270	1,366	1,468
School Employes' Retirement Fund:							
Contingent Reserve and Supplemental Accounts	1,569	3,043	3,373	3,588	3,814	4,054	4,310
Pension Increase for Retired Teachers .	.....	124	.....	.....	.....	.....	.....
School District Payments—Racing .....	.....	28	28	28	28	28	28
GENERAL FUND TOTAL	\$ 14,084	\$ 23,496	\$ 24,597	\$ 25,619	\$ 27,067	\$ 28,889	\$ 31,347

Compensatory Elementary and Secondary Education

OBJECTIVE: To insure that economically and socially disadvantaged students attain an educational level commensurate with their ability.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 315,971	\$ 346,108	\$ 365,033	\$ 383,254	\$ 411,331	\$ 445,844	\$ 487,337
Federal Funds	2,212	2,477	2,433	2,433	2,433	2,433	2,433
Other Funds	242,835	260,959	276,519	277,819	277,819	277,819	277,819
TOTAL	\$ 561,018	\$ 609,544	\$ 643,985	\$ 663,506	\$ 691,583	\$ 726,096	\$ 767,589

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Eligible disadvantaged children	435,000	435,000	435,000	435,000	435,000	435,000	435,000
Enrollments	225,000	225,000	223,500	222,000	222,000	222,000	222,000
Programs reviewed	500	500	500	500	500	500	500
Programs evaluated	250	250	250	250	250	250	250

Program Analysis:

Compensatory Education under the Education Consolidation and Improvement Act (ECIA) provides academic help for children who are not in need of special education but are well behind their peers in reading, mathematics and communication skills. The program operates at all levels, from preschool described previously, through primary, intermediate and high school years.

School districts provide a complete concentration of services on the basic skills of reading and mathematics. The State supports the districts by providing technical assistance in preparing applications, reviewing and monitoring activities on-site and in analyzing the district test results. This evaluation of test results for participants is a complete report grade by grade, building by building. Other technical assistance is offered in the proper selection of participants and the dissemination of test results.

ECIA compensatory education has three major components: supplementary education for educationally disadvantaged children in a regular school environment, public and private; education for children of migrant workers, both summer and regular term; and the education programs in state-operated youth development centers, youth forestry camps, youth under age 21 in adult correctional institutions and youth in private residential rehabilitation institutions.

Remedial instruction in the regular school environment serves children apart in small groups for less than a hour

a day for intensive instruction in the basic skills. Small districts are able to provide only this intensive instruction; large districts with larger funding provide some psychological guidance, counselling, medical and dental care. The program is supported by Federal funds under the Education Consolidation and Improvement Act in addition to State funds.

The evaluation of the regular school situation program is reported on a normal curve equivalent (NCE) scale as required by the Federal Government. NCEs are used because of the position of the Federal Government that scores from most nationally normed tests can be translated into NCEs that are comparable. In this way local districts can decide which tests they prefer locally yet the results of that testing can be compared with test scores of children across the country from many other tests.

The results of such testing in Pennsylvania show that in seven of the nine grades analyzed, Pennsylvania's compensatory programs are more successful than other such programs across the country. This means that many of Pennsylvania's participants are now catching up to average children. Disadvantaged children generally begin in the program far behind the achievement level of regular students. The program is designed to shorten and eliminate wherever possible the achievement gap between average children and children in compensatory programs.

Compensatory Elementary and Secondary Education (continued)

Program Analysis: (continued)

The second portion of the compensatory program involves children of migrant workers. Over 5,000 children are currently served, including those who are eligible for a period of five years after their parents are no longer considered to be migrants. These children have the unique problem of their continually mobile state which results in very brief periods of schooling in each area and the fact that for a large number of them English is often a second language.

The summer educational programs conducted by the Commonwealth deal with the social, emotional and educational needs of the migrant child. For example, offerings might include personal health and hygiene instruction in support of diagnostic and prescriptive instruction in the basic skills. The programs are provided by contract with local agencies such as state universities. The educational and medical history of each child is available through the National Migrant Student Record Transfer System. This information is utilized by specifically trained teachers who must improve student self-esteem and self-confidence while offering an appropriate educational program for their students. The uniqueness of this educational program is re-

quired due to the transient way of life of the migrant child.

The third part of the program is education in the Commonwealth's youth development centers, youth forestry camps and private residential rehabilitative institutions (PRRIs). The instruction in these institutions is compensatory because an ongoing needs assessment continues to indicate that on the average students are functioning three or more years below normal based on their chronological age. As a result, additional programs are designed to provide remedial instruction on an individual or small group basis. Review and comparison of pre and post test scores for reading and mathematics indicate that students are progressing at a rate of one and one-half months for each month in the program. This fact is even more significant when you consider that prior to enrollment in this program the average gain for students in reading and mathematics was less than one-half month for each month of their previous educational experience.

The Commonwealth reviews programs to ensure compliance with all statutory requirements and evaluates selected programs to determine their effectiveness.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 39	\$ 41	\$ 42	\$ 43	\$ 45	\$ 47	\$ 49
Youth Development Centers							
Education	3,617	3,316	3,376	3,511	3,651	3,798	3,949
Equalized Subsidy for Basic Education	201,529	219,675	232,672	244,047	263,098	288,177	320,687
Authority Rentals and Sinking Fund							
Requirements	15,692	17,131	16,610	16,520	16,800	17,080	17,220
Pupil Transportation	23,507	22,040	23,049	24,176	26,063	27,822	29,453
Nonpublic Pupil Transportation	827	759	790	822	861	901	934
Tuition for Orphans and Children Placed in Private Homes	8,911	9,510	10,048	10,658	11,304	11,998	12,729
Education of Migrant Laborers' Children	140	149	157	163	172	181	189
Education of the Disadvantaged	200	200	200	200	200	200	200
Intermediate Units	1,090	1,154	1,245	1,319	1,408	1,503	1,591
School Food Services	10,715	10,844	10,844	10,844	10,844	10,844	10,844
School Employees' Social Security	13,600	14,641	16,076	17,429	19,054	20,824	22,570
School Employees' Retirement Fund:							
Contingent Reserve and Supplemental Accounts	35,775	44,119	49,340	52,922	57,210	61,828	66,262
Pension Increase for Retired Teachers		1,792					
Educational Radio and Television Grants	43	45	60	68	75	83	90
Private Residential Rehabilitative Institutions	186	186					
School District Payments — Racing		406	410	413	420	427	431
Education of Indigent Children	100	100	114	119	126	131	139
GENERAL FUND TOTAL	\$ 315,971	\$ 346,108	\$ 365,033	\$ 383,254	\$ 411,331	\$ 445,844	\$ 487,337

Vocational Education

OBJECTIVE: To prepare high school students for vocation occupations which have opportunities for gainful employment in Pennsylvania's economy.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 349,789	\$ 372,687	\$ 396,493	\$ 413,585	\$ 431,498	\$ 439,819	\$ 482,377
Federal Funds	3,251	3,946	3,734	3,484	3,484	3,484	3,484
Other Funds	36,471	36,620	36,673	37,140	37,180	37,185	37,195
TOTAL	\$ 389,511	\$ 413,253	\$ 436,900	\$ 454,209	\$ 472,162	\$ 480,488	\$ 523,056

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Enrollments in occupational programs	174,700	170,100	170,100	168,900	161,800	152,200	152,200
Graduates from occupational programs	56,000	54,800	54,800	54,000	51,700	48,700	48,700
Graduates available for employment	36,400	35,600	35,600	35,100	33,600	31,600	31,600
Graduates available for employment employed within one year	28,400	27,800	27,800	27,300	26,200	24,600	24,600
Area Vocational Technical Schools (AVTS) audits	17	19	19	19	16	17	17
AVTS audit exceptions	126	117	117	117	60	60	60

Program Analysis:

Vocational education curricula includes agriculture, office and health occupations, wholesale and retail services, occupational home economics and technical and industrial occupations with instruction taking place in both comprehensive high schools and area vocational-technical schools. The curricula is continuously being reviewed by the Department of Education as well as the various industries.

It is the intent of this program that any student not planning to attend college, have the opportunity to learn vocational skills which will prepare the student for employment.

Special activities such as remedial programs for disadvantaged and/or handicapped students, cooperative education programs which provide on-the-job training through agreements with business and industry, work study programs and development and dissemination of programs to eliminate sex bias and stereotyping in vocational curriculum help improve the effectiveness of vocational services.

This budget includes funding from the Pennsylvania

Economic Revitalization Fund for the purchase or lease of new vocational-technical equipment and the upgrading of existing vocational-technical equipment.

Area vocational-technical schools and school districts which are not participating members of an area vocational-technical school are eligible for this funding which will allow them to expand the scope and diversity of their vocational education programs and to replace worn out or obsolete equipment.

The Pennsylvania Economic Revitalization Fund is shown in three places in Volume I of the budget: a special Pennsylvania Economic Revitalization Fund presentation, the Public Debt section and the Special Fund Appendix.

Act 115 of 1982 changed the method of funding vocational education to a weighted system compared to the previous law which specified that payments would be made on average daily membership and cost differentials. The vocational education weighting factor recognizes the higher

Vocational Education (continued)

Program Analysis: (continued)

cost of educating vocational students just as the weighting factors for secondary and kindergarten students recognize educational cost differentials in the basic instruction subsidy.

Area vocational technical schools are audited for compliance every five years. The compliance review evaluates procedures and practices relative to Chapter Six of the Pennsylvania State Board Regulations, Title VI of the Civil Rights

Act of 1964, Title IX of the Education Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973.

Audit exceptions indicate the instances of non-compliance and it is anticipated that as the Department of Education works with the various Area Vocational Technical Schools this measure will decline.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,834	\$ 1,935	\$ 1,978	\$ 2,057	\$ 2,269	\$ 2,360	\$ 2,454
Thaddeus Stevens Trade School	2,602	2,957	3,036	3,157	3,284	3,415	3,552
Equalized Subsidy for Basic Education ..	240,421	255,655	272,445	283,343	295,987	302,350	336,331
Vocational Education	25,540	25,038	26,200	27,772	29,438	31,204	33,076
Authority Rentals and Sinking Fund Requirements	13,765	14,621	14,338	14,140	13,860	13,160	13,300
Pupil Transportation	20,621	18,810	19,897	20,693	21,501	21,438	22,748
Nonpublic Pupil Transportation	725	649	682	703	710	693	721
Intermediate Units	956	984	1,076	1,129	1,162	1,158	1,229
School Employes' Social Security	11,929	12,494	13,878	14,918	15,720	16,046	17,432
School Employes' Retirement Fund: Contingent Reserved and Supplemental Accounts	31,382	37,654	42,592	45,298	47,197	47,639	51,174
Pension Increase for Retired Teachers ..	.....	1,529	.....	.....	.....	.....	.....
School District Payments — Racing .....	.....	346	351	352	345	328	330
Educational Radio and Television Grants	14	15	20	23	25	28	30
GENERAL TOTAL.....	\$ 349,789	\$ 372,687	\$ 396,493	\$ 413,585	\$ 431,498	\$ 439,819	\$ 482,377

Community Education

OBJECTIVE: To provide educational opportunities for citizens 16 years of age and over whose lack of basic educational skills or English language limitations constitute a substantial impairment of their ability to adapt to and function successfully within contemporary society.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,885	\$ 5,138	\$ 5,640	\$ 5,786	\$ 5,937	\$ 6,095	\$ 6,258
Federal Funds	3,688	5,219	5,261	5,364	5,469	5,542	5,634
Other Funds	4,573	4,635	4,828	4,904	4,904	4,905	4,905
TOTAL	\$ 12,146	\$ 14,992	\$ 15,729	\$ 16,054	\$ 16,310	\$ 16,542	\$ 16,797

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Enrollment in Adult Basic Education Programs	30,000	32,500	33,000	33,500	34,000	34,000	34,000
Adult education classes under contract	1,300	1,325	1,350	1,375	1,425	1,425	1,425
Corrections Education:							
Enrollments in programs in correctional institutions	3,600	3,800	4,050	4,350	4,680	4,980	5,220
Classes presented	140	151	155	159	163	163	163
General Educational Development Diplomas (GED's) issued	23,904	24,000	25,000	25,000	25,000	25,000	22,500

Program Analysis:

The first priority of the community education program is to provide basic education courses to adults who do not have basic skills in reading, math and the English language. According to the 1980 census there are 547,820 adults in Pennsylvania between the ages of 18 and 65 with less than an ninth grade education and 1,827,060 who did not graduate from high school. The population seeking basic education has increased in recent years partly because of the influx of refugees requiring English language skills and because high school dropouts are being required by employers to acquire diplomas.

There are 211 Adult Basic Education (ABE) programs in the Commonwealth according to a survey conducted by the Department of Education. Approximately half of the classes are held in the local schools; many are conducted in correctional institutions which will be discussed later. The majority of the students enrolled are young and single; men and women participate in equal numbers. During the 1983-84 year, of 30,000 enrollees, 4,606 completed the eighth grade program and 6,432 participated in GED classes. Of the

students which successfully completed the General Educational Development Diploma (GED) course, 3,409 passed the test, and 2,054 either obtained a job or moved to a better job as a result of program participation.

The second priority of community education is to aid educationally disadvantaged adults to go beyond the basic skills and secure a high school diploma. There are many ways to achieve that goal:

The first is the standard evening high school program where the student attends evening classes to gain the necessary units to qualify for the local school district diploma. This program is being phased down because funds from the Equalized Subsidy for Basic Education and district moneys are being decreasingly allocated by the districts for auxiliary programs.

Second is the GED program which is a series of five subject tests standardized by the National Education Testing Agency. Testing centers approved by the State provide testing and upon satisfactory passing of the test the student receives a GED certificate which is the Commonwealth

Community Education (continued)

Program Analysis: (continued)

Secondary School Diploma. Under the basic adult education program, classes to prepare for the GED test are provided to adults at no tuition cost and some school districts have ruled through their school boards to award the school district's own diploma to any student who passes the GED test after studying in an adult basic education program sponsored by the school.

Finally, adult competency based high school diplomas are awarded by school districts where an external high school adult competency system has been established and where there also has been established a system of credit by examination in those adult competencies which have been accepted by the local school district's administration.

In recognition of the need for adult literacy training nationwide, the Federal government has included adult literacy programs as part of the Job Training Partnership Act. The Commonwealth has provided the required matching funds for these programs which are directed at assisting Pennsylvania's economically disadvantaged citizens to enter or re-enter the workforce equipped with the basic educational and occupational skills necessary to meet the needs of employers. At the same time these efforts will assist in reducing dependency on public assistance.

A substantial basic education program is provided to adults at the Commonwealth's ten correctional institutions. Adults who are incarcerated in the institutions are provided the opportunity to participate in an education program which includes: an assessment component that diagnoses the academic achievement levels of each inmate entering an educational program; a basic education curriculum with instruction geared to preparation for the General Education Development diploma; remedial instruction in reading and mathematics; and vocational education and training with the emphasis on providing entry level employment skills. There are also opportunities to obtain college level instruction and job placement services on a selected regional basis throughout the State system.

The population of the ten State operated correctional institutions has expanded to over 12,000 adults; a 9 percent increase over the population a year ago. The education programs throughout the State system service approximately 30 percent of this population. Educational involvement is on a voluntary basis with each prison within the system developing an education program unique to the physical environment and the specific needs of its clients. The student inmates are provided a monetary incentive to attend classes based on the Bureau of Correction's statewide Inmate Compensation Plan. This is an indexed plan based on the minimum wage received for the work assignment.

In response to the rapid population increase in the correctional system in the past year and its continuation pro-

jected for next year, additional funds are available to increase the educational program for inmates. A major increase in funding in the 1984-85 fiscal year provided for the educational program at Waynesburg and the enhancement of programs in basic and vocational education at the other institutions, a total of 12 new teachers. For the budget year additional funds are budgeted to further increase educational offerings in basic education and to reinstate postsecondary programs in every institution.

SCI—Camp Hill has an education program that has over thirty different programs, an assessment counselor, and a job placement specialist. College courses are available at the institution through Harrisburg Area Community College. The vocational component has six full-time programs; auto mechanics, carpentry, drafting, electronics, printing, and small gas engine repair. Part-time programs are offered in a variety of trade and industrial programs and office practice. Academic instruction in the basic skills areas and a special education component are also provided.

SCI—Dallas has an education program that includes an assessment unit and 21 full and part-time programs. The vocational component operates 4 full-time programs: auto body repair, barbering, carpet installation, and welding. There are also part-time vocational offerings in a variety of trades and industrial areas. A basic education curriculum which includes an English as a second language program and a GED component complement the vocational offerings.

SCI—Graterford—This is the largest correctional facility in Pennsylvania. The vocational offerings of the institution include full-time courses in carpentry, barbering, dental technology, air conditioning/refrigeration and small gas engine repairs, welding, and business practice. The basic education courses are organized around a learning center concept. A job placement specialist has been hired to help inmates in finding post-release employment.

SRF—Greensburg—This institution is a medium security, short-term institution. Vocational courses offered at the prison include commercial art, automotive repair, carpentry and plumbing. An academic component includes remedial reading, math, basic skills and GED instruction. Greensburg also incorporated one of the first job placement programs in the State institution system.

SCI—Huntingdon—Opened in 1889, this institution is the second oldest in the State system. The vocational offerings at this institution include full-time programs in auto-mechanics, office practice, and printing and a building trades program is planned. A variety of part-time trades and industrial courses are offered in the evening hours. Huntingdon took the lead in the State system in obtaining apprenticeship approval in a number of their vocational of-

Community Education (continued)

Program Analysis:

ferings. The academic component includes a remedial reading program and a learning center basic education program and also offers GED traditional classroom instruction and a computer assisted employability program.

SRF-Mercer—Serves a 14 county area in Northwest Pennsylvania. The Education Department has vocational offerings in auto-mechanics, office practice, construction trades, and electronics. A remedial reading program, a career awareness course, and GED instruction are provided in the academic curriculum. Mercer has also incorporated a job-placement specialist in their program. A computer accounting and food service program are planned for this fiscal year.

SCI—Muncy—This is a predominantly female institution. The Education Department has vocational offerings in both traditional and non-traditional areas such as auto-mechanics, micro-computers, driver training, home economics and office practice; home maintenance will begin this year. A certified cosmetology program is also operated by the Bureau of Correction. Academic instruction leading to a GED diploma is available and a job placement specialist has been hired.

SCI—Pittsburgh—Opened in 1882, this is the oldest operating State institution. The Education Department has full-time vocational offerings in: welding, radio and TV repair, auto-mechanics and an auto body repair program. An academic component offering career awareness courses, basic instruction, and GED classes is available. A job-placement specialist is also employed to help the students make job contacts. The University of Pittsburgh offers college courses leading to a bachelor degree.

SCI—Rockview—The education program at Rockview offers full-time vocational training in drafting, masonry, and shoe-repair. Part-time programs in a variety of trades and industrial areas are provided during the evening hours. A forestry and agricultural program is also operating in cooperation with Penn State and Centre County Vocational Technical School. Postsecondary courses are offered in conjunction with Penn State.

SCI—Waynesburg—The newest State correctional institution came into being July 1, 1984. Educational offerings now include basic skills, and vocational component includes cosmetology and business practice program.

The Governor's Office of Budget has completed a study of the corrections education program. The study was designed to measure the effects of this education on post release behavior and adjustment.

The results of the study indicate that education, by itself, is probably not an effective instrument for reducing recidivism, although it might be effective if combined with some other treatment such as job placement. In response to those findings, the Department has established several job placement programs in the prison system.

The Commonwealth's commitment to this program, regardless of its effect on recidivism, is based on the intrinsic value of education and the fact that the prison population in general is severely educationally disadvantaged.

Also included in this program is the Pennsylvania Ethnic Heritage Studies Center, which became operational at the University of Pittsburgh in April, 1975 and now includes a program at the Balch Institute in Philadelphia.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 141	\$ 149	\$ 152	\$ 158	\$ 164	\$ 171	\$ 178
Correctional Institutions Education	2,429	2,989	3,488	3,628	3,773	3,924	4,080
Job Training Partnership	1,215	1,900	1,900	1,900	1,900	1,900	1,900
Ethnic Heritage	100	100	100	100	100	100	100
GENERAL FUND TOTAL	\$ 3,885	\$ 5,138	\$ 5,640	\$ 5,786	\$ 5,937	\$ 6,095	\$ 6,258

Higher Education

OBJECTIVE: To fulfill Pennsylvania's requirements for graduates of higher education programs, to respond to the demands of students for higher education, and to support the public institutions providing those programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 709,038	\$ 764,454	\$ 795,070	\$ 826,610	\$ 856,834	\$ 888,370	\$ 923,185
Federal Funds	336	385	377	377	377	377	377
Other Funds	677	597	75,597	75,597	597	597	597
TOTAL	\$ 710,051	\$ 765,436	\$ 871,044	\$ 902,584	\$ 857,808	\$ 889,344	\$ 924,559

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Capitol Semester Interns	38	150	150	150	150	150	150
Programs evaluated	837	911	921	993	922	875	917
Special studies conducted	85	80	85	80	85	80	85
Higher Education Equal Opportunity Grants (Act 101 Grants)	68	71	71	71	71	71	71
Enrollment in state supported institutions ..	295,627	298,363	298,707	300,320	302,355	304,008	305,696
Office of Civil Rights reviews	32	32	32	32	32	32	32
Teacher certifications	22,124	23,000	23,000	24,000	24,000	24,000	25,000
Districts with apprenticeship programs			5	15	501	501	501
Tests administered to candidates for certification				500	10,00	10,500	11,000

Program Analysis:

Higher education in Pennsylvania is provided through 224 degree-granting institutions which include the 14 universities of the State System of Higher Education (SSHE), four state-related universities, 12 state-aided colleges and universities, 14 community colleges, and over 100 independent colleges, universities, and specialized degree-granting institutions. Because the institutions offer a significant spectrum of programs and services throughout the state, they are an important asset to the Commonwealth and to its citizens, businesses and industries.

The growth in the number and size of these institutions has been promoted not only by individual perceptions of the worth of a college education but also through the State government's recognition of the value of an educated populace as evidenced in the appropriations to higher education institutions. The Commonwealth's funding of higher education supports a wide variety of academic curricula, at both public and private institutions, to satisfy educational

needs of individuals as well as those of the State for specialized manpower, an educated populace, a research capability, and the intangible inspiration and creativity generated by the learning process and the association of scholars. The economic return on the Commonwealth's investment in higher education is many-faceted. It includes direct institutional expenditures of economic significance, heightened citizen expectation for goods and quality of life, and a training and research capability which attracts new businesses and industries to the State.

The Commonwealth's recognition of the importance of higher education is reflected in the level of funding provided for Pennsylvania's institutions of higher education and for student aid. A recent report on higher education spending ranked Pennsylvania 23rd in the nation for the amount of State support per full-time equivalent student in 1982-83. Pennsylvania was 3rd in the Northeast region in this study, and had the 4th largest budget for student aid in fiscal year 1983-84. In 1981-82, grant aid per undergraduate enrollment was \$205, also 4th in the nation.

Higher Education (continued)

Program Analysis: (continued)

Funding for 1985-86

Major increases in funding for higher education institutions are provided for the budget year. The subsidies to the Community Colleges, the State System of Higher Education, the state related universities, and the state-aided colleges and universities will increase by over \$29 million.

To support the Governor's initiative entitled Agenda for Excellence in Education, the State Board of Education has adopted major changes in the regulations for certifying professional school personnel. To prepare better trained educators to meet the learning needs of students, the Department of Education has begun the implementation of activities to improve the quality and content of teacher education programs and to provide an induction program for first-year teachers. Funding for this initiative, at \$500,000 each year for four years, is included in the budget. The program includes development and implementation of a testing program, coordination of the apprenticeship program in school districts, discussion with the higher education community on an increased emphasis on academic preparation for certification, and establishment of a continuing professional development program for teachers and administrators.

The Governor's Commission on Financing Higher Education, appointed on December 6, 1983, was charged by the Governor to evaluate current methods of funding Pennsylvania's colleges and universities, and to recommend how scarce resources for higher education can most appropriately be allocated to maximize quality education and student access. Several preliminary recommendations of the Commission are discussed in the Excellence in Higher Education Program Revision following this subcategory. Traditionally, Pennsylvania has used an incremental funding system for higher education, built on a historic base. The Commission's preliminary recommendations discuss moving toward a system under which the Department of Education would require each institution or system applying for state-aid to address certain criteria including enrollment trends, tuition levels, long-range planning, management efforts to limit personnel cost increases, community service, and responsiveness to the economic and cultural development needs of the Commonwealth.

The Commission also suggests that in the future the Department of Education develop a system of contracting for special programs at the state-aided institutions and for selected professional and research programs at the state-related and SSHE universities. That change is not reflected in this budget; it is a matter for future consideration.

Two new programs are recommended this year to enrich state aid to the higher education community. The first will provide \$2,500,000 in each of the next two years to provide a 50/50 match for SSHE institutional funds for the deferred maintenance projects which were carried over when the SSHE became an independent system.

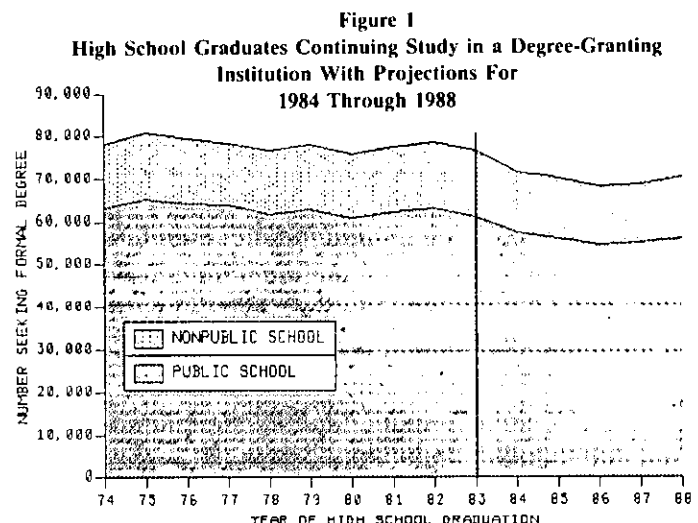
The second project provides \$1,000,000 in seed money, to be matched by private contributions, to establish Chairs of Excellence at Pennsylvania institutions. Each of these programs is discussed in the program revision statement following this subcategory.

Enrollment Projections

Although the recent past of higher education has been dynamic, characterized by growth in enrollments and resources, higher education has entered a period that will be generally characterized nationally by declining enrollments, limited fiscal resources and adjustments in institutional missions.

In Pennsylvania, however, total enrollment has increased rather steadily over the past decade and projections indicate only a slight decline over the next five years.

The projected decline in enrollments in Pennsylvania has two basic components. First, the 18 to 24 year-old age group in Pennsylvania is declining. Population projections indicate that the 18 year-old age group peaked in 1979 and in the 1980s this traditional college student pool will decline by 20 to 25 percent. This decline in college-age students is one of the most severe in the nation. The effect of this decline in Pennsylvania is currently being obscured by a marked rise in the number of older, part-time students. From 1974 to 1983, the number of high school graduates decreased by over 14 percent; however, the proportion of graduates choosing to continue their education at a degree-granting institution increased over 6 percent. In fact, although participation rates are a continuing area of concern, Pennsylvania's high school graduates are attending college and other postsecondary programs at the highest levels in 13 years. The consequence of this is evident in Figure 1 which shows that the number of graduates pursuing higher education in 1983 is about the same as the number doing so in 1974.



Higher Education (continued)

Program Analysis: (continued)

The 1984 report entitled *Parents, Programs and Pennsylvania Students' Plans for Postsecondary Education* issued by the Pennsylvania Association of Colleges and Universities (PACU) was undertaken to assess the relative influence of community, school, family, and individual student factors on the decision to go on to postsecondary education and to develop recommendations for increasing the participation of Pennsylvania students in higher education.

The analyses showed that the single factor most influencing student plans is their parents' preferences for their postsecondary activities. In part those preferences are affected by socioeconomic status and related factors.

The report recommended that the Department of Education, PHEAA, school districts, and postsecondary institutions enhance the general public awareness of postsecondary opportunities, financial aid resources, and choices to be made early in the high school curriculum and the benefits

of postsecondary education. The implementation of these recommendations may have an impact on enrollment patterns in future years as the students now entering high school, and their parents, become more interested in and prepared for the availability of postsecondary education.

Table 1 indicates that the State supported institutions are projecting a 3.4 percent increase in overall FTE enrollments between 1983-84 and 1989-90. The state-related universities have projected a 3 percent decline in enrollment over the projection period. The community colleges have anticipated the largest enrollment increase of any sector amounting to 16.6 percent between 1983-84 and 1989-90. The State System of Higher Education projects a very slight increase of only 1.5 percent over the entire period. The state-aided institutions have projected a small increase of 1.7 percent over the same period.

Table 1

Full-Time Equivalent Enrollments at State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State System of Higher Education	77,808	78,112	78,573	78,433	78,820	78,960	78,987
State-Related Universities	115,463	114,310	114,784	114,316	113,897	113,403	112,955
Community Colleges	64,661	68,167	67,489	69,447	71,450	73,432	75,425
State-Aided Institutions	37,695	37,774	37,861	38,124	38,188	38,213	38,329
TOTAL	<u>295,627</u>	<u>298,363</u>	<u>298,707</u>	<u>300,320</u>	<u>302,355</u>	<u>304,008</u>	<u>305,696</u>

Projections of College Graduate Supply

Along with higher education enrollment size, the mix of enrollments by discipline will shape the future of higher education.

Students have, in recent years, become more aware of the job market and economic realities. For that reason they are choosing job-oriented disciplines with good employment rates such as the health professions, engineering, computer sciences, and business. Particularly impressive is the growth in related technologies in these fields.

Table 2 shows current projections of degrees to be awarded by the state supported degree-granting institutions of higher education in Pennsylvania through 1989-90. The degrees shown in Table 2 are substantially fewer than those shown in last year's budget, especially for the community colleges. The change reflects the decision to show only actual associate, bachelor, and graduate degrees without the inclusion of certificates for short-term program completion. The charts following show the Department of Education's degree projections for all institutions including the private sector.

Higher Education (continued)

Program Analysis: (continued)

Table 2

Higher Education Degrees Awarded by State-Supported Institutions of Higher Education, Actual and Projected

Institutional Category	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State System of Higher Education	14,616	14,752	14,787	14,908	14,915	14,956	14,962
State-Related Universities ^a	23,314	23,219	23,200	23,172	23,173	23,161	23,158
Community Colleges ^a	8,439	8,603	8,620	8,791	8,884	8,971	9,087
State-Aided Institutions.....	10,277	10,237	10,325	10,361	10,337	10,381	10,400
TOTAL	56,646	56,811	56,932	57,232	57,309	57,469	57,607

^aIncludes technologies

Figure 2

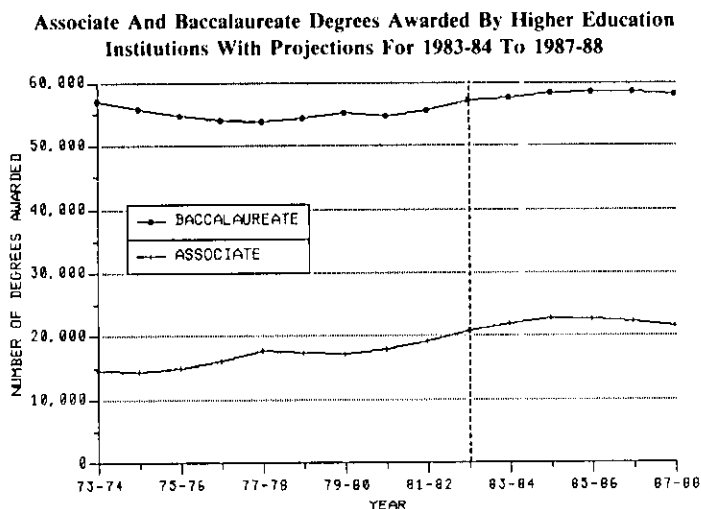
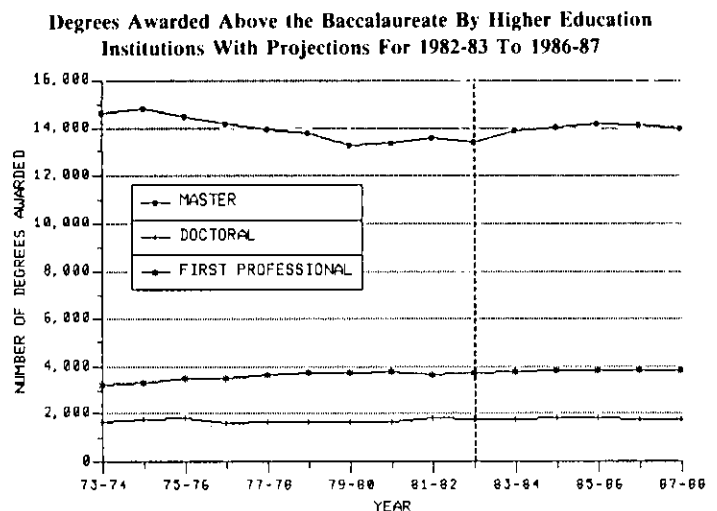


Figure 3



Employment Trends

The Department of Education's annual follow-up studies of graduates can be used as a measure of the success that recent graduates at every level and in each discipline have had in finding employment that is related to their field of study. The Department prepares a yearly report based on a survey of the graduates of the previous spring. The most recent report indicates that the rate of employment of 1983 baccalaureate degree recipients has not declined from its 1982 level of 49 percent. By program area, however, there were substantial differences in degree-related employment for baccalaureate graduates. For graduates in engineering, for example, the rate of degree-related employment dropped from 71 to 58 percent. In contrast, degree-related employment rose from 47.4 to 58.5 percent for baccalaureate graduates in the field of agriculture and from 67 to 77 percent for those graduates in library science.

While associate degree and doctoral degree graduates fared somewhat better in 1983, the general pattern is still one of decline in degree-related employment at all levels compared with the graduates of 1981 who were not affected by the recent recession. Recent information on the recruiting of college graduates in 1984, however, suggests that the recent more negative experiences of college graduates has been reversed and that the findings for 1984 graduates, when available, will be more positive for graduates in business and management and in engineering than is reported here.

The postgraduate activities of 1983 graduates at various degree levels are shown in Figure 4, while Figure 5 gives similar data for baccalaureate degree recipients in selected program areas.

While specific fields of study do vary widely in the degree to which their graduates find it easy to obtain related employment at the time of graduation, it should also be remembered that liberal arts and sciences graduates, for example, do not obtain directly relevant employment as often

Higher Education (continued)

Program Analysis: (continued)

Figure 4

Proportion Of Postgraduate Activity For Each Degree Level As Of 1983

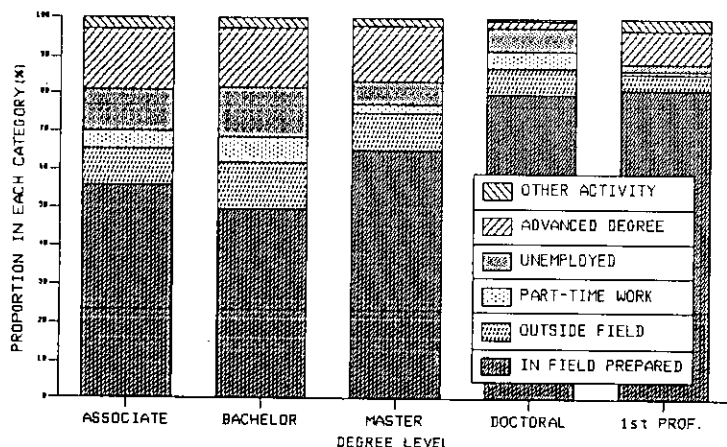
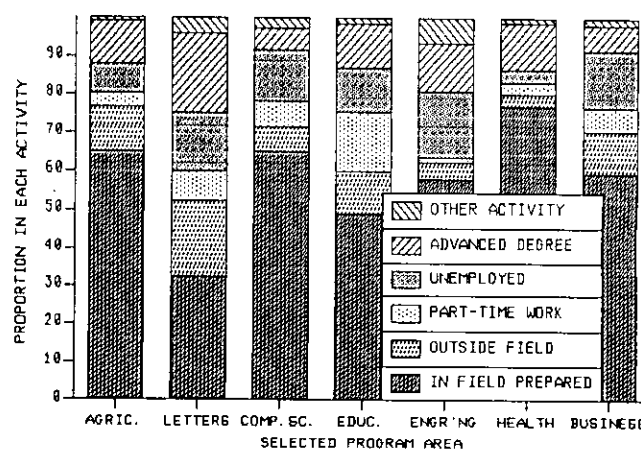


Figure 5

Baccalaureate Patterns Of 1982 Postgraduate Activity By Selected Program Area



as most graduates. This does not mean that they find their education to be valueless. They may, in fact, be more likely to be successful in the long run because of the intellectual skills they have developed than will the more narrowly specialized graduates in a field such as engineering who, initially, easily obtain a relatively high salaried position. The more specialized graduates may find it difficult to rise beyond a certain point in their careers when more generalized management skills become important.

Program Budget Considerations

As priorities of the State of Pennsylvania have changed in recent years, the importance of certain academic disciplines has increased. While the overall mission of Pennsylvania's higher education institutions is to provide a broad and liberal education to all graduates within the limitations of a particular program and degree level, certain programs are of strategic concern because they play a crucial role in meeting the economic and social needs of the Commonwealth by providing trained and skilled professionals to help meet those needs.

The program data presented in Table 3 and in the following narrative and figures differ from that presented in

previous years because of the change in reporting required by the Federally mandated Classification of Instructional Programs (CIP) codes. This revised system differs from the Higher Education General Information Survey (HEGIS) codes used in prior years in that it permits a much more detailed breakdown of degree programs and places some programs in categories which are quite different from their arrangement in the prior system. The new system will be used consistently in future budget presentations.

Figure 6 provides a pie diagram of 1983-84 FTE enrollments by major program area in state-supported institutions of higher education. Actual and projected FTE enrollments, as provided by these institutions for the program areas, are presented in Table 3. The thrust to develop high technology industry in Pennsylvania has resulted in increased attention to computer science. In addition, mounting concern over the need for individuals who are skilled in languages other than English and are familiar with other cultures has resulted in greater concern about area studies/foreign languages. The importance of education in realizing Pennsylvania's goals is seen as also requiring a detailed look at the need for teachers in certain specialties. Selected program categories which reflect these concerns are emphasized in the narrative.

Higher Education (continued)

Program Analysis: (continued)

Table 3

Actual 1983-84 and Projected 1984-85 to 1989-90
State-Supported Institution FTE Enrollments by Subject Area^a

Subject Area	Number of FTE Students and as Percent of Total	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	Change
Agricultural and Renewable Natural Resources	#	3,797	4,254	3,595	3,546	3,476	3,398	3,261	-14.12
	%	1.28	1.43	1.20	1.18	1.15	1.12	1.07	
Arts and Letters	#	36,934	38,233	38,757	38,823	39,624	40,199	40,751	10.33
	%	12.49	12.81	12.98	12.93	13.11	13.22	13.33	
Business, Management, Data Processing	#	60,725	61,172	61,304	61,755	62,278	62,682	63,146	3.99
	%	20.54	20.50	20.52	20.56	20.60	20.62	20.65	
Communications and Related Technologies	#	8,886	8,908	8,986	9,192	9,197	9,219	9,252	4.12
	%	3.01	2.99	3.01	3.06	3.04	3.03	3.03	
Computer and Information Sciences	#	14,788	15,244	15,778	16,167	16,327	16,490	16,665	12.69
	%	5.00	5.11	5.28	5.38	5.40	5.42	5.45	
Education	#	28,032	27,865	27,749	27,613	27,590	27,646	27,716	-1.13
	%	9.48	9.34	9.29	9.19	9.12	9.09	9.07	
Engineering, Architecture and Environmental Design	#	22,662	22,680	22,949	23,051	23,113	23,125	23,164	2.22
	%	7.67	7.60	7.68	7.68	7.64	7.61	7.58	
Engineering and Related Technologies	#	8,509	8,594	8,616	8,708	8,830	8,932	9,038	6.22
	%	2.88	2.88	2.88	2.90	2.92	2.94	2.96	
Health Professions, Health Sciences, and Biological Sciences	#	37,727	37,890	37,834	38,070	38,330	38,615	38,913	3.14
	%	12.76	12.70	12.67	12.68	12.68	12.70	12.73	
Home Economics, Human Services and Public Affairs	#	14,744	14,457	14,423	14,352	14,242	14,032	13,875	-5.89
	%	4.99	4.85	4.83	4.78	4.71	4.62	4.54	
Industrial, Repair, Construction and Transport Technologies	#	2,705	2,849	2,768	3,027	3,118	3,219	3,316	22.59
	%	0.92	0.95	0.93	1.01	1.03	1.06	1.08	
Law	#	2,465	2,470	2,467	2,467	2,468	2,469	2,469	0.16
	%	0.83	0.83	0.83	0.82	0.82	0.81	0.81	
Physical Sciences, Mathematics and Related Technologies	#	16,053	16,103	16,336	16,471	16,572	16,647	16,709	4.09
	%	5.43	5.40	5.47	5.48	5.48	5.48	5.46	
Social Sciences, Psychology, Area Studies and Foreign Languages	#	26,560	26,858	26,860	26,813	26,705	26,625	26,497	-0.24
	%	8.98	9.00	8.99	8.93	8.83	8.76	8.67	
Multi-Interdisciplinary Studies	#	11,040	10,786	10,285	10,265	10,485	10,710	10,924	-1.05
	%	3.74	3.61	3.44	3.42	3.47	3.52	3.57	
TOTAL	#	295,627	298,363	298,707	300,320	302,355	304,008	305,696	3.41
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

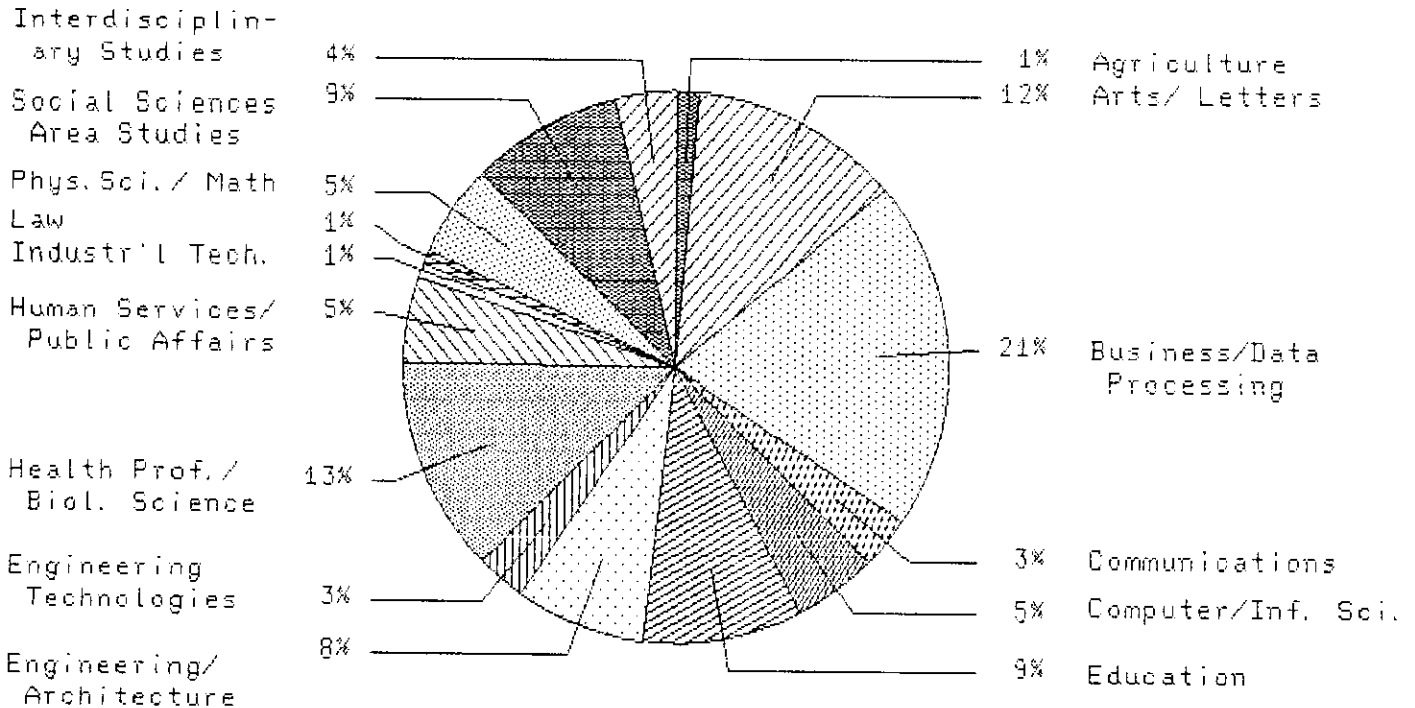
^aProjections of full-time equivalent enrollment made by the state-supported institutions from the base year of 1983-84.

Higher Education (continued)

Program Analysis: (continued)

Figure 6

FTE Enrollments In State-supported Institutions Of Higher Education



Agriculture

Agriculture, for example, has come to the fore as the State's leading industry because of the decline of steelmaking which had, until now, been the State's major industry. Educational programs in agriculture and natural resources are currently being offered at two state-supported institutions: The Pennsylvania State University and Delaware Valley College of Science and Agriculture.

Full-time equivalent enrollment in this program area is projected to decline from 3,797 in 1983-84 to 3,261 in 1989-90 (see Table 3). The decline is partly the result of the recent poor economy; but a survey has shown that it may also reflect the effect of lower tuitions at out-of-state land-grant institutions and a preference of potential students for main campus rather than branch campus matriculation. Enrollment are, therefore, expected to continue to decrease throughout this decade.

While there has been an overall leveling of basic farm-worker employment, other employment opportunities show great promise for future graduates. Agricultural business management and agricultural engineering are by far in the greatest demand. There is also a projected need for college-trained educators, agronomists, environmentalists, nutritionists, plant scientists, economists and computer specialists. These individual disciplines are important to insure an increase in agricultural productivity. It is becoming evident that there will be an increased demand (world-wide) for food during the 1980s with a consequent increase in demand for specialists in these disciplines.

As students continue to react to the job market, the enrollment in colleges of agriculture will drift to the more specialized skill areas such as management, marketing and system analysis within the agriculture discipline. At present, placement at the bachelor's degree level is good nationwide; the latest statistics from the U.S. Department of Agriculture

Higher Education (continued)

Program Analysis: (continued)

show that the overall job market is being satisfied. However, shortages currently exist in terms of those with advanced degrees in agricultural business management, agricultural engineering, animal science, food science, natural resources, plant science and soil science. The graduates of 1983 had an unemployment rate of 10 percent compared with 13.1 percent for all baccalaureate graduates. Also, 58.5 percent were employed in degree-related agriculture and natural resources positions compared to 49.7 percent for similar baccalaureate degree recipient employment in general.

Teacher Education

A disparity currently exists between the number of teachers prepared each year and the number that find teaching employment. However, the size of the disparity appears to be decreasing over that which existed during the period of the early and mid-seventies (see Figures 7 and 8).

The oversupply has been caused primarily by an earlier dramatic increase in the number of teachers prepared, which stabilized in the late sixties and early seventies, followed by a marked decline in the number prepared coupled with a decline in elementary and secondary enrollments during the same period. Although it is true that basic education enrollments have continued to decline with a concurrent overall decline in demand for elementary and secondary education teachers, the demand for certain specialty areas such as vocational education and special education has nevertheless persisted. This situation is seen as continuing

in the immediate future although shortages may eventually ensue as an aging teacher work force begins to reach retirement age.

In response to this problem, fewer students have been seeking to become teachers and many institutions have been making internal program shifts to other curricular areas such as business, computer science, the health sciences and the health professions. The extent to which the institutions of higher education need to make further program shifts is not yet fully known. The trends in this area must be carefully watched for the next few years in order to avoid oversupply, or future undersupply of teachers in the state.

The Department of Education now projects a continued decrease in enrollments for grades 6 through 12 and of degree graduates in secondary education. Graduates in elementary education and enrollments in grades K through 5 are projected to increase. Overall enrollments in basic education schools are projected to decrease by 114,435 or 5.4 percent between 1983-84 and 1988-89. This projected increase in elementary enrollments corresponds to the increasing number of births resulting from the maturing of the baby boom generation. As these children continue to enter school, there will be some increase in demand for teachers in general during the 1980s, especially at the elementary level, and in the 1990s at the secondary level.

Newly certificated graduates in education are projected to increase from 6,414 in 1982-83 to 6,600 in 1988-89. The growth in numbers will occur in elementary education (2,322 to 2,650) and in special education (1,334 to 1,550). Of the

Figure 7
Postgraduate Teaching Activity Of Certificated Graduates
In Elementary Education

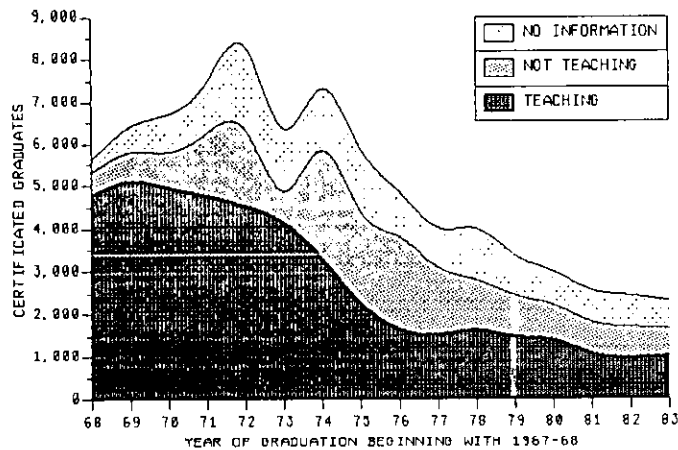
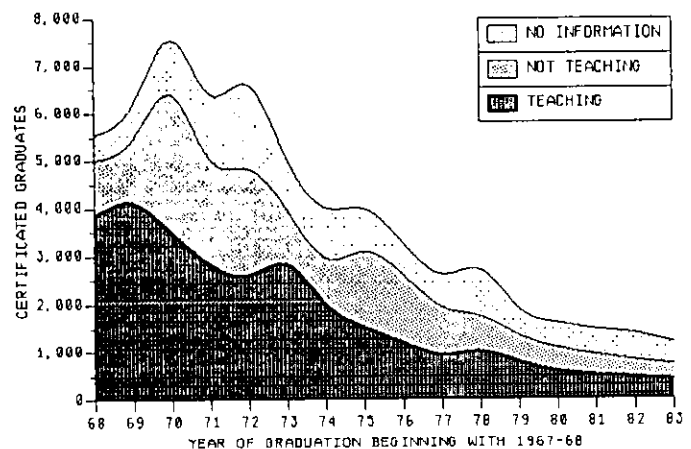


Figure 8
Postgraduate Teaching Activity Of Certificated Graduates
In Secondary Education



Higher Education (continued)

Program Analysis: (continued)

students receiving teaching certificates in 1982-83, 38.1 percent were employed as teachers.

Mathematics and Physical Science Teachers

The current awareness of the importance of high technology in the future economic growth of industry in the United States and the Commonwealth has also called attention to the science curricula of the public schools. It has been a matter of growing concern to the Commonwealth that there may be, to some degree, a shortage of trained teachers in the areas of mathematics and the physical sciences. A recent examination of the data concerning employment of mathematics and science teachers made by the Department of Education has indicated that when the current pool of previously certificated graduates is exhausted, there may be a temporary shortage situation (see Figures 9 through 14). It is hoped, however, that the current effort to encourage more students to become teachers of mathematics and science by offering PHEAA grants to them will begin to pay off in three to four years when shortages may be expected. In the 1990s further efforts may be needed as secondary school enrollments begin to increase rather than decrease.

Business, Management, Commerce and Data Processing

Full-time equivalent enrollment in this area is projected to increase by approximately 4 percent between 1983-84 and 1989-90. For the fifth consecutive year, growth in enrollments in this area has occurred. Enrollments for 1984-85 are up by about five hundred over 1983-84. The major increase in enrollments is now expected to come from the community college sector of higher education. In the State System of Higher Education, where business has until now been a fast growing "new mission" curriculum, it is now estimated that enrollments will decrease slightly from 17,003 FTE in 1983-84 to 16,957 in 1989-90. In contrast, the state-related universities are projecting a slight increase from 17,041 FTE to 17,193.

Students with master's degrees in any of these fields will have especially good job opportunities. The growth in graduate and baccalaureate degree business opportunities is the result of changes in job requirements. More complex computers and other technological advances and the need for familiarity with government regulations have resulted in demand for college graduates in positions traditionally held by those less well educated. Student response to this growing job market is projected to increase the total number of degrees conferred between 1983-84 and 1989-90 by 5.1 percent for associate degrees, 2.1 percent for bachelor's degrees and 5.7 percent for graduate degrees. Business

graduates were a little more successful in obtaining degree-related employment in 1983, when the rate for baccalaureate graduates was 60 percent in contrast to a 1982 rate of 56.4 percent. This still represents a decline from 68.8 percent in 1981. For those with a master's degree in business the rate of job-related employment was once again 79 percent. It is likely that the recently less favorable economic conditions have affected these employment rates. There is evidence, however, that the graduates of 1984 are experiencing a marked upturn in recruiting by business firms.

Computer Science

Department of Education graduate follow-up data on 1983 graduates indicates that computer science baccalaureate degree recipients had the third highest rate for full-time related employment of 64.9 percent (see Figure 5). This contrasts with the 1981 rate of 94 percent.

A continued and deepening shortage of computer-related specialists is foreseen as business and industry increase their demand for such specialists and continue to lure away those who would otherwise go on to graduate work. This trend will also have a negative long-term effect since it limits the number of graduates who would otherwise teach the needed specialists of the future. There are currently not enough specialists being produced to meet the needs of rapidly growing microcomputer and other computer-related industries.

Engineering/Architecture

Programs in engineering and architecture are supported by the Commonwealth through grants and subsidies to the state-related universities, state-aided colleges and universities and community colleges. Although fluctuations resulting from changes in government policy, availability of research funds, and technological advancements are characteristic of this field, the trend for the next several years will be an increase in job opportunities.

A study by the Department of Education has projected the demand for graduates in terms of current national needs. The recent recession has, however, had a negative short-term effect on employment prospects for these graduates but current demand is reported high with a possible shortage of aeronautical engineers by 1987. The need for expertise in energy fields will result in a long-term need for mineral, petroleum, electrical, mechanical, nuclear, industrial and civil engineers. World and national food and health needs will expand the need for engineering graduates with expertise in those areas. State and national information indicates that some of the engineering fields cited above will have a greater demand for personnel than can currently be supplied.

Higher Education (continued)

Program Analysis: (continued)

Figure 9

Postgraduate Teaching Activity Of Certificated Graduates In Mathematics

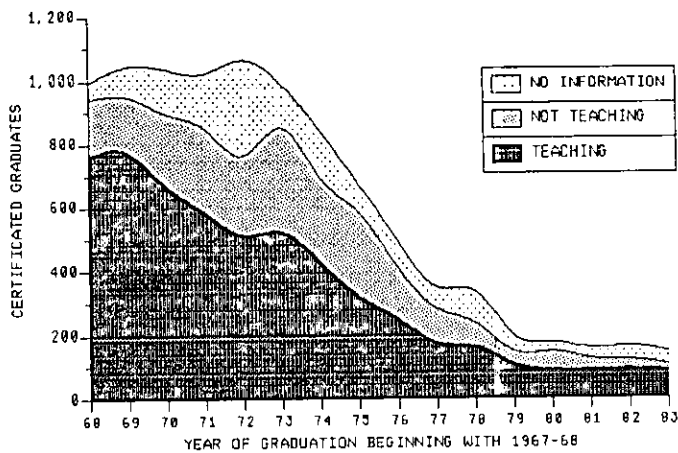


Figure 11

Postgraduate Teaching Activity Of Certificatd Graduates In Biological Science

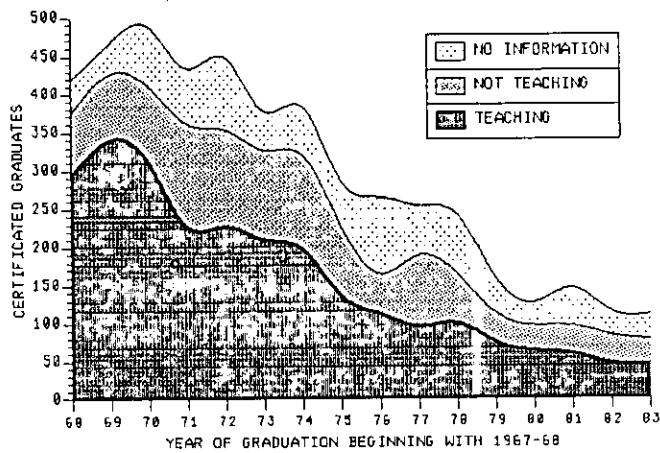


Figure 13

Postgraduate Teaching Activity Of Certificated Graduates In Physics

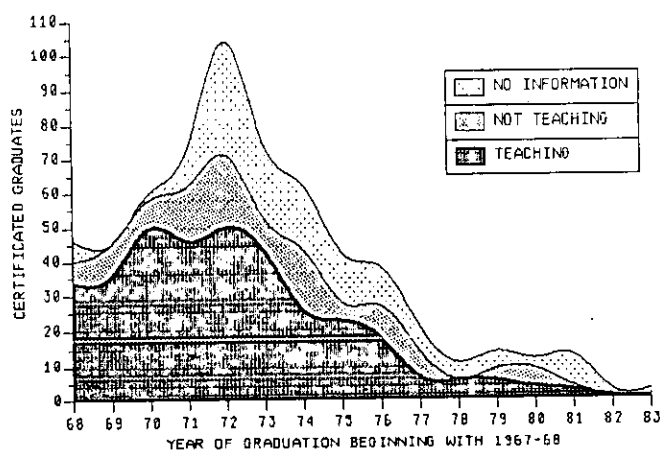


Figure 10

Postgraduate Teaching Activity Of Certificated Graduates In General Science

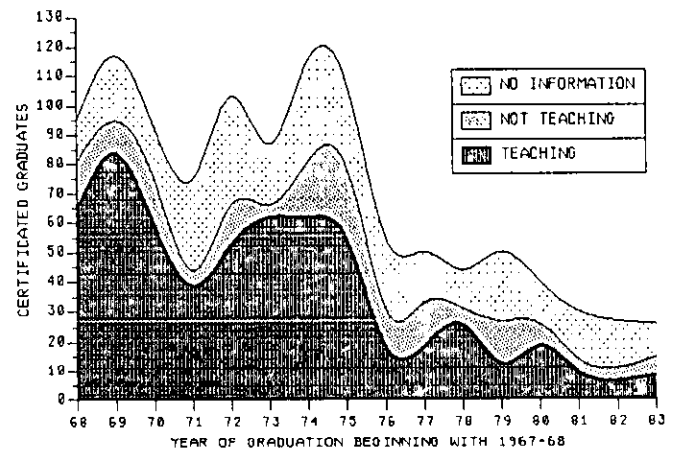


Figure 12

Postgraduate Teaching Activity Of Certificated Graduates In Chemistry

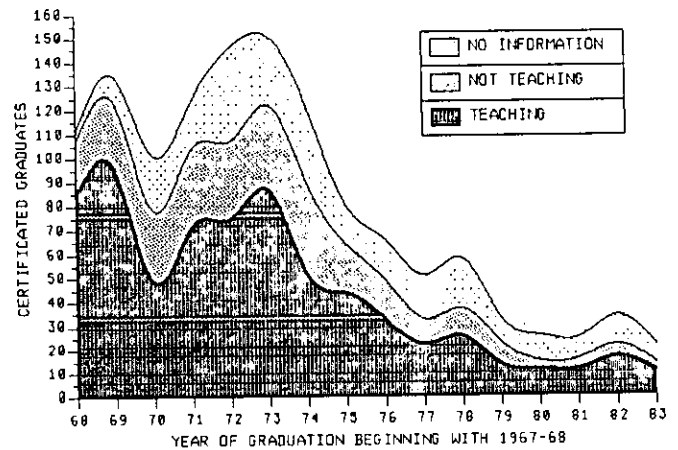
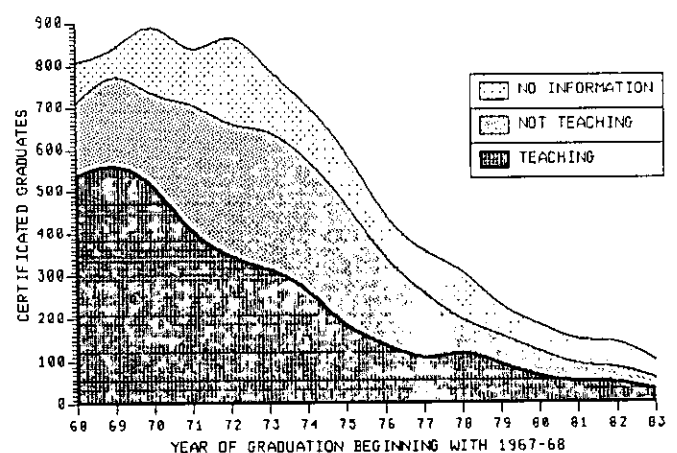


Figure 14

Postgraduate Teaching Activity Of Certificated Graduates In Foreign Language Education



Higher Education (continued)

Program Analysis: (continued)

The United States Labor Department's Bureau of Labor Statistics projects a 22.5 percent increase in engineering jobs nationwide in the decade of the 80s. Particularly large increases in jobs are expected in industrial engineering (26 percent); metallurgical engineering (24 percent) mining engineering (58 percent); and petroleum engineering (38 percent).

Given the demand for engineers and the high salaries currently being offered, many higher education institutions are finding it difficult to find and maintain quality faculty in most engineering fields. This is particularly true in the area of petroleum engineering. This problem could become worse in the next few years because the high rate of employment of baccalaureate degree recipients will, in turn, limit graduate school enrollments. This problem is national in scope and will require innovative approaches at the national level in order to resolve the resulting competition between employers and the graduate schools. Community colleges, however, are now training paraprofessionals in engineering. These people can fill a great many of the needs for manpower and would add to the productivity of professional engineers.

Of the students receiving bachelor's degrees in engineering in 1983 roughly 12 percent sought advanced degrees on either a full- or part-time basis. Employment success of those with bachelor's degrees in engineering was lower, with 58 percent finding full-time discipline-related employment with 36 percent of these employed in Pennsylvania. In 1981, however, 85 percent found related employment but only 36 percent of these graduates were employed in Pennsylvania. Students with bachelor's degrees in architecture were somewhat more successful in finding employment with 62 percent finding full-time related employment (see Figure 5).

High Technology

There can be no doubt that the continued, constantly accelerating development of high technology and high technology products will have an important role in the daily life of Pennsylvania's citizens and in the economy of Pennsylvania as a whole. The field of medicine has already experienced dramatic changes in the ability of physicians to diagnose and treat illnesses and the promise of the more recent technologies such as those in the field of genetic manipulation promise even more dramatic change.

As the use of technological advances such as computers, electronic networking and robotics enters into the marketplace, there is a correspondingly greater demand for higher education institutions to provide training for those who must utilize, repair or maintain the products of technology. Furthermore, the firm of Deutch, Shea, and Evans, publishers of the High Technology Index, indicate

that they anticipate a shortage of technologists by 1987 due primarily to the impact of a marked increase in the needs of the defense industry in conjunction with the nation's developing economy.

Higher education institutions will be required to continue their efforts to upgrade their equipment and laboratories; to recruit capable faculty despite competition from business and industry; and to develop curricula designed to train those who create high technology, as well as those who use the products of high technology in their work and those who repair and maintain the products of high technology. Increasingly, workers who have been displaced by the products of the nation's technology will have to be trained by the institutions of higher education to be users and/or maintainers of that technology.

Health Care Professionals

The Commonwealth is a major national producer of trained health care personnel, particularly of physicians and registered nurses; and this area is, therefore, of perennial concern. Programs to train health care professionals are expensive and careful monitoring is required to see that such programs are not producing substantially more health personnel than the Commonwealth's needs would warrant. Currently graduates are, as a whole, finding work related to their training with very little difficulty (see Figure 5).

The State System of Higher Education and the community colleges are major suppliers of people trained in the health technologies. Although programs in these areas are presently expanding at these institutions and in vocational schools, there remains a shortage of trained personnel such as dental hygienist, dental assistants, medical assistants and laboratory technicians.

Until recently the labor market for nursing, nationwide and in the State, was expanding. The reasons included adoption of new techniques, more intense inpatient care, new providers and approaches as well as a growing elderly population which consumed a great share of nursing services in hospitals and nursing homes. Studies on both the State and Federal levels indicated that acute shortages or maldistributions of registered nurses existed in many types of health facilities.

Recent observations indicate that, in general, the problem of professional nursing shortages may be somewhat lessened because of economy measures implemented by many hospitals to reduce health care costs. However, in some nurse specialties, such as intensive care services, shortages will continue to exist. Furthermore, spot shortages in some inner city hospitals and in rural health facilities may continue to be a problem because of the difficulties in recruiting or attracting nurses to accept positions in these areas.

Higher Education (continued)

Program Analysis: (continued)

In general the outlook for employment in the health technologies, para-medical and nursing fields appears to be good. This is especially true in light of the mounting concern over rapidly increasing costs of health care, and of proposals to use paraprofessionals more extensively in many facets of health care in an attempt to control costs. Many of these paraprofessionals would come from the curriculum areas mentioned above. It would appear, therefore, that these programs should be selectively encouraged.

The 1985-86 budget continues to maintain support for medical schools in order to prevent further erosion in the financial condition of the schools and enhance their ability to offer quality medical education at a reasonable price.

Research as a State Resource

A significant part of the mission of higher education in Pennsylvania is that of furthering man's knowledge through research which in turn has direct benefits with respect to Pennsylvania's economy.

The Pennsylvania State University is the primary recipient of the funds designated by the Commonwealth to support agricultural and other organized research. Historically, line item appropriations devoted specifically to research have been provided to Penn State because it is the Commonwealth's land-grant university. As early as 1901, funds were provided for specific research activities.

The primary continuing investment in research at the Pennsylvania State University has been in agriculture and food sciences, where the long-range economic contribution of the land-grant university research centers has been immense. The research investment at the Pennsylvania State University has more recently turned to areas such as energy and the environment and medical technology.

In agriculture and food sciences, research at the Pennsylvania State University has led to discoveries which have reduced the cost and increased the productivity of the agricultural industry. It has been calculated that the annual rate of return on agricultural research funding ranges from 30 to 60 percent.

The agricultural economy depends upon successful marketing and distribution of crops as well as upon a bountiful yield. It is estimated that 25 percent of fruits and vegetables harvested in the U.S. never reach the consumer because of transit and storage deterioration. Internal stress causes loss of apple and potato crops. For example, studies in the College of Agriculture have found that distribution patterns of physical stress in potatoes are much different than those previously blamed for internal cracking and damage. Understanding these patterns is now leading to improved harvesting and handling procedures which will in-

sure that a larger portion of the crop reaches the market.

Recombinant DNA technology may provide employment for as many as 30,000 molecular biologists by the year 2000, according to the Federal Office of Technology Assessment. Basic and applied research in this area is being conducted at Penn State and, in addition, the university has led in the formation of a cooperative organization with industry for the transfer of such technology.

Although immediate measurable benefits are sometimes realized from research efforts, research support more typically represents an investment in the future. Recognition is given to the longer-range social and economic impacts of research when making decisions on the allocation of resources. The continued increase in State support for organized research is a means of promoting a long-term, responsive position on the ever changing needs of the Commonwealth and the nation. In this regard, colleges and universities can play a major role in the economic development of the Commonwealth through the creation of a climate which will attract new high technology industries to the State. Research and development activities in this area, in partnership with private enterprise, would be a step towards creating this climate.

Significant progress toward this goal was made during 1983 as a result of the development of four advanced technology centers by the Ben Franklin Partnership Challenge Grant Program. The grant program, in the Department of Commerce, provides matching State funding to consortiums of Pennsylvania's research universities, other higher education institutions, business, labor and other groups and organizations through four regional advanced technology centers in the Commonwealth.

The partnership was designed to create and preserve jobs by introducing new technology to existing industries and to help in starting new firms in growing industries that high technology has created. The centers are located at Philadelphia University City Science Center, Pennsylvania State University (with two satellite centers at Erie and Harrisburg/York/Lancaster), Lehigh University and the University of Pittsburgh/Carnegie Mellon University Center.

Work is being done on the development of robots, new hybrid plants, methods to neutralize acid mine drainage, coal slurry combustion, clothing for the handicapped, computer-controlled wheelchairs, new processes for tooth-root implants, new methods of breast cancer detection, new vaccines and less flammable fabrics for aircraft interiors. Such research efforts should provide a financial return to the State that far exceeds the State's funding costs similar to that already experienced by the State with regard to past research efforts by Commonwealth higher education institutions.

Higher Education (continued)

Program Analysis: (continued)

Public and Community Services

Public and community services are provided throughout the Commonwealth by institutional departments, extension centers, branch campuses, and cooperative arrangements with public schools and other institutions. These programs are offered by the State System of Higher Education, the State-related universities and the community colleges. The bulk of this program, however, is related to activities of the Pennsylvania State University.

Steady increases are expected in both enrollments in non-degree programs and in attendance at conferences, institutes and workshops. These increases will be generated by all sectors of higher education. Increased participation in conferences and workshops is particularly anticipated at the State-related institutions.

The Cooperative Extension Service offers informational services, including an environmental newsletter, without charge to any Commonwealth resident.

The appropriations to Penn State include funds for the Agricultural Extension Statewide Computer Network. The program will place a microcomputer in each county extension office, linked into a statewide network for agricultural extension. In 1984-85 funds were provided to purchase the equipment necessary to establish the network; for the budget year and thereafter operating costs and program development are funded. This network will enhance the operations of the County offices, and give those offices the ability to advise citizens on the uses of computers in agriculture and business.

The second aspect of the program of public and community services, short-term instructional courses or workshops, includes activities of the Cooperative Extension Service as well as the programs of the State System of Higher Education and the community colleges. These short-term instructional courses usually take the form of conferences or workshops of less than a week's duration and concern specific topics; often they are sponsored by an industry or business for the benefit of their employees.

The third facet of this program is the area of non-degree or noncredit education. Enrollments in these programs are expected to expand rapidly in the State System of Higher Education, state-related universities and the community colleges. The trend of increased participation in adult education in Pennsylvania follows that of the nation.

As the program grows in popularity, more institutions will increase their involvement; in fact, many Pennsylvania educators believe this will be the most rapidly increasing program for higher education.

Institutional Support Services

Institutions of higher education carry on activities which are not tied directly to instruction, public and community services, financial assistance or research. These activities include library and learning center services, guidance counseling, placement services, provision of audio visual materials, operation and maintenance of physical plants, computer support and general administration, all of which are essential to the operation of educational programs. The Commonwealth provides financial support for the cost of these institutional support services; some of which are variable and can be made responsive to enrollment and internal efficiencies.

The Higher Education Equal Opportunity Act provides State grants to colleges for tutorial and counseling services for the economically and educationally disadvantaged. Participating students are given the opportunity to achieve their educational goals through specialized tutorial, counseling and study skills services, regardless of race, sex, creed, handicap or national origin. Approximately one-half of the students served are minority students.

The 1983 agreement between the Department of Education and the U.S. Office by Civil Rights provided a five year plan for the enhancement of Cheyney University which includes an annual appropriation, administered by the Department of Education, to ensure that academic programs, equipment, and support services will be comparable to those at similar institutions. The five year total for enhancement in those areas is \$8,710,000; the 1985-86 mandate is for \$1,653,000. In addition, the agreement calls for improvements and renovations to campus buildings and grounds. Most of those projects are included in the Capital budget plan, however, the 1984-85 General Fund appropriation also included \$350,000 for improvement of campus walkways, security, and lighting.

The agreement also includes funds for the enhancement of Lincoln University which total \$5,000,000 in appropriated funds and two capitol projects.

Department of Education Support

The Department of Education provides leadership and support for State initiatives and coordination services involving all the sectors of postsecondary education. Responsibilities include liaison with the Pennsylvania Higher Education Assistance Agency, the Chancellor's Office of the State System of Higher Education, national accrediting agencies, the State Board's Council of Higher Education, and other

Higher Education (continued)

Program Analysis: (continued)

governing boards; policy review and development based on comprehensive planning and research; and implementation of a postsecondary education master planning process and the Commonwealth of Pennsylvania Plan for Equal Opportunity in the State-Supported Institutions of Higher Education.

Extensive staff support has been provided for the Governor's Commission on the Financing of Higher Education. This support will be continued in the exploration and development of recommendations contained in the Commission's report and in the implementation of initiatives and policies stemming from the recommendations. In a similar manner, the Department is providing coordination and support for revision of the Master Plan for Higher Education to be completed in 1985-86.

Several measures of the role of the Department of Education—programs evaluated, special studies conducted, and teacher certifications—have decreased substantially from those presented last year. The program evaluation and special studies measures decreased as the result of a reorganization of staff and program priorities within the

department and a change in the reporting method. The decrease in teacher certifications is the result of a major decrease in programs by the colleges and universities.

The 1983 agreement between the Department of Education and the Office for Civil Rights in the U.S. Department of Education provided for the Equal Opportunity Professional Education Fund for graduates of Cheyney and Lincoln Universities. The fund, to be administered by the Department of Education, will be used to place graduates of those schools in programs at Temple University, the University of Pittsburgh, and the Pennsylvania State University in medicine, dentistry, law and other post graduate programs. In the course of the five year plan about 200 students will receive awards totaling \$1,686,000.

In addition to their regularly appropriated funds, the Community Colleges in 1985-86 will begin expenditure of the more than \$12 million made available to them for vocational/technical equipment from the Pennsylvania Economic Revitalization Fund. The fund is shown in Volume I in the special PERF presentation, the Public Debt section, and in the Special Fund Appendix.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,152	\$ 2,270	\$ 2,320	\$ 2,413	\$ 2,509	\$ 2,610	\$ 2,714
Teacher Preparation and Certification			500	500	500	500	
General State Authority Rentals	3,613	3,718	3,679	3,679	3,679	3,679	3,679
Educational Radio and Television Grants	43	45	60	68	75	83	90
Community Colleges	82,792	88,426	94,292	98,064	101,986	106,066	110,308
Higher Education of the Disadvantaged	5,112	5,470	5,689	5,917	6,153	6,399	6,655
State System of Higher Education (SSHE)	235,053	250,051	260,053	270,455	281,273	292,524	304,225
SSHE Disadvantaged Students		200	200	200	200		
SSHE Deferred Maintenance			2,500	2,500			
Desegregation Compliance — Cheyney	1,500	2,472	1,653	1,655	1,630		
Medical Training	2,500						
Equal Opportunity Professional Education		258	348	490	590		
Rural Initiatives		50					
Chairs of Excellence			1,000	1,000	1,000	1,000	1,000
Psychiatric Education		250	250	250	250	250	250
Pennsylvania State University	149,368	162,700	166,889	173,565	180,507	187,727	195,237
University of Pittsburgh	81,444	89,732	90,714	94,343	98,116	102,041	106,123
Temple University	90,594	98,902	102,698	106,806	111,078	115,521	120,142
Lincoln University	5,812	6,719	6,939	7,217	7,505	7,805	8,118
State Aided Colleges and Universities	47,365	51,435	53,491	55,630	57,856	60,169	62,576
State Aided Institutions	1,690	1,756	1,795	1,858	1,927	1,996	2,068
GENERAL FUND TOTAL	\$ 709,038	\$ 764,454	\$ 795,070	\$ 826,610	\$ 856,834	\$ 888,370	\$ 923,185

**Higher Education
Program Revision: Excellence in Higher Education**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 12,500	\$ 14,100	\$ 13,520	\$ 14,096	\$ 14,700

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Part-time students receiving State grants							
Current
Program Revision	30,120	33,132	36,445	40,089	44,098
Part-time students receiving both State and Pell grants							
Current
Program Revision	24,910	27,400	30,140	33,154	36,469

Program Analysis:

The Governor's Commission on Financing of Higher Education was charged to evaluate current methods of funding Pennsylvania's colleges and universities and recommend ways to improve the allocation of existing resources, provide adequate support for those institutions, and to maximize the quality of higher education and student access. Although the final report from the Commission is not yet completed, the deliberations and preliminary drafts have helped shape the following initiatives to produce excellence in higher education.

This Program Revision supports programs in both the Department of Education and the Higher Education Assistance Agency. Its four components are discussed below.

SSHE Deferred Maintenance

When the State System of Higher Education (SSHE) was established on July 1, 1983, the state of repair of the buildings belonging to the fourteen member universities varied greatly. Many buildings needed major repairs to restore them to full use; some had been closed because they were structurally unsafe, lined with asbestos, or functionally unusable.

Since its inception, the System has taken responsibility for campus maintenance and repair and is funding those needs as they occur from current year funds. For the problems which existed at the time of the System's organization, however, sufficient funds are not available in the current institutional budgets to fully fund the repair costs.

Those needs, prioritized in the categories of health and safety of students and staff, utility repair, roof repair and replacement, and building and grounds integrity, have an estimated cost of \$10 million. In accordance with the draft recommendations of the Commission on the Financing of Higher Education, this budget includes funds to provide a 50/50 match for the institutions with those identified needs to help them meet the cost of those projects over the next two years. Those funds will support the System's efforts to correct the deficiencies which existed in its infrastructure at the time of its independence and continue the Commonwealth's support for enhancement of the System.

Chairs of Excellence

This Program Revision provides funds to strengthen the Commonwealth's institutions of higher education by giving them additional capability to bring eminent scholars to their campuses.

Private gift support for higher education has increased rapidly across the nation over the past two decades. The climate of economic revitalization in Pennsylvania is expected to make private and corporate support increasingly available for higher education. Because of the national prominence of eminent scholars and the benefit brought to all sectors of the Commonwealth by the establishment of chairs, this is an appropriate program in which private citizens and corporations can commit resources to increase excellence in higher education in Pennsylvania.

Higher Education Program Revision: Excellence in Higher Education (continued)

Program Analysis: (continued)

The budget includes \$1,000,000 to match private giving for chairs at institutions of higher education. The Department of Education will provide guidelines for the required match and the portion of the appropriation for which each school may be eligible in any given year.

Grants to Part Time Students

The Higher Education Grant program, based on Act 541 of 1966, limits eligibility for student assistance grants to students enrolled full time. However, an increasing proportion of Pennsylvania students are enrolling on a part time basis. In 1979-80, approximately 22 percent of the undergraduates in Pennsylvania colleges, universities, and business and trade schools were enrolled less than full time; in the 1984-85 year, almost 25 percent of undergraduates are part time and the trend is expected to continue.

Factors causing the increase in part time attendance are believed to include the rising cost of full time attendance and changes in the characteristics of students. In an economy which is dramatically shifting from heavy industry to services and high technology, many older students have returned to the classrooms to pursue new careers. The proportion of women students has increased and many are attending school who must continue to meet with other family, financial, and/or job responsibilities. Many students of all ages who are underemployed are attending school part time while continuing to work to support themselves and their families.

In response to this trend, and increasing its impetus, colleges have developed more flexible schedules and programs. The schools are aware that without the part time student body, their enrollments would be decreasing.

Federal regulations allow the award of College Work Study, Pell Grant, Supplemental Educational Opportunity Grants, and the National Direct Student Loans to part time students; most of these funds are restricted to students who are enrolled at least half time. The growth in Guaranteed Student Loans for undergraduates is dramatic—in 1979, on-

ly 4,143 part time students took out \$3.9 million in loans; in 1984, however, 7,419 part time students borrowed \$9.1 million through this program.

The financial assistance needs of part time students are of significance to their ability to enroll in post secondary education and of consequence to institutional enrollments and the development of the State's human resources. The Commission on the Financing of Higher Education discussed this issue and in their draft recommendations proposed that it be addressed. Accordingly, \$8 million is included in the budget for a grant program for financially needy part time students. Eligibility will be limited to students enrolled at least half time in formal academic and technical programs of at least two years in duration.

Merit Scholarship

The Commission on the Financing of Higher Education has recognized a need to encourage academically excellent students to remain in Pennsylvania for their higher education. The Commission's draft recommendations suggest that a merit scholarship program be established for those students.

In addition to rewarding academic excellence and encouraging enrollment in Pennsylvania institutions, this program will increase the awareness in high school students of the importance of academic achievement.

This merit program will complement the Pennsylvania Honors Program scholarships which will begin with the high school seniors graduating in 1988. To supplement the \$1,000 Honors scholarship to be awarded to the top one percent of students taking the Honors test, transferable to any institution in the nation, the merit scholarships will provide a higher award as an incentive for top students to attend institutions within Pennsylvania. The budget amount assumes an award based on a proportion of tuition cost at the chosen institution.

**Higher Education
Program Revision: Excellence in Higher Education (continued)**

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State System of Higher Education —							
Deferred Maintenance	\$ 2,500	\$ 2,500	.....	.....	.....
Chairs of Excellence	1,000	1,000	\$ 1,000	\$ 1,000	\$ 1,000
GENERAL FUND TOTAL	<u>.....</u>	<u>.....</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

In addition to the amounts shown above, this Program Revision includes funding in the following subcategory in the Higher Education Assistance Agency:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Financial Assistance to Students							
GENERAL FUND							
Grants to Part Time Students	\$ 8,000	\$ 9,600	\$ 11,520	\$ 12,096	\$ 12,700
Merit Scholarships	1,000	1,000	1,000	1,000	1,000
GENERAL FUND TOTAL	<u>.....</u>	<u>.....</u>	<u>\$ 9,000</u>	<u>\$ 10,600</u>	<u>\$ 12,520</u>	<u>\$ 13,096</u>	<u>\$ 13,700</u>

**Higher Education
Program Revision: Science and Engineering Equipment**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Other Funds	\$ 75,000	\$ 75,000	.....	.....	.....

Program Analysis:

As part of the program to enhance basic and higher education in the Commonwealth and in response to the demonstrated need for science and technology equipment in every segment of the educational system this budget proposes a major, one-time, project to provide for those needs.

Funds from the sale of liquor licenses, as discussed in other sections of this document, are expected to make available substantial one-time income which would be dedicated to this project. The \$150 million for education would be available over the next two years. The program would be administered by the Department of Education.

The distribution will include funds for computer and science laboratory equipment in public elementary and secondary schools, capital equipment for advanced technology instruction in area vocational technical schools and community colleges, computer facilities and scientific equipment at each university of the State System of Higher Education and science and engineering equipment for other colleges and universities. The two-year plan is as follows:

	1985-86	1986-87
Elementary and Secondary Schools.....	\$ 5,000	\$ 5,000
Area Vocational Technical Schools.....	15,000	15,000
Community Colleges	15,000	15,000
State System of Higher Education	15,000	15,000
Science and Engineering Universities	25,000	25,000
Total	<u>\$75,000</u>	<u>\$75,000</u>

In addition to the \$150 million dedicated to educational equipment, up to \$10 million will be available for a guaranteed loan program for former State store employees. Any individual or group of individuals displaced from State employment by the transition who wants to acquire a private retail wine or liquor license would be eligible to apply for a loan guarantee of up to 70 percent of the amount borrowed to purchase the license and to acquire stock and equip the store.

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Other Funds:							
Liquor License Revenues	\$ 75,000	\$ 75,000	.....	.....	.....

Highway Safety Education

OBJECTIVE: To minimize traffic accidents through the promotion of highway safety programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 2,518	\$ 2,605	\$ 2,552	\$ 2,552	\$ 2,503	\$ 2,502	\$ 2,503
Federal Funds	143	150	200	150	150	.....	.....
TOTAL	\$ 2,661	\$ 2,755	\$ 2,752	\$ 2,702	\$ 2,653	\$ 2,502	\$ 2,503

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Eligible pupils	168,738	165,795	167,310	166,235	156,665	145,905	139,400
Enrollments in school driving courses	102,222	103,000	103,000	103,000	103,000	103,000	103,000
Classroom instruction enrollment	97,500	98,000	98,000	99,500	99,500	100,000	102,000
Practice driving enrollments	66,322	66,500	66,500	67,000	67,000	68,000	69,000
Police trained in DUI enforcement	605	650	650	650	650	650	650
Driver education instructors certified	1,175	1,200	1,200	1,150	1,100	1,100	1,00
Driver education courses certified	463	470	470	470	470	470	470

Program Analysis:

This program subsidizes school districts for driver education programs which are intended to teach high school students driving technique, motor vehicle law and highway safety. School districts which participate in the program are reimbursed \$35 per student. This \$35 has not been increased, since 1965, to keep up with the increased cost of instructor salaries, fuel, insurance premiums, and rental fees for the driver education cars. Therefore, an increasing number of school districts are dropping the driver education course from their curriculum or charging a fee for participation. In the 1983-84 school year 463 districts of 501 received reimbursement. Of the remaining 38 districts, seven negated their eligibility by charging their students an instruction fee, others did not offer an approved program and some offered no program.

Funding constraints at Federal, State and local levels have caused enrollments in this program to remain fairly stable. The measure reflecting total enrollments in school driving courses has been revised from the previous years when it

was shown to be the total of the measures reflecting classroom instruction enrollments and practice driving enrollments. Since students may enroll in both of those courses, some students were being counted twice. For this reason total enrollment figures compared with the figures used in previous budgets has decreased significantly.

There have been numerous studies conducted by various insurance companies that indicate, at least to the satisfaction of the sponsoring insurance company, that students taking driver education courses tend to have fewer and less costly accidents than students not taking the courses. These findings promote the most frequently cited benefit of this program which is special insurance rates for participants.

The Commonwealth also provides through the Department of Education instruction in the skills of detection, apprehension, testing, and prosecution of persons operating motor vehicles under the influence of alcohol or drugs and the maintenance and repair of chemical test equipment. These courses are open to all municipal police officers

Highway Safety Education (continued)

Program Analysis: (continued)

throughout the Commonwealth. Two courses are offered to police officers, one involves teaching officers to recognize and process drunken drivers while the other involves instruction in the maintenance of equipment used in chemical

testing for intoxication.

The increase in the measure, police trained in DUI enforcement, is due to the fact that the courses are now being offered more frequently throughout the year.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Safe Driving Course.....	<u>\$ 2,518</u>	<u>\$ 2,605</u>	<u>\$ 2,552</u>	<u>\$ 2,552</u>	<u>\$ 2,503</u>	<u>\$ 2,502</u>	<u>\$ 2,503</u>

Adult Employment Training Service

OBJECTIVE: To improve the employment capabilities of those persons in the Commonwealth who are unemployed or underemployed.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 14,405	\$ 16,285	\$ 25,072	\$ 26,210	\$ 27,417	\$ 28,696	\$ 30,052
Federal Funds	5,780	6,246	6,250	6,250	6,250	6,250	6,250
Other Funds	2,423	.....	.....	.....	.....	.....	.....
TOTAL	\$ 22,608	\$ 22,531	\$ 31,322	\$ 32,460	\$ 33,667	\$ 34,946	\$ 36,302

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Adult extension enrollment	79,500	80,500	81,100	80,500	80,000	80,000	80,000
Providers prepared to offer economic development training programs	207	212	217	222	227	232	237
Trainees enrolled in economic development training programs	10,892	12,199	13,663	15,303	17,139	19,196	21,360
Trainees completing instruction during the year	5,937	6,649	7,447	8,341	9,342	10,463	10,780
Trainees placed in jobs after completing instruction	3,451	3,865	4,329	4,849	5,431	6,083	6,813

Program Analysis:

This program offers over 2,200 courses to adults who are either unemployed or underemployed and who wish to develop or upgrade their employment skills.

To meet the job training challenge, this program focuses on two areas: job creation and career support.

The Customized Job Training program is an economic development tool for the creation of jobs by a new or expanding firm. This program provides to firms workers specifically trained for the jobs that are available. It is administered in coordination with the Economic Development Committee of the Cabinet and related State agencies, including the Departments of Commerce and Labor and Industry.

For the budget year, \$12 million will be available to provide training assistance to employers who want to start up or expand within the Commonwealth.

During 1983-84, 111 customized job training projects were administered to enhance the economic development of the Commonwealth. Projects with eighty-five different com-

panies were responsible for the creation of approximately 1,328 new jobs and 317 employment upgradings.

The career support aspect of this program is designed to satisfy workers' needs for job acquisition, job maintenance and career transition. Job acquisition efforts are naturally targeted to the unemployed while job maintenance is designed to prevent unemployment by providing technical updating and retraining to employees. Career transition services will be provided by various post secondary institutions and will offer unemployed people courses in pre-employment and job search skills to enable them to enter careers where there is a projected demand for workers.

The Federal Comprehensive Employment and Training Act expired September 30, 1982 and was replaced by the Job Training Partnership Act of October 1982 which took effect October 1983.

Under the Job Training Partnership Act, State government, local government and the private sector must work cooperatively in the development, planning and implemen-

Adult Employment Training Service (continued)

Program Analysis: (continued)

tation of programs. Eight percent of the funds under Title II-A of the Act are earmarked for the involvement of the education community in providing vocational skills training, counseling and remedial services to participants under the act with the matching funds provided from State and local sources. Up to 20 percent of the education funds can be used for coordination and linkage activities between education institutions and entities responsible for the local administration of employment and training services.

Unless adult education needs are more fully met, the Commonwealth is likely to be further burdened by the rising costs associated with unemployment and welfare. Accordingly, \$1 million is included in this budget to begin a grant program for Adult Literacy under which nonprofit providers

(school districts, intermediate units, colleges, community-based and volunteer organizations, etc.) would administer Adult Basic Education/General Education Development programs.

The measures reflecting "Trainees enrolled in economic development training programs" and "Trainees completing instruction during the year" have been revised downward from projections used in last year's budget since implementation took longer than anticipated for some of the employment training programs. Also the measure reflecting "Trainees placed in jobs after completing instruction" has been revised to exclude trainees that have a job and received training for upgrading rather than to find employment. This accounts for the downward revision.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Adult Literacy			\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Vocational Education	\$ 10,720	\$ 12,185	18,972	20,110	21,317	22,596	23,952
JTPA Matching Funds	3,685	4,100	5,100	5,100	5,100	5,100	5,100
GENERAL FUND TOTAL	\$ 14,405	\$ 16,285	\$ 25,072	\$ 26,210	\$ 27,417	\$ 28,696	\$ 30,052

State Library Services

OBJECTIVE: To provide and improve library services to citizens of the Commonwealth, to special libraries and to agencies and employes of government.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 19,593	\$ 21,058	\$ 25,229	\$ 26,833	\$ 28,490	\$ 30,204	\$ 31,679
Federal Funds	1,201	3,859	1,418	1,445	1,473	1,501	1,531
Other Funds	2,716	3,436	2,813	2,818	2,818	2,818	2,818
TOTAL	\$ 23,510	\$ 28,353	\$ 29,460	\$ 31,096	\$ 32,781	\$ 34,523	\$ 36,028

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Percentage of State population served by State-aided libraries	96.0%	96.5%	97.0%	97.5%	98.0%	98.0%	98.3%
Items lent (in thousands).....	39,976	40,925	41,880	42,068	42,800	43,200	43,765
Libraries receiving State aid	563	565	566	568	568	570	575
Titles in State library collection listed in machine readable catalog data base	263,000	313,000	341,000	369,000	397,000	425,000	500,000
Reference questions handled by State library staff	68,099	71,500	73,000	74,000	74,000	74,000	74,000
Interlibrary loan requests handled by State library staff	16,000	19,000	21,000	23,000	25,000	26,000	27,000

Program Analysis:

The State Library is the agency of the Commonwealth charged with developing, improving and coordinating library services and systems in the State. The many functions of the State Library are undergoing major changes as computer related processes are applied to their operation. Both microfiche and on-line data bases are affecting the way the library operates. Their use is giving the staff of the library an expanded function as they move away from manual card catalog and reference searches to a readily available data base. That enhanced functioning will modernize the State Library's several collections and those of the many public and school libraries which are following this course.

The library in the Forum Building in Harrisburg is the major research library serving Commonwealth government as well as a major resource library serving all residents of the Commonwealth through local libraries and directly to individuals who visit the library. Its strengths include an extensive general and legal reference collection, and comprehensive collections of Pennsylvania newspapers, Pennsylvania State Government publications, and U.S. government publications. Computer search services provide

reference and research assistance to State Government personnel: DIALOG and MEDLINE provide access to more than 250 data bases in government, science, business, statistics, education, health and other fields of concern to the State Government, and enable library staff to identify documents, journal articles and technical reports appropriate to a user's specific needs. LEXIS enables staff to conduct a full text search in order to provide answers to detailed legal questions. The Library recently introduced a computer-output-microfiche (COM) catalog listing most materials acquired since 1974 to facilitate use of the total collection. The COM catalog will be distributed to other State agency libraries in Harrisburg and to key public and academic libraries throughout the Commonwealth to make the library's resources more readily accessible to users statewide.

The State Library has in the past two years increased its focus on its role as a resource to the State government complex in Harrisburg. Monthly orientation for State government staff and the microfiche catalog have increased use of the library and, as reflected in the measure, have greatly increased the use of the library's reference services.

State Library Services (continued)

Program Analysis: (continued)

In the Spring of 1985, the Library will begin to use a computer program to search its catalog, handle all borrower transactions, and check in current issues of its 3,400 periodical subscriptions. State agency offices with terminals linked to the Department of Education computer will have direct access to the Library catalog for determining Library holdings and availability.

The budget for administration of the State Library includes \$250,000 for a Productivity Improvement Initiative to accelerate the transfer of the State Library's card catalogs into an integrated and computer-readable format which will make searches more efficient. The catalog is the central focus of data development and interchange both within the Library and among other libraries. It provides the mechanics for using the library, monitoring circulation and acquisitions, and interlibrary loan. The online catalog will improve and increase access to the library's collections and expedite elimination of the card catalog which is a labor intensive and costly operation.

The school library function provides the necessary organizational structure to make the connection between those who have information resources and those who need them in the school community. One component provides field advisory services and activities related to planning and administering school library media programs and leadership for school library media specialists throughout the State as they fulfill their roles as teachers, librarians and linkers in the dissemination of educational information. Technical support and services are also provided to assist educators in utilizing microcomputers and instructional television as an integral part of the K-12 curriculum. The Resource Center provides information and resources on educational problems and concerns to school districts, intermediate units and Department of Education staff through the use of automated information retrieval systems.

The budget includes \$35,000 for a Productivity Improvement Initiative which will bring the several collections used by the resource center together in an online computer catalog so that searches will be more efficient and the service provided by this staff will be enhanced. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

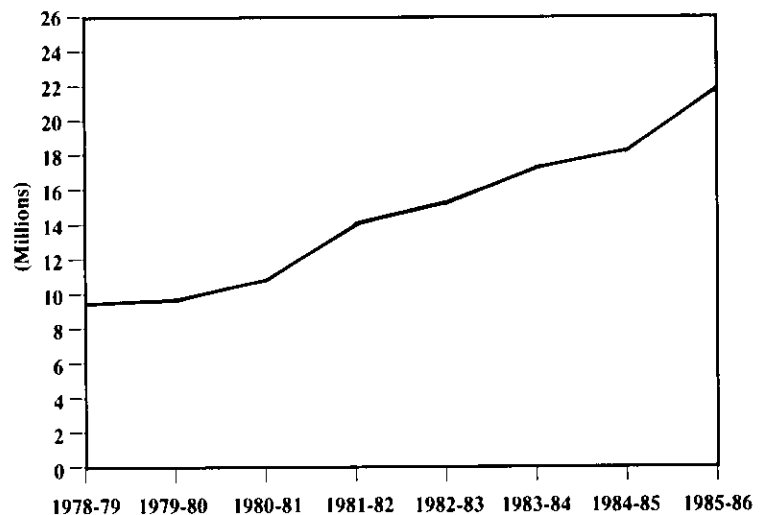
The library development function coordinates a statewide system of public libraries, administers a program of State-aid to public libraries and promotes sharing of library resources through a variety of cooperative programs affecting libraries statewide. Pennsylvanians are served by 477 public libraries located throughout the State; these 477 public libraries include approximately 633 outlets, including bran-

ches and reading rooms in such places as Philadelphia (one library with 50 branches), Pittsburgh (one library with 18 branches, and Bucks County (one library with five branches). In addition to branches and reading rooms, the city and county libraries operate approximately 35 bookmobiles, serving several hundred places in the State by periodic visits of one or more hours duration on cycles ranging from one week to one month.

Pennsylvania's public libraries serve their communities in many ways beyond the traditional roles of providing materials for reading and study.

Libraries in Philadelphia, Pittsburgh, and Chester and Montgomery Counties are modernizing the delivery services by offering on-line reference services. Computer output microfiche (COM) catalogs and computerized circulation systems improve administrative control of their collections. Career information services are being provided by the Lancaster County Library to the general public as well as their Spanish-speaking residents. Libraries throughout the Commonwealth offer information services and resources to improve businesses and the professions and to encourage the formation of new jobs. In these and other kinds of programs, the statewide library system extends standard and innovative services to a broad spectrum of the citizenry of the Commonwealth. The Commonwealth subsidies to public libraries, including the payments to regional, district, county, and special libraries, have increased dramatically since 1978-79. The chart shows a 90 percent increase from 1978-79 through 1984-85. Including the recommended amount for 1985-86, the percentage increase would be 126 percent.

Public Library Services Funding



State Library Services (continued)

Program Analysis: (continued)

Funding for the programs and the scope of their service to the Commonwealth are greatly enhanced by the Access Pennsylvania program revision which is discussed in greater detail following this section. It includes \$600,000 to begin converting high school library catalogs to machine readable form and encourage the sharing of those catalogs, \$500,000 for additional equalization aid to meet the needs of libraries in low-income areas, and \$2,000,000 for the statewide library card and the interlibrary loan support programs.

Library services to the handicapped are provided by specially designated Regional Libraries for the Blind and

Physically Handicapped, operated by the public libraries of Pittsburgh and Philadelphia. These libraries maintain computerized selection and circulation systems in order to provide users of records, braille and large-type materials their books and periodicals more rapidly and without duplicating previously-read materials. The Regional Libraries work closely with local public libraries and other agencies in identifying and providing service to persons with visual or physical handicaps which prevent their using conventional printed material.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Library	\$ 2,232	\$ 2,526	\$ 3,375	\$ 3,486	\$ 3,601	\$ 3,721	\$ 3,546
Improvement of Library Services	15,997	17,000	18,350	19,268	20,231	21,242	22,305
Library Access .....	.....	.....	2,000	2,500	3,000	3,500	4,000
Library Services for the Blind and Handicapped	1,364	1,432	1,504	1,579	1,658	1,741	1,828
College of Physicians .....	.....	100	.....	.....	.....	.....	.....
TOTAL	<u>\$ 19,593</u>	<u>\$ 21,058</u>	<u>\$ 25,229</u>	<u>\$ 26,833</u>	<u>\$ 28,490</u>	<u>\$ 30,204</u>	<u>\$ 31,679</u>

**State Library Services
Program Revision: Access Pennsylvania**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State Funds			\$ 3,100	\$ 3,650	\$ 4,200	\$ 4,750	\$ 5,000
Federal Funds		\$ 500	1,400	900	500	500	500
TOTAL		\$ 500	\$ 4,500	\$ 4,550	\$ 4,700	\$ 5,250	\$ 5,500

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Materials circulated by public libraries (in thousands)							
Current	40,000	40,000	40,000	40,100	40,200	40,300	40,400
Program Revision			43,000	43,500	44,000	44,500	45,000
Books loaned among libraries (in thousands)							
Current	350	350	350	350	350	350	350
Program Revision			400	450	500	550	600
High school library catalogs in machine readable form							
Current	3	3	4	4	5	5	6
Program Revision			200	500	800	1,000	1,000
Libraries receiving equalization aid							
Current	6	4	2	1	1	1	1
Program Revision			40	40	40	40	40

Program Analysis:

Access Pennsylvania, An Agenda for Knowledge and Information through Libraries, was announced by Governor Thornburgh on September 4, 1984. The program is the result of the Library Planning Council report "Comprehensive Plan for Libraries in Pennsylvania: Recommendations for Improved Access to Library Resources" which was developed in response to the Governor's charge to the Council to develop a comprehensive plan listing current resources and needs of libraries throughout the state and to identify ways to help libraries provide more efficient service to their communities.

Access Pennsylvania will assure that all Pennsylvanians, regardless of where they live, can get the books, articles, films or tapes they need from any library. The programs of Access Pennsylvania fall into three key areas:

- Development of a statewide library card system that will allow all Pennsylvanians to use any publicly-supported library and expansion of the interlibrary loan system.

- Development of machine readable catalogs for school libraries in order to integrate schools into a statewide interlibrary loan network.
- Revision of the equalization aid component of the State Aid to Public Libraries to assist libraries in economically distressed communities.

Interlibrary Loan

More than \$250 million is spent annually on libraries in Pennsylvania. This is money from local communities, school districts, and state and federal governments to support our public, school, college and university libraries. Yet with the explosion of information (727,000 book titles were published in 1980), no library can purchase everything published. Access Pennsylvania is designed to make the resources available in Pennsylvania's 4,000 libraries to residents across the state.

Currently Pennsylvania's public libraries loan one book each second or about 40 million books to Pennsylvania's

**State Library Services
Program Revision: Access Pennsylvania (continued)**

Program Analysis: (continued)

more than 4 million registered borrowers. Access Pennsylvania will allow an individual to borrow a book from any publicly supported library in the state. This means that a person who lives in one community can borrow books not only from their own library, but also from the library in the community where they work, shop or go to school. It is anticipated that circulation will increase by 7.5% or 3 million books the first year. Libraries will receive compensation when materials are borrowed by people from other communities or institutions.

By expanding the use of technology in libraries, people will be able to get the material they need, regardless of their location. A system of computers and telefacsimile machines will be used to provide copies of patents to inventors, current technology to manufacturers and census data for market analysis to business people. In addition, it is anticipated that 400,000 books will be loaned through interlibrary loan in 1985-86, a 12% increase. Compensation for the cost of loaning books to other institutions will assure the availability of materials throughout the state.

School Libraries

School libraries will be assisted in using technology to enhance access to their own collections and to the collections of others. By helping school libraries use computers to catalog their collections according to standard formats and to join computer-based library networks, it can assured that library books, films and tapes are more readily available to all who need them. Information about their holdings can

be shared online with other libraries in the school district or intermediate unit, other school districts, and with public and academic libraries when appropriate. As school libraries more effectively join in resource sharing, they can become a conduit for students to the world of books and information in their school library, in the school district, the intermediate unit, or the many libraries in the community and the state.

Equalization Aid

The equalization category of the state aid for public libraries program was designed to assist those communities less able to support public services. In 1961, this aid assisted 100 of the 200 libraries in the program and accounted for 27 percent of the total appropriation. This aid continued to assist 30-40 percent of the libraries in the program into the mid-70's. At that time, inflation so increased the real estate market values on which the aid formula is based that fewer and fewer libraries remained eligible for assistance. In 1984, only six of the 382 State-aided libraries received equalization aid. However, in spite of inflated real estate market values, many more than six public libraries are supported by economically depressed communities. The revitalized equalization aid will assist libraries in communities which are facing economic distress.

Access Pennsylvania will provide the Commonwealth with an efficient information system for all its citizens and will promote the goals of educational excellence, community revitalization, and economic growth.

Program Revision Cost by Appropriation

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Library	\$ 600	\$ 600	\$ 600	\$ 600	\$ 300
Library Access	2,000	2,500	3,000	3,500	4,000
Improvement of Library Services	500	550	600	650	700
GENERAL FUND TOTAL	\$ 3,100	\$ 3,650	\$ 4,200	\$ 4,750	\$ 5,000

Emergency Management Agency

The Pennsylvania Emergency Management Agency develops and maintains a comprehensive plan and program for the civil defense of the Commonwealth. Primarily, the plan calls for the protection of life and property both under enemy attack and in the event of natural disasters and man-made disasters. The agency also provides loans to volunteer fire, ambulance and rescue companies, and coordinates State fire services.

EMERGENCY MANAGEMENT AGENCY

Summary by Fund and Appropriation

		(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 1,675	\$ 1,675	\$ 1,692
Emergency Grid Pilot Program	50	50	50
Office of Fire Safety	717	728	861
Subtotal	<u>\$ 2,392</u>	<u>\$ 2,453</u>	<u>\$ 2,553</u>
Grants and Subsidies			
Flood and Storm Damage—Allentown	\$ 267	50	50
August Flood—Disaster Relief	50	2,500	50
Subtotal	<u>\$ 267</u>	<u>\$ 2,500</u>	<u>50</u>
TOTAL STATE FUNDS	<u>\$ 2,659</u>	<u>\$ 4,953</u>	<u>\$ 2,553</u>
Federal Funds	\$ 1,441	\$ 3,280	\$ 2,524
Other Funds	50	780	100
GENERAL FUND TOTAL	<u>\$ 4,100</u>	<u>\$ 9,013</u>	<u>\$ 5,177</u>

GENERAL GOVERNMENT

General Government Operations	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
State Funds	\$ 1,675	\$ 1,725	\$ 1,692
Federal Funds	1,441	3,280	2,524
Other Funds .....	.....	780	100
TOTAL	<u>\$ 3,116</u>	<u>\$ 5,785</u>	<u>\$ 4,316</u>

Provides essential services and facilities during periods of emergency. Coordinates State, county and local activities associated with emergency services. Coordinates Pennsylvania's civil defense operations with those of other states through the Federal Emergency Management Program.

Source of Funds	1983-84 Actual	(Dollar Amounts in Thousands)	
		1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	\$ 1,675	\$ 1,675	\$ 1,692
Emergency Grid Pilot Program .....	.....	50	.....
Federal Funds:			
Civil Preparedness Reimbursements	1,332	2,824	2,509
Flash Flood Project — Warning System	109	456	15
Other Funds:			
Reimbursements — Nuclear Facility	780	100
TOTAL	<u>\$ 3,116</u>	<u>\$ 5,785</u>	<u>\$ 4,316</u>

GENERAL FUND	EMERGENCY MANAGEMENT
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	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Fire Prevention and Safety			
State Funds	\$ 717	\$ 728	\$ 861

Provides for the administration and operation of the Volunteer Loan Company Program which provides low interest loans to rescue and fire companies and units; the administration and operation of the Lewistown Fire School which provides training classes to professional as well as volunteer fire and ambulance personnel; and operating funds for the Fire Commissioner to coordinate and organize all fire functions.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Office of Fire Safety	<u>\$ 717^a</u>	<u>\$ 728</u>	<u>\$ 861</u>

^aExpended as follows: Volunteer Company Loan Fund — Administration \$132,000; Vocational Education Fire School \$420,000; and Fire Commissioner \$165,000.

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Disaster Relief Program			
State Funds	\$ 267	\$ 2,500	.....

Provides financial assistance to localities in Pennsylvania for storm and flood damage.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Flood and Storm Damage — Allentown	\$ 267	.....	.....
August Flood — Disaster Relief .....	.....	\$ 2,500	.....
TOTAL	<u>\$ 267</u>	<u>\$ 2,500</u>	<u>.....</u>

Restricted Receipts Not Included in Department Total

General Fund	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Disaster Relief Assistance	\$ 2,358	\$ 2,000	\$ 5,000
Receipts from Federal Government—Contributions for Civil Defense	27	395	193
Personnel and Administrative Expenses	1,344	1,481	1,532
TOTAL	<u>\$ 3,729</u>	<u>\$ 3,876</u>	<u>\$ 6,725</u>

EMERGENCY MANAGEMENT AGENCY

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Emergency Services	\$ 2,659	\$ 4,953	\$ 2,553	\$ 2,655	\$ 2,761	\$ 2,871	\$ 2,986
Emergency Management	1,942	4,225	1,692	1,760	1,830	1,903	1,979
Fire Prevention and Safety	717	728	861	895	931	968	1,007
DEPARTMENT TOTAL	<u>\$ 2,659</u>	<u>\$ 4,953</u>	<u>\$ 2,553</u>	<u>\$ 2,655</u>	<u>\$ 2,761</u>	<u>\$ 2,871</u>	<u>\$ 2,986</u>

Emergency Management

OBJECTIVE: To develop and maintain a statewide emergency force capable of immediate and effective action in event of natural disasters and rapid expansion to effectively cope with nuclear disasters.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,942	\$ 4,225	\$ 1,692	\$ 1,760	\$ 1,830	\$ 1,903	\$ 1,979
Federal Funds	1,441	3,280	2,524	2,649	2,781	2,919	3,065
Other Funds .....	.....	780	100	100	100	100	100
TOTAL	\$ 3,383	\$ 8,285	\$ 4,316	\$ 4,509	\$ 4,711	\$ 4,922	\$ 5,144

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Counties having an approved emergency management program	67	67	67	67	67	67	67

Program Analysis:

Since its creation in 1951, the Pennsylvania Emergency Management Agency (PEMA) has conducted a basic and continuing organization and training program designed to develop and maintain a State-wide emergency force composed of State, county and local units jointly capable of: (a) prompt and effective action aimed at the protection of life and property and the alleviation of human suffering and hardship resulting from natural and man-made disasters; and (b) rapid organizational expansion required for civil defense.

The Commonwealth's civil preparedness and response capability in the event of emergencies is provided through the maintenance of a State-wide assessment, planning, warning, training and education, communications and radiation-monitoring network and the nucleus of an organization to facilitate employment of resources to protect life and property. Federal, State, county and local emergency management activities and training are coordinated through this program.

Counties are required to have an approved emergency management program consisting of: (1) a statement of accomplishments; (2) required financial needs; (3) hazard vulnerability; and (4) goals indicating projected activity. The Federal Emergency Management Agency (FEMA) now requires an annual review and update of these plans. All 67 counties now have approved emergency management programs.

The relative degree of emphasis placed on various aspects of the basic PEMA program has been and will continue to be shifted, as warranted, by changing conditions. For ex-

ample, during past years major emphasis has been moved from basic measures (fallout shelters, radiological defense, etc.) to natural and other than war-time disaster preparations. The necessity for this was demonstrated by the catastrophic floods of the seventies and the Three Mile Island Nuclear Facility incident of 1979. Presently the agency, in conjunction with the Federal Government, is developing a flash flood warning system and working to extend the National Weather Service Radio Program to all areas of the Commonwealth. Such activities should provide the Commonwealth with a greater amount of time to respond to any natural disaster.

The Federal Government provides up to 50 percent of the cost of PEMA's operations as long as PEMA meets Federal requirements.

One particular area of increasing emphasis is that of readiness training, as measured through a comprehensive exercise program. With the development of a much more extensive and integrated program of training, exercises and tests, resulting both from specific Federal requirements and PEMA's own determination of the necessity for capability building within all of the counties of the Commonwealth, the agency's practical focus on preparedness has been greatly strengthened at relatively low cost. This effort is directed at the ability of the county and local levels to provide a comprehensive and coordinated first line response to emergency conditions.

Technological changes have also focused more direct attention on hazardous materials—in production, storage, transport or disposal—as a threat to health, the environ-

Emergency Management (continued)

Program Analysis: (continued)

ment, lives and property. During 1980-81, the agency created the Hazard Mitigation and Recovery Office. This office has the responsibility of analyzing various hazardous situations which may arise.

PEMA is also continuing its implementation of a Statewide communication capability, consisting of a dedicated emergency management radio system for use by State and local emergency management agencies during emergency situations. The first phase, begun in 1982-83 using both State and Federal funding, provided for radio communications between the State emergency operations center, State/area emergency operations centers and 54 of 67 county emergency operation centers.

In 1985-86, using full Federal funding, it is anticipated that radio communications will be extended to and from all 67 counties. It is also intended to maximize mobile communications capability to 90 percent of the geographic area of the Commonwealth. Other action during 1985-86 will permit VHF interface, purchase and installation of emergency generator systems and station security systems.

Long-term objectives of the program include the future interface with a State-owned backbone microwave system, protection of established radio sites from atmospheric interference, completion of radio/mobile coverage for the en-

tire Commonwealth, and the reduction of system cost through shared usage.

Fiscal year 1985-86 marks the second year of implementation of a multi-year Federal program titled "Integrated Emergency Management System (IEMS)" at all levels of government nationwide. The concept of this program is to consolidate the development of required response plans which have common and unique capabilities across the full spectrum of hazards, rather than focusing on the requirements of specific hazards. Although this program initiative is new at the Federal level, it is the concept the Commonwealth has followed for many years. Hopefully, this recognition by the Federal government of an all hazards approach will lift the restrictions on the use of Federal funding specifically earmarked for civil defense response planning and provide more Federal funds for other disaster programs.

Funds amounting to \$50,000 were appropriated in the 1984-85 fiscal year for an Emergency Grid System. This is a one-time project for the development of an emergency route alerting and response guide for emergency services personnel located in Dauphin, Schuylkill and Northumberland counties.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,675	\$ 1,675	\$ 1,692	\$ 1,760	\$ 1,830	\$ 1,903	\$ 1,979
Emergency Grid Pilot Program . . . . .	. . . .	50	. . . .	. . . .	. . . .	. . . .	. . . .
Flood and Storm Damage — Allentown	267	. . . .	. . . .	. . . .	. . . .	. . . .	. . . .
August Flood — Disaster Relief . . . . .	. . . .	2,500	. . . .	. . . .	. . . .	. . . .	. . . .
GENERAL FUND TOTAL	<u>\$ 1,942</u>	<u>\$ 4,225</u>	<u>\$ 1,692</u>	<u>\$ 1,760</u>	<u>\$ 1,830</u>	<u>\$ 1,903</u>	<u>\$ 1,979</u>

Fire Prevention and Safety

OBJECTIVE: To minimize the loss of life and property due to fire.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 717	\$ 728	\$ 861	\$ 895	\$ 931	\$ 968	\$ 1,007

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Local fire training graduates	20,379	20,400	20,500	21,000	21,500	22,000	22,500
Fire school graduates	2,322	2,400	2,500	2,550	2,600	2,650	2,700
Volunteer loans granted (in thousands)	\$9,338	\$9,463	\$5,000	\$5,100	\$5,200	\$5,300	\$5,400

Program Analysis:

The State Fire Commissioner is responsible for coordinating Federal, State and private fire safety funds in Pennsylvania; assisting State agencies in the development of any 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 its contacts with government agencies, the business community, consumers, and the fire service the Fire Commissioner's Office renders technical assistance, collects, reviews, and disseminates pertinent information about fire death data and fire prevention and control techniques and conducts Statewide fire safety educational programs for the total fire community.

The State Fire Academy at Lewistown is the main fire training delivery mechanism. The school includes a fire training facility which has five floors of 15 different model compartments which simulate apartment and housing units and can be fired and used to train fire fighters in actual interior house fires. A six floor drill tower for training activities is also part of this complex. Special areas include fire pits and steel fuel tanks, outdoor simulation of street areas with hydrants and water supplies. A control building adjacent to this outside training area is equipped with regulatory controls which provide water, fuel and fire intensities to the fire building or pit areas.

The Academy provides advanced professional development of fire service officers, command personnel, instructors, and other specialists engaged in fire prevention and

suppression activities; acts as educational hub for all other fire and emergency services training in Pennsylvania; serves the Commonwealth's fire community; and coordinates the activities of the Pennsylvania Fire Service Professional Qualifications Board, which is responsible for administering a voluntary certification program for fire service personnel in the Commonwealth. An initiative has been included in this budget for a voluntary certification program for local fire service personnel.

The Academy will graduate over 20,500 local fire personnel in 1985-86. The estimates for this measure have been adjusted to reflect updated figures that are more attuned to attainable goals.

In addition to training provided at the Academy, a local outreach program (organized and coordinated by two field supervisors) provides training to more than 26,000 local fire personnel annually through both safety, fire prevention/detection, and fire suppression programs.

Another area of assistance to the fire fighting and prevention community is the fiscal assistance of the Volunteer Company Loan Fund. The purpose of the fund is to improve the capabilities of volunteer fire companies, ambulance services and rescue squads through the provision of low interest loans for the purpose of establishing or modernizing facilities to house fire fighting apparatus, purchasing new apparatus or equipment (protective and communication as well as fire fighting) and purchasing any other accessory equipment. Priority is given to replacement of outmoded or unsafe equipment and provision of additional

Fire Prevention and Safety (continued)

Program Analysis: (continued)

equipment needed to meet unusual demand. Interest is at two percent per annum for a maximum of ten years. Loans of \$10,000 or less are limited to five years.

There have been three amendments since the enactment of this program. Act 145 of 1978 authorized refinancing of private loans incurred by volunteer agencies between November 4, 1975 and April 30, 1978. It also authorized loans for repair or rehabilitation of apparatus and equipment. Act 65 of 1980 contained the following changes: 1) authorized the Commonwealth of Pennsylvania to make loans to volunteer agencies for the purpose of purchasing used equipment and vehicles and purchasing utility or special service vehicles; 2) reduced the minimum amount of a loan

to \$1,000; 3) permitted a political subdivision to pledge the credit of the political subdivision in the amount necessary to meet the loan requirement; and 4) removed the final date for the refinancing of debt, thereby eliminating the need for periodic amendments to the original Act to extend the refinancing authorization.

Finally, on May 11, 1982, Act 118 was signed into law. This law provides changes in the maximum amounts of eligible funding. In the November 1981 election, the voters approved a referendum establishing a bond issue in the amount of \$15,000,000. Of the \$15,000,000, seven million dollars was made available in July, 1982 and eight million in April, 1983.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Fire Safety	<u>\$ 717</u>	<u>\$ 728</u>	<u>\$ 861</u>	<u>\$ 895</u>	<u>\$ 931</u>	<u>\$ 968</u>	<u>\$ 1,007</u>

Department of Environmental Resources

The Department of Environmental Resources provides for and encourages the development of a balanced ecological system encompassing the social, cultural and economic needs of the Commonwealth's citizens through harmonious development of our environmental resources. The Department is responsible for the State's land and water management programs, all aspects of environmental control and regulation of mining operations.

The Department includes the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the State Conservation Commission, the State Board for Certification of Sewage Enforcement Officers, the State Board for Certification of Sewage Treatment and Waterworks Operators and the Water Facilities Loan Board.

ENVIRONMENTAL RESOURCES

PROGRAM REVISIONS

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
Office of Protection	Water Quality Management Expansion	\$ 874
Sewage Facilities Construction Grants	Water Quality Management Expansion	1,000

This Program Revision will increase the capability to protect water quality in the Commonwealth.

Office of Protection	Solid Waste Management Expansion	285
Hazardous Waste Control	Solid Waste Management Expansion	2,734
Resource Recovery Grants	Solid Waste Management Expansion	900
Solid Waste Disposal Planning Grants	Solid Waste Management Expansion	450

This Program Revision will expand the Commonwealth's efforts to oversee the proper disposal of solid waste.

DEPARTMENT TOTAL	<u>\$ 6,243</u>
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DEPARTMENT OF ENVIRONMENTAL RESOURCES

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 6,679	\$ 7,289	\$ 7,702
Electronic Data Processing Support .....	.....	500	900
Economic Revitalization Administration .....	.....	150	155
Office of Resources Management	12,172	13,000	13,946
Chesapeake Bay Agricultural Source Abatement .....	.....	1,000	1,161
Deep Mine Safety	2,719	2,922	3,027
Office of Protection	29,606	31,300	34,414
Hazardous Waste Control	3,000	5,100	7,834
Canonsburg Remedial Action	927	1,143	1,207
Black Fly Control	100	1,000	1,500
Water Quality Testing Laboratory .....	.....	350	308
State Forestry Operations	10,957	11,339	10,402
Gypsy Moth and Other Insect Control	2,201	2,180	2,243
Study of Flora	150	.....	.....
State Parks	26,012	26,848	27,924
Subtotal	<u>\$ 94,523</u>	<u>\$ 104,121</u>	<u>\$ 112,723</u>
Grants and Subsidies			
Flood Control Projects	\$ 195	\$ 220	\$ 220
Storm Water Management Grants .....	.....	250	250
Sewage Facilities Planning Grants	498	500	500
Sewage Facilities Enforcement Grants	1,302	1,650	1,650
Sewage Treatment Plant Operations Grants	16,800	17,100	17,100
Sewage Facilities Construction Grants .....	.....	.....	1,000
Solid Waste Disposal Planning Grants	600	800	1,250
Resource Recovery Grants .....	.....	2,100	3,000
Delaware River Master	41	43	47
Ohio River Basin Commission	15	15	16
Susquehanna River Basin Commission	230	230	235
Interstate Commission on the Potomac River Basin	20	21	22
Delaware River Basin Commission	639	669	708
Ohio River Valley Water Sanitation Commission	88	90	90
Small Watershed Projects	32	100	100
Local Soil and Water District Assistants	750	750	850
Interstate Mining Commission	10	10	10
Emergency Mine Subsidence Relief	75	.....	.....
Annual Fixed Charges — Flood Lands	12	13	13
Annual Fixed Charges — Project 70	6	12	12
Annual Fixed Charges — Forest Lands	776	1,194	1,194
Slippery Rock State College Utilities	300	.....	.....
Rockview State Correctional Institution Utilities	266	.....	.....
Huntingdon Correctional Institution Utilities .....	.....	.....	2,000
Vector Control	485	500	500
Water Supply Project-Beccaria .....	.....	185	.....
Appalachian States Low-Level Waste Compact .....	.....	.....	200
Three Mile Island Clean-Up	5,000	5,000	5,000
Morris Arboretum .....	.....	200	.....
Subtotal	<u>\$ 28,140</u>	<u>\$ 31,652</u>	<u>\$ 35,967</u>
TOTAL STATE FUNDS	<u><u>\$ 122,663</u></u>	<u><u>\$ 135,773</u></u>	<u><u>\$ 148,690</u></u>
Federal Funds	\$ 50,010	\$ 114,220	\$ 145,822
Other Funds	9,849	13,669	14,426
GENERAL FUND TOTAL	<u><u>\$ 182,522</u></u>	<u><u>\$ 263,662</u></u>	<u><u>\$ 308,938</u></u>

GENERAL GOVERNMENT

General Government Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 6,679	\$ 7,939	\$ 8,757
Federal Funds	1,293	2,373	1,649
Other Funds	436	689	721
TOTAL	\$ 8,408	\$ 11,001	\$ 11,127

Provides for the overall executive direction and administration of the department including personnel, fiscal management, systems management, office services, public information and planning and research. Conducts all legal matters of the department including enforcement actions. Provides for the expenses of the department's boards, councils and commissions.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 6,679	\$ 7,289	\$ 7,702
Electronic Data Processing Support .....	.....	500	900
Economic Revitalization Administration .....	.....	150	155
Federal Funds:			
Surface Mine Conservation	680	1,485	775
Environmental Protection Agency — Planning Grant	248	305	256
Construction Management Assistance Grants — Administration	350	483	518
Safe Drinking Water — Administration	15	100	100
Other Funds:			
Reimbursement — Wild Resources Conservation Fund	48	.....	.....
Reimbursement — Computer Services	31	33	35
Reimbursement — Clean Air Fund	48	51	54
Reimbursement — Solid Waste Abatement Fund	96	103	109
Reimbursement — Clean Water Fund	48	51	54
Reimbursement — Water Facilities Loan Fund	165	451	469
TOTAL	\$ 8,408	\$ 11,001	\$ 11,127

GENERAL FUND

ENVIRONMENTAL RESOURCES

Office of Resources Management	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 12,172	\$ 14,000	\$ 15,107
Federal Funds	22,690	51,386	65,785
Other Funds	61	511	291
TOTAL	\$ 34,923	\$ 65,897	\$ 81,183

Provides for engineering services relevant to all department operations. Also constructs water structure, stream clearance, channel improvements and minor mine reclamation projects. Also provides detailed surveys of the Commonwealth's geologic, mineral and groundwater resources and prepares topographic maps for every area of the Commonwealth.

This program also is responsible for administering efforts to control stormwater runoff in order to protect property and control erosion as well as providing for the Commonwealth's involvement in the National Dam Inspection Program. This requires periodic inspections of existing dams and detailed review of the designs of proposed dams. Finally this program controls the drilling and abandonment of oil and gas wells.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Office of Resources Management	\$ 12,172	\$ 13,000	\$ 13,946
Chesapeake Bay Agricultural Source Abatement .....	.....	1,000	1,161
Federal Funds:			
Chesapeake Bay Pollution Abatement .....	.....	1,000	1,000
Coastal Zone Management	534	771	1,200
Water Resources Planning Act	75	144	75
National Water Use Data System	25	80	50
Bituminous Demonstration Project .....	.....	101	100
Surface Mine Conservation	214	255	267
CETA Title VIII — Young Adult Conservation Corps	27	.....	.....
Emergency and Disaster Assistance	10	400	200
Land and Water Conservation Fund	2,422	2,500	2,000
Land and Water Conservation Fund — Jobs Bill	692	100	.....
Developing Parks and Recreation Areas — Jobs Bill	1,496	.....	.....
ARC — Abandoned Mine Restoration Research .....	.....	127	125
Upper Delaware National Scenic River	29	32	33
Abandoned Mine Reclamation	16,668	45,000	60,000
Centralia Mine Fire Recovery .....	.....	205	225
Hydroelectric Feasibility Study	1	17	.....
Topographic and Geologic Survey Grants	35	75	75
Bituminous Coal Resources	88	85	85
Federal Surface Mine Control and Reclamation	370	350	350
Dam Safety Program	4	24	.....
State 404 Program Assumption Study .....	.....	120	.....
Other Funds:			
Agricultural Assessment Program	4	170	.....
Topographic and Geologic Survey — Water Well Drillers Act Receipts	39	41	40
Topographic and Geologic Survey — Services Rendered	1	.....	1
Reimbursement — Wild Resources Conservation Fund .....	.....	200	200
Payments for Departmental Services	17	100	50
TOTAL	\$ 34,923	\$ 65,897	\$ 81,183

GENERAL FUND ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Deep Mine Safety			
State Funds	\$ 2,719	\$ 2,922	\$ 3,027
Federal Funds	622	867	870
TOTAL	<u>\$ 3,341</u>	<u>\$ 3,789</u>	<u>\$ 3,897</u>

Conducts safety inspections of all deep coal mines, cleaning and preparation plants, breakers, washeries and all metal and nonmetallic deep mines. Issues various permits relative to underground coal mining. Develops qualification examinations for the certification of miners, machine runners, shot-fires, and mine officials together with assisting in the development of qualification examinations for the certification of mine inspectors and electricians. Coordinates program to provide for training in mine rescue and first aid. Maintains statistics on all fatal and nonfatal accidents, natural deaths, roof fall accidents and accidents which occur in or around coal mines resulting in serious injuries. Investigates complaints submitted by the general public on hazardous mining conditions caused by deep mining.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Deep Mine Safety	\$ 2,719	\$ 2,922	\$ 3,027
Federal Funds:			
Training and Education of Underground Coal Miners	549	600	600
Surface Mine Control and Reclamation — Deep Mine Safety ..	73	167	170
Office of Surface Mining — Deep Mine Safety .....	. . . .	100	100
TOTAL	<u>\$ 3,341</u>	<u>\$ 3,789</u>	<u>\$ 3,897</u>

	(Dollar Amounts in Thousands)		
Office of Protection	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 33,633	\$ 38,893	\$ 45,263
Federal Funds	22,958	56,651	74,980
Other Funds	1,202	2,442	2,414
TOTAL	<u>\$ 57,793</u>	<u>\$ 97,986</u>	<u>\$ 122,657</u>

Provides for safeguarding the health and welfare of the Commonwealth's inhabitants by monitoring and evaluating environmental conditions and quickly acting to eliminate environmental hazards which would be detrimental to the health and safety of people.

Includes controlling all aspects of surface mining including the use of explosives, administering a mine subsidence insurance program, regulating the disposal of solid waste, establishing and maintaining air and water quality standards, assisting local governments in financing sewage treatment plants, enforcing sanitary regulations in public places and institutions, and inspecting and licensing users of ionizing radiation sources. Also includes funds from the Preventive Health and Health Services Block Grant for a rat control program.

GENERAL FUND | **ENVIRONMENTAL RESOURCES**

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Office of Protection	\$ 29,606 ^a	\$ 31,300	\$ 34,414
Hazardous Waste Control	3,000	5,100	7,834
Canonsburg Remedial Action	927	1,143	1,207
Black Fly Control	100	1,000	1,500
Water Quality Testing Laboratory .....	.....	350	308
Federal Funds:			
E.P.A. — Evaluation of Reclamation Efforts	18	.....	.....
Surface Mine Control and Reclamation	5,162	8,125	6,706
E.P.A. — Planning Grant — Administration	4,009	4,000	3,800
Water Pollution Control Grants	2,310	2,720	3,030
Surface Mine Control and Reclamation Administration	860	1,293	1,326
Air Pollution Control Grants	3,126	4,750	4,550
Radiation Regulation and Monitoring	32	118	118
Diagnostic X-Ray Equipment — Testing	26	28	31
Chesapeake Bay Study	1	.....	.....
Preventive Health and Health Services Block Grant	1,284	1,500	1,500
Preventive Health and Health Services Block Grant — Administration	88	128	128
Uranium Mill Tailings	70	10,287	19,138
Used Oil Recycling Program	29	.....	.....
Water Quality Management Planning	588	967	830
Flue Gas Desulfurization	1	20	.....
Surface Mine Control and Reclamation — Laboratories	1,066	1,587	550
Rural Clean Water	132	300	250
Construction Management Assistance Grants	2,824	4,048	4,250
Water Quality Outreach Operator Training Grant	78	105	75
Water Quality Management Planning Grants	402	1,325	1,039
Super Fund Projects .....	.....	11,500	24,809
Safe Drinking Water Act	67	2,100	2,100
Small Operators Assistance Program	785	1,750	750
Other Funds:			
Clean Air Fund	395	818	667
Clean Water Fund	582	1,007	920
Reimbursement for Services to Delaware River Basin Commission .....	.....	70	80
Food Site Inspection Services — Department of Education	15	19	17
Solid Waste Abatement Fund	68	220	220
Conservation Well Permit Fees	71	240	490
Payments for Departmental Services .....	.....	18	20
Reimbursement — Sampling Agreement	54	10	.....
Black Fly Program	9	.....	.....
Automobile/Vehicle Sale	8	.....	.....
Philadelphia Strip Mine Reclamation .....	.....	40	.....
TOTAL	\$ 57,793	\$ 97,986	\$ 122,657

^aActually appropriated as \$29,243,000 for Office of Protection and \$363,000 for Erie Laboratory.

GENERAL FUND

ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Forestry Operations			
State Funds	\$ 13,308	\$ 13,519	\$ 12,645
Federal Funds	2,410	2,943	2,538
Other Funds	4,113	4,798	6,380
TOTAL	\$ 19,831	\$ 21,260	\$ 21,563

Manages State forest lands and prevents and controls forest fires on all forested lands throughout the State. Conducts annual programs to protect forest lands from insect damage. Produces tree seedlings for reforestation of idle land and provides technical forest management assistance to owners of forest land.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
State Forestry Operations	\$ 10,957	\$ 11,339	\$ 10,402
Gypsy Moth and Other Insect Control	2,201	2,180	2,243
Study of Flora	150	.....	.....
Federal Funds:			
Renewable Resources Evaluation	10	25	25
Forest Fire Protection and Control	378	315	315
Forestry Incentives and Agricultural Conservation	14	40	30
Cooperative Forest Insect and Disease Control	542	580	580
Watershed Protection and Flood Prevention — Technical Assistance	1	10	10
Resource Conservation and Development .....	.....	8	8
Forest Management and Processing	194	320	320
Forest Insect and Disease Control	1,271	1,600	1,250
Northeast Regional Biomass Program .....	.....	45	.....
Other Funds:			
Reimbursement for Services to State Parks	165	100	100
Reimbursement From Counties for Gypsy Moth Spraying	384	330	350
Sale of Forest Products	3,226	4,018	5,580
Reimbursement for Forest Fire Control	36	25	25
Sale of Seedlings	77	220	220
Private Donations	4	.....	.....
Sale of Vehicles	5	.....	.....
Payments for Departmental Services	216	105	105
TOTAL	\$ 19,831	\$ 21,260	\$ 21,563

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
State Parks			
State Funds	\$ 26,012	\$ 26,848	\$ 27,924
Federal Funds	37	. . . .	. . . .
Other Funds	4,037	5,229	4,620
TOTAL	<u>\$ 30,086</u>	<u>\$ 32,077</u>	<u>\$ 32,544</u>

Administers the operation, maintenance and protection of the State Park System. Maintains a comprehensive outdoor recreational program, cooperates with other agencies (Federal, State and local) associated with outdoor recreational development or grants-in-aid and encourages private enterprise to provide related services. Participates in nature interpretation and environmental education activities.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
State Parks	\$ 26,012	\$ 26,848	\$ 27,924
Federal Funds:			
Keyzers Mill Stabilization Project	37	. . . .	. . . .
Other Funds:			
Reimbursement for Sewerage Systems Use	96	85	95
Reimbursement for Use of King's Gap	23	15	15
State Park User Fees	3,810	5,128	4,500
Private Donations	84	1	10
Sale of Vehicles	24	. . . .	. . . .
TOTAL	<u>\$ 30,086</u>	<u>\$ 32,077</u>	<u>\$ 32,544</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Storm Water Control			
State Funds	\$ 195	\$ 470	\$ 470

Provides the State's share of the costs of building major flood control structures through Federal, State and local cooperation and also provides funding for rebuilding decaying stream walls. Also provides funds to counties to develop flood warning systems and storm water management plans.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Flood Control Projects	\$ 195	\$ 220	\$ 220
Storm Water Management Grants .....	.....	250	250
TOTAL	<u>\$ 195</u>	<u>\$ 470</u>	<u>\$ 470</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Sewage Facilities Assistance			
State Funds	\$ 18,600	\$ 19,250	\$ 20,250

Provides grants to municipalities for planning and enforcing sewage facilities programs and provides payments to municipalities, school districts and institutional districts for operation and maintenance of sewage treatment facilities. Also, makes available grants to municipalities for constructing and upgrading sewage treatment facilities.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Sewage Facilities Planning Grants	\$ 498	\$ 500	\$ 500
Sewage Facilities Enforcement Grants	1,302	1,650	1,650
Sewage Treatment Plant Operations Grants	16,800	17,100	17,100
Sewage Facilities Construction Grants .....	.....	.....	1,000
TOTAL	<u>\$ 18,600</u>	<u>\$ 19,250</u>	<u>\$ 20,250</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Solid Waste — Resource Recovery Assistance			
State Funds	\$ 600	\$ 2,900	\$ 4,250

Provides grants to municipalities for aid in developing plans for solid waste management systems and for construction of resource recovery facilities.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Solid Waste Disposal Planning Grants	\$ 600	\$ 800	\$ 1,250
Resource Recovery Grants .....	.....	2,100	3,000
TOTAL	<u>\$ 600</u>	<u>\$ 2,900</u>	<u>\$ 4,250</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Interstate Water Compacts			
State Funds	\$ 1,033	\$ 1,068	\$ 1,118

Provides for Pennsylvania's contribution to various interstate compacts designed to oversee development of several water basins. Provides the State's share of the expenses of the Delaware River Master who allocates the water of the Delaware River in accordance with a United States Supreme Court decree.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Delaware River Master	\$ 41	\$ 43	\$ 47
Ohio River Basin Commission	15	15	16
Susquehanna River Basin Commission	230	230	235
Interstate Commission on the Potomac River Basin	20	21	22
Delaware River Basin Commission	639	669	708
Ohio River Valley Water Sanitation Commission	88	90	90
TOTAL	<u>\$ 1,033</u>	<u>\$ 1,068</u>	<u>\$ 1,118</u>

GENERAL FUND

ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Conservation Districts Assistance			
State Funds	\$ 782	\$ 850	\$ 950

Offers aid to county conservation districts to enable them to hire full-time executive assistants and to qualify for Federal small watershed projects.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Small Watershed Projects	\$ 32	\$ 100	\$ 100
Local Soil and Water District Assistants	750	750	850
TOTAL	<u>\$ 782</u>	<u>\$ 850</u>	<u>\$ 950</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Mine Activities			
State Funds	\$ 85	\$ 10	\$ 10

Provides for Pennsylvania's share of the Interstate Mining Commission. Also provides loans to homeowners for emergency mine subsidence relief.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Interstate Mining Commission	\$ 10	\$ 10	\$ 10
Emergency Mine Subsidence Relief	75	.....	.....
TOTAL	<u>\$ 85</u>	<u>\$ 10</u>	<u>\$ 10</u>

GENERAL FUND

ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Payments in Lieu of Taxes			
State Funds	\$ 794	\$ 1,219	\$ 1,219

Makes payments in lieu of taxes to political subdivisions and school districts for lands acquired by the Commonwealth for various purposes.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Annual Fixed Charges — Flood Lands	\$ 12	\$ 13	\$ 13
Annual Fixed Charges — Project 70	6	12	12
Annual Fixed Charges — Forest Lands	776	1,194	1,194
TOTAL	<u>\$ 794</u>	<u>\$ 1,219</u>	<u>\$ 1,219</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Utility Expansion Grants			
State Funds	\$ 566	.....	\$ 2,000

Provides the State's share of the cost of improving utility services involving State institutional facilities.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Slippery Rock State College Utilities	\$ 300	.....	.....
Rockview State Correctional Institution Utilities	266	.....	.....
Huntingdon Correctional Institution Utilities .....	.....	.....	\$ 2,000
TOTAL	<u>\$ 566</u>	<u>.....</u>	<u>\$ 2,000</u>

GENERAL FUND

ENVIRONMENTAL RESOURCES

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Vector Control			
State Funds	\$ 485	\$ 500	\$ 500

Provides grants to municipalities for establishing and maintaining rat control programs.

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Vector Control	<u>\$ 485</u>	<u>\$ 500</u>	<u>\$ 500</u>

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Water Supply Projects			
State Funds	\$ 185	.....

Provided a contribution to a water supply project for the town of Beccaria.

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Water Supply Project — Beccaria	<u>.....</u>	<u>\$ 185</u>	<u>.....</u>

GENERAL FUND ENVIRONMENTAL RESOURCES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Radiation Protection			
State Funds	\$ 5,000	\$ 5,000	\$ 5,200

Provides for Pennsylvania's contributions to interstate radiation compacts and a share of Three Mile Island cleanup.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Appalachian States Low-Level Waste Compact .....	.....	.....	\$ 200
Three Mile Island Clean-Up	\$ 5,000 ^a	\$ 5,000 ^a	5,000
TOTAL	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,200</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Morris Arboretum			
State Funds	\$ 200	.....

Provided a grant to the Morris Arboretum of the University of Pennsylvania

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Morris Arboretum	<u>.....</u>	<u>\$ 200</u>	<u>.....</u>

^aActually appropriated to Department of Commerce. Shown here for comparability.

Restricted Receipts Not Included in Department Totals

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Clean Water Fund	\$ 1,396	\$ 4,712	\$ 1,927
Snowmobile Regulation	216	263	280
Clean Air Act	985	3,303	1,000
Mine Drainage Treatment Fees	197	205	100
Radiation Protection Fund .....	.....	988	1,800
 TOTAL	 <u>\$ 2,794</u>	 <u>\$ 9,471</u>	 <u>\$ 5,107</u>

DEPARTMENT OF ENVIRONMENTAL RESOURCES

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 6,679	\$ 7,939	\$ 8,757	\$ 9,071	\$ 9,401	\$ 9,738	\$ 9,691
Natural Resource Development and Management	\$ 28,178	\$ 31,211	\$ 31,394	\$ 34,817	\$ 36,382	\$ 37,641	\$ 39,352
Management of Forest Resources	14,084	14,913	13,839	15,533	16,278	17,054	17,859
Management of Water and Mineral Resources	14,094	16,298	17,555	19,284	20,104	20,587	21,493
Protection from Health and Safety Hazards	\$ 61,776	\$ 69,750	\$ 80,590	\$ 81,365	\$ 83,900	\$ 80,655	\$ 82,492
Air Pollution Control	3,167	3,207	3,519	3,660	3,806	3,958	4,117
Water Quality Management	24,684	24,661	28,670	28,338	29,618	29,908	30,211
Community Environmental Management	6,057	7,478	8,114	8,359	8,613	8,877	9,153
Solid Waste Management	6,901	11,966	16,619	17,879	18,017	18,322	18,645
Regulation of Mining	6,602	7,055	8,135	8,438	8,775	9,125	9,489
Environmental Support Services	7,480	8,225	8,746	9,096	9,460	9,838	10,232
Radiation Protection	6,885	7,158	6,787	5,595	5,611	627	645
Recreation	\$ 26,030	\$ 26,873	\$ 27,949	\$ 29,067	\$ 30,201	\$ 31,408	\$ 32,663
Management of Recreation Areas and Facilities	26,030	26,873	27,949	29,067	30,201	31,408	32,663
DEPARTMENT TOTAL	<u>\$ 122,663</u>	<u>\$ 135,773</u>	<u>\$ 148,690</u>	<u>\$ 154,320</u>	<u>\$ 159,884</u>	<u>\$ 159,442</u>	<u>\$ 164,198</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,679	\$ 7,939	\$ 8,757	\$ 9,071	\$ 9,401	\$ 9,738	\$ 9,691
Federal Funds	1,292	2,373	1,649	1,734	1,785	1,787	1,791
Other Funds	436	689	721	731	740	750	760
TOTAL	\$ 8,407	\$ 11,001	\$ 11,127	\$ 11,536	\$ 11,926	\$ 12,275	\$ 12,242

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services. Included are the operations of the Citizens Advisory Council, the Environmental Hearing Board, the Environmental Quality Board, the Water

Facilities Loan Board as well as the administration of the Pennsylvania Conservation Corps Act and the Recreation Improvement and Rehabilitation Act programs of the Economic Revitalization Fund.

The recommended program costs for 1985-86 include \$900,000 for the second year of leasing and acquiring new computer equipment and software. This will continue the modernization of the department's data processing capability.

Also included is \$53,000 to provide the increased salaries of the Environmental Hearing Board members.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 6,679	\$ 7,289	\$ 7,702	\$ 8,010	\$ 8,334	\$ 8,664	\$ 9,010
Electronic Data Processing Support .....	.....	500	900	900	900	900	500
Economic Revitalization Administration .....	.....	150	155	161	167	174	181
GENERAL FUND TOTAL	\$ 6,679	\$ 7,939	\$ 8,757	\$ 9,071	\$ 9,401	\$ 9,738	\$ 9,691

Management of Forest Resources

OBJECTIVE: To provide or assist in effective management of forest lands and to reduce plant loss and damage caused by insects, disease, and forest fires.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 14,084	\$ 14,913	\$ 13,839	\$ 15,533	\$ 16,278	\$ 17,054	\$ 17,859
Federal Funds	2,409	2,943	2,538	1,808	2,488	4,428	2,708
Other Funds	4,113	4,798	6,380	5,475	5,957	5,825	6,085
TOTAL	\$ 20,606	\$ 22,654	\$ 22,757	\$ 22,816	\$ 24,723	\$ 27,307	\$ 26,652

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Forest fires	869	1,500	1,500	1,500	1,500	1,500	1,500
Acres burned per fire	5	5	5	5	5	5	5
Acres of private timber land affected by professional assistance	95,000	100,000	100,000	100,000	100,000	100,000	100,000
Acres reforested	9,000	10,000	10,000	10,000	10,000	10,000	10,000
Miles of safety strip maintained	125	150	150	150	150	150	150
Acres receiving insect suppression treatment ..	284,972	250,000	190,000	100,000	200,000	400,000	300,000
Acres receiving silvicultural treatment	14,500	15,000	15,000	15,000	15,000	15,000	15,000

Program Analysis:

This program has the overall responsibility for the protection and enhancement of Pennsylvania's vast forest reserves. Specifically, the program is responsible for the management of two million acres of State forest lands; for providing management assistance to the more than 490,000 owners of private forest lands; and for overseeing fire, insect and disease control activities. These millions of acres of forest lands represent a variety of resources such as timber, watersheds, wildlife habitat and recreation areas to the citizens of the Commonwealth.

Through the application of multiple-use management the two million acres of State forest land provide both economic and social benefits to the Commonwealth. The harvest of timber from State forests during 1983-84 generated over \$4.1 million in revenues. Included in the recommended program costs are funds for additional professional and technical staff. This will increase timber sales from 38 million to approximately 52 million board feet per year, a level supported by sound forest management practices. The additional \$1.5

million in sales is substantially more than the increased program costs of \$173,000, increasing the balance in the timber sales restricted account. In fiscal year 1985-86, the General Fund requirements for this program have been reduced to use this modest surplus. This will be reviewed each year to examine the impact on State forest resources.

While they are difficult to measure in economic terms, the social benefits and recreational opportunities provided by State forests are significant. State forest lands are managed for municipal water use, natural gas production and underground storage as well as for a wide variety of activities such as hiking, camping, hunting, fishing, cross-country skiing, canoeing, snowmobiling and other nature activities.

The main threats to the Commonwealth's forest are fires, insects and disease. Forest fires, most of which are caused by humans, burn an average of 7,000 to 9,000 acres per year. Fortunately, the fire season in 1983-84 was unusually wet, reducing the number of forest fires. Unfortunately, while many fires start accidentally about one-third are maliciously

Management of Forest Resources (continued)

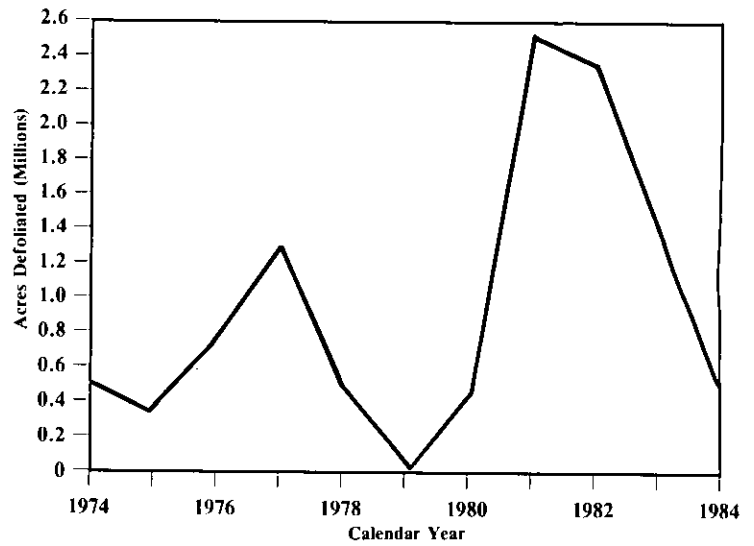
Program Analysis: (continued)

set. The department continues its enforcement and educational efforts to reduce this destruction.

The gypsy moth continues to be the major forest pest problem in Pennsylvania as well as the northeastern United States. As shown in the graph below there was a significant decrease in the number of acres defoliated by this pest in the Commonwealth in 1983. This trend should continue in 1984. However, the gypsy moth continues to spread westward, threatening to establish itself statewide in less than ten years. The pest remains a serious problem in eastern Pennsylvania, defoliating areas for a second, third and fourth year and causing high mortality on State and privately-owned forest lands.

The department will continue to provide, with the cooperation of county governments, a gypsy moth suppression program aimed at reducing the impact of the pest on private residential and recreational landowners. The approach in this program remains one of integrated pest management with principal reliance on a biological spray material, *Bacillus thuringiensis* (Bt). Uninhabited privately-owned lands are not treated because of the enormous costs involved. However, personnel are available to advise private landowners with regard to the need for treating their land. Non-inhabited high-value State-owned forest lands will be treated as necessary with an EPA-approved gypsy moth growth inhibitor, Dimilin, because of its effectiveness and lower cost per acre. New insecticides and methods of application will continue to be tested and evaluated in the continuing effort to reduce costs and improve efficiency.

**GYPSY MOTH DEFOLIATION
IN PENNSYLVANIA**



Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Forestry Operations	\$ 10,957	\$ 11,339	\$ 10,402	\$ 12,004	\$ 12,656	\$ 13,134	\$ 14,038
Gypsy Moth and Other Insect Control ..	2,201	2,180	2,243	2,335	2,428	2,526	2,627
Study of Flora	150	.....	.....	.....	.....	.....	.....
Annual Fixed Charges — Forest Lands ..	776	1,194	1,194	1,194	1,194	1,194	1,194
Morris Arboretum .....	.....	200	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 14,084	\$ 14,913	\$ 13,839	\$ 15,533	\$ 16,278	\$ 17,054	\$ 17,859

Management of Water and Mineral Resources

OBJECTIVE: To provide effective management of water and mineral resources in order to maximize economic benefits from the utilization of these resources to insure against their undue destruction and depletion.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 14,094	\$ 16,298	\$ 17,555	\$ 19,284	\$ 20,104	\$ 20,587	\$ 21,493
Federal Funds	18,053	48,786	63,785	78,195	78,039	77,943	77,895
Other Funds	61	511	291	301	301	311	321
TOTAL	\$ 32,208	\$ 65,595	\$ 81,631	\$ 97,780	\$ 98,444	\$ 98,841	\$ 99,709

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total abandoned mine restoration projects ..	90	130	150	200	250	250	250
Abandoned mine sites designated as potential safety problems	1,230	1,124	998	802	576	350	124
Erosion control plans and permits received ..	50	80	105	105	105	105	105
Major geologic, mineral and groundwater resource mapping projects completed ...	13	15	15	15	15	15	15
Obstruction and encroachment permits approved	1,619	1,800	1,800	1,800	1,800	1,800	1,800
Dam inspections	1,051	950	950	950	950	950	950
Inactive surface mines needing reclamation ..	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inactive surface mines reclaimed	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Program Analysis:

Pennsylvania's vast water and mineral resources are managed through comprehensive planning, regulatory activities and project development.

The planning process develops long-range programs for multi-purpose water uses and insures adequate supplies for drinking as well as industrial, agricultural and commercial uses. Programs are also developed for acid mine drainage, pollution abatement and for mine reclamation.

Planning and design work to resolve environmental degradation problems resulting from past coal mining practices is another aspect of this program. Work done under Project 500 deals with the abatement of acid mine drainage, the control and extinguishment of underground mine fires and refuse bank mine fires and the control of surface subsidence from abandoned deep mines. Planning and design work is also performed for projects covered by the Federal Surface Mine Control and Reclamation Act which addresses

abandoned mine problems affecting the public health and safety. With the assumption of primacy, that is the responsibility for administering Federal programs, the Commonwealth has been granted substantially more funds. This is reflected in the number of mine restoration projects, rising sharply from last year's estimate. At the same time the program measure showing sites designated as potential safety problems has been decreased from last year's estimate. This was done to more accurately indicate the most potentially hazardous sites and the impact of actions taken to remedy the situation.

Following planning and design, this program is responsible for the construction of flood control, recreational and mine drainage restoration projects. It is also responsible for stream improvement functions which restore and rehabilitate flood damaged stream channels to provide protection from more frequent flooding. The Commonwealth continues to

Management of Water and Mineral Resources(continued)

Program Analysis: (continued)

be involved in a cooperative effort with local governments, with the municipality sustaining the flood damage funding land acquisition and utility relocation and the Commonwealth paying for the design and construction of the facility.

To manage and administer water resources regulatory programs, three acts were passed in 1978 which provided for the regulation of the construction, maintenance and operation of dams, water obstructions and encroachments on streams and lakes in Pennsylvania and their contingent flood plains. These same acts also provide for the administration of a Storm Water Management Program.

The Dam Safety and Encroachment Act authorizes the regulation of dams and reservoirs throughout the Commonwealth in order to protect the health, safety and welfare of the citizens and their properties. This act also provides for a Statewide program for regulation of construction, operation and maintenance of obstructions, encroachments and changes to the course, current, cross sections or the relocation of any streams and their related 100-year floodway to protect life, property, safety and the riparian rights of the public. The Commonwealth has compiled an inventory of high risk dams and begun an accelerated inspection program of those dams. A program initiative for \$124,000 has been included herein which increases dam safety inspections, permitting and environmental assessments.

Flood plain management is authorized by the Flood Plain Management Act. More active involvement in this program area is anticipated in order to decrease the loss of life and property damage resulting from floods similar to the Agnes, Eloise, and Johnstown Floods.

The Storm Water Management Program is authorized by

the Storm Water Management Act. This act is oriented towards managing and controlling storm water runoff to protect public and private property, decrease flooding along waterways, control erosion and sedimentation, minimize the cost of public facilities to carry and control stormwater and protect and conserve groundwater and groundwater recharge areas.

Closely tied to water resources is the management of the Commonwealth's soil resources. Sedimentation from erosion is one aspect of non-point source pollution of streams and rivers. Equally important is the preservation of valuable food-producing topsoil. Another aspect of this is the non-point pollution by nutrients eroded with farmland topsoil, particularly into the Chesapeake Bay.

The Clean Streams Law and the associated rules and regulations of the Erosion Control Program affect every soil-disturbing activity of landowners and developers. Required are surface water controls, soil stabilization measures and sedimentation facilities at every site. Soil conservation districts are used throughout the Commonwealth with training and assistance provided by the Department. Included in this budget is \$159,000 to accelerate activities in targeted conservation districts to reduce sedimentation and nutrient pollution of the Chesapeake Bay.

The management of Pennsylvania's mineral resources, including the urgent need to find new mineral resources, is carried out through this program. Currently emphasis is placed on energy resources and geologic hazards.

The recommended amounts include \$385,000 for the second and final year of a phased transfer of the operation of the acid mine drainage treatment plants begun with special funding which is no longer available.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)					
			1985-86	1986-87	1987-88	1988-89	1989-90	
GENERAL FUND								
Office of Resources Management	\$ 12,172	\$ 13,000	\$ 13,946	\$ 15,185	\$ 15,944	\$ 16,741	\$ 17,578	
Chesapeake Bay Agricultural Source								
Abatement		1,000	1,161	1,222	1,230	1,241	1,253	
Flood Control Projects	195	220	220	600	600	220	220	
Delaware River Master	41	43	47	50	55	60	65	
Ohio River Basin Commission	15	15	16	16	16	16	16	
Susquehanna River Basin Commission	230	230	235	245	255	265	275	
Interstate Commission on the Potomac								
River Basin	20	21	22	23	24	25	26	
Delaware River Basin Commission	639	669	708	743	780	819	860	
Small Watershed Projects	32	100	100	100	100	100	100	
Local Soil and Water District Assistants	750	750	850	850	850	850	850	
Storm Water Management Grants		250	250	250	250	250	250	
GENERAL FUND TOTAL	\$ 14,094	\$ 16,298	\$ 17,555	\$ 19,284	\$ 20,104	\$ 20,587	\$ 21,493	

Air Pollution Control

OBJECTIVE: To prevent and control emissions from existing and future sources of air contaminants in order to bring existing abnormal concentrations to acceptable levels and to insure continuance of currently acceptable air quality levels.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,167	\$ 3,207	\$ 3,519	\$ 3,660	\$ 3,806	\$ 3,958	\$ 4,117
Federal Funds	3,127	4,750	4,550	4,064	4,064	4,064	4,064
Other Funds	280	403	429	429	429	429	429
TOTAL	\$ 6,574	\$ 8,360	\$ 8,498	\$ 8,153	\$ 8,299	\$ 8,451	\$ 8,610

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Percent of time air basins contamination concentrations exceed acceptable standards	2%	5%	6%	6%	6%	6%	6%
Inspections	8,934	9,000	9,000	9,000	9,000	9,000	9,000
Abatement orders issued	91	200	200	200	200	200	200
Plan approvals issued	516	500	500	500	500	500	500
Operating permits in effect	5,932	6,430	6,930	7,430	7,930	8,430	8,930

Program Analysis:

The Commonwealth's efforts to combat air pollution began in 1960. Major program expansion came as a result of the Federal Clean Air Act of 1970. The 1977 amendments to this Federal act increased involvement below the Federal level. The overall statewide program is committed to review, revise, and update control requirements in a manner that will achieve satisfactory air quality, meet State implementation requirements, and provide for industrial growth and environmentally sound energy utilization.

It is important to note that Philadelphia and Allegheny Counties maintain quasi-independent programs that are not reflected in either subcategory financial or program measure data.

The program measure, Percent of Time Air Basin Contaminations Exceed Acceptable Standards, represents long-term annual air quality information relative only to total suspended particulates, settleable particulates, sulfur oxides, and nitrogen oxides. This measure is impacted by program effectiveness, economic conditions, long distance transports and meteorological conditions. The low percentage shown in 1983-84 is largely due to poor economic conditions. There are, in effect, thirteen air basins in the Commonwealth. While Philadelphia and Allegheny Counties are excluded from this measure, these areas have been very successful in reducing most pollutants.

Air Pollution Control (continued)

Program Analysis: (continued)

While ambient monitoring is the best measure of overall air quality, source monitoring is the focus of the compliance effort. The department maintains a computerized emission inventory system that includes approximately 800 facilities with approximately 7,500 individual air contaminant sources. Nearly 600 of these facilities have significant actual emission of one or more of the five Federal criteria pollutants or the potential for emission of hazardous substances and source owners or operators are required by law to provide data to the department. Outputs from this system are used for regulatory planning, modeling of emissions, background for permitting activity, and for fulfilling requests from the public for information on emissions and types of sources.

Continuous emission monitoring (CEM) is another type of source monitoring. CEM is performed with in-stack equipment that must be operated by owners of certain large facilities and is used primarily to measure sulfur oxides and opacity. CEM has assumed an increasing role in compliance efforts as well as providing industry with additional flexibility, such as emission averaging, to achieve compliance.

A third source monitoring technique involves stack testing performed by mobile teams. Mobile stack testing provides the ability and flexibility to move equipment to any facility that may be emitting unacceptable levels of pollutants. Approximately 200 such tests are performed each year.

The compliance aspect of the program has several important elements:

PLAN APPROVALS. This item reflects the technical review effort that must be expended as part of the permit process. As existing sources are brought into compliance, the permit program assures that any new source is initially constructed with the best available control technology. This permitting program provides a vital planning tool to assure attainment and maintenance of ambient air quality standards. Although new hazardous waste regulations for incineration and for burning waste fuels are in effect, there

should not be an increase of plan approval requests. Rather than retrofit, owners are more likely to refuse to burn restricted materials in order to comply.

OPERATING PERMITS. This indicator is a measure of the inspection and enforcement efforts necessary to assure that sources and control equipment are installed as proposed and that they are maintained and operated as designed.

All sources installed or modified since July 1, 1972 must meet permit requirements.

An increase in abatement orders issued was begun in 1983-84. This increase is expected to continue in 1984-85 and then level. This results from the use of letter agreements rather than criminal citations as well as new enforcement policies developed this year. These policies include pollution incidence penalties, continuous emission monitoring and the use of coal sampling and analysis systems.

INSPECTIONS. Various types of inspections are conducted by field personnel. Compliance monitoring inspections are conducted once or twice a year at facilities with significant actual or potential emissions to determine if sources are being maintained in compliance with the air quality regulations. Initial operating permit inspections are conducted to assure the installation of new and modified air contamination sources and air cleaning devices as approved by the department. Permit renewal inspections involve all sources with operating permits and are conducted either annually or bi-annually depending on the significance of the source and its emissions. Complaint/emergency investigations constitute a fourth type of inspection. In 1983-84 there was an increase in complaints and subsequent investigations. This resulted in the increase in inspections shown.

Supporting the monitoring and compliance efforts is control strategy development, a continuous process of program evaluation and planning providing a mechanism for ensuring that acceptable levels of air quality are achieved and maintained.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection.....	\$ 3,167	\$ 3,207	\$ 3,519	\$ 3,660	\$ 3,806	\$ 3,958	\$ 4,117

Water Quality Management

OBJECTIVE: To maintain and improve the quality of Pennsylvania's water resources for the support of planned and probable water uses and to protect public health by assuring adequate and safe water supplies.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 24,684	\$ 24,661	\$ 28,670	\$ 28,338	\$ 29,618	\$ 29,908	\$ 30,211
Federal Funds	7,195	10,758	10,800	10,392	9,942	9,903	9,753
TOTAL	\$ 31,879	\$ 35,419	\$ 39,470	\$ 38,730	\$ 39,560	\$ 39,811	\$ 39,964

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Sewage and other point source inspections .	7,394	8,000	8,000	8,000	8,000	8,000	8,000
Enforcement actions	335	300	300	300	300	300	300
Permits issued for new or improved water pollution control facilities	112	200	200	200	200	200	200

Program Analysis:

Surface and groundwater pollution problems in Pennsylvania are attributable to a variety of sources. These are considered in two general categories: point and non-point sources. Point sources are those such as sewage discharges, industrial waste discharges, and storm or combined sewer drainage that are conveyed to a body of water in a pipe or channel. Non-point sources include diffused discharges such as ground water polluted by sewage, industrial waste, toxic substances, stormwater runoff, drainage from abandoned mines, and agricultural runoff. In addition to the point and non-point source pollutants, many of which are chronic in nature, problems of an acute nature are created by the addition of substances in the State's waters through spills and accidents which are most often related to storage or transportation of materials.

In areas with heavy industrial and population concentrations, sewage and industrial wastes are the major pollution sources. Storm and combined sewer runoff add to these pollution problems. In western, and parts of central Pennsylvania, drainage from abandoned bituminous coal mines creates serious water quality problems. Active mines are also potential sources of pollution. The same situation exists in the anthracite areas of northeastern Pennsylvania. Oil and gas well operations, found primarily in the northwestern portion of the State, are also pollution sources. More widespread pollution problems in Pennsylvania include

malfunctioning on-lot sewage disposal facilities, as well as agricultural, construction and other earthmoving operations which can have serious erosion and sedimentation impacts. Another potential pollutant is discharged heated water which comes from the large number of power plants scattered throughout the State.

Pollution means more than dumping wastes into a body of water. Water treatment plants are very effective in preventing infectious water-borne diseases caused by normal waste production, but they are less effective in dealing with toxic chemicals that were released into the environment in accelerated amounts during the post-war industrial boom. The scientific community is just now realizing the consequences of these toxic materials and that some of them are carcinogenic.

Through its planning, permitting, surveillance and monitoring, enforcement, and grants administration activities, this program carries out its duties and responsibilities for developing water quality standards for surface and ground water, regulating water pollution control facilities, and maintaining a statewide surface and groundwater quality monitoring program.

This program has resulted in the investment of over 10 billion dollars by industries, municipalities, and others in water pollution control facilities in Pennsylvania. On an overall basis, 79 percent of the State's 13,000 miles of ma-

Water Quality Management (continued)

Program Analysis: (continued)

major streams comply with State/Federal water quality standards. A comprehensive program revision to upgrade the Commonwealth's Water Quality Management efforts is

recommended. An explanation of this three part proposal is appended to this subcategory.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection	\$ 5,430	\$ 4,971	\$ 6,022	\$ 6,678	\$ 6,945	\$ 7,222	\$ 7,511
Water Quality Testing Laboratory		350	308	320	333	346	360
Sewage Facilities Planning							
Grants	498	500	500	500	500	500	500
Sewage Facilities Enforcement							
Grants	1,302	1,650	1,650	1,650	1,650	1,650	1,650
Sewage Treatment Plant Operations							
Grants	16,800	17,100	17,100	17,100	17,100	17,100	17,100
Sewage Facilities Construction							
Grants			1,000	2,000	3,000	3,000	3,000
Ohio River Valley Water							
Sanitation Commission	88	90	90	90	90	90	90
Slippery Rock State College							
Utilities	300						
Rockview State Correctional							
Institution Utilities	266						
Huntingdon State Correctional							
Institution Utilities			2,000				
GENERAL FUND TOTAL	\$ 24,684	\$ 24,661	\$ 28,670	\$ 28,338	\$ 29,618	\$ 29,908	\$ 30,211

**Water Quality Management
Program Revision: Water Quality Management Expansion**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund			\$ 1,874	\$ 3,324	\$ 4,377	\$ 4,432	\$ 4,489

Program Analysis:

This Program Revision proposes funding two new programs and increasing an existing program. These three have the common purpose of providing better protection of water quality in the Commonwealth.

The first new program will establish a permanent system to monitor the quality of groundwater. Over the next 8 years, networks, each consisting of about 25 sampling wells and site equipment, will be setup in 50 groundwater basins believed to be the most critical and vulnerable to contamination. The ambient groundwater quality, present and future, will be measured. This will allow gauging the effectiveness of current regulatory programs as well as the need for future regulations. In addition, site specific groundwater quality surveys will be conducted in other areas to supplement the findings of the fixed networks or to characterize groundwater quality in basins where networks are not established. Costs for the program in 1985-86 are \$334,000.

The other new program addresses the problem facing many municipalities in Pennsylvania, financing the construction of new or expanded sewage facilities. The most recent Federal Municipal Needs Survey identified \$2.7 billion of basic sewerage needs in Pennsylvania. Worsening the situation is the reduction of the Federal share of eligible projects cost from 75 percent to less than 55 percent in October of 1984.

Act 339 of 1953 established Sewage Treatment Plant Operations Grants which provide local governments with annual subsidies for the operation and maintenance of sewage treatment facilities. These are equal to two percent of the local share of construction costs when the plant was built and are guaranteed even if the plant is not in compliance with environmental regulations.

It is proposed that Act 339 be amended to cap total subsidies at \$17.1 million, the current level. Also, it is proposed that only facilities constructed and placed into operation prior to January 1, 1985 be eligible for the operating subsidy. Funds made available by freezing the amount required for this program will be used to provide assistance to communities constructing new or expanded sewage treatment facilities. The amount recommended is \$1,000,000 in 1985-86. Act 339 should also be amended to allow the department to withhold operating subsidy payments to any treatment plant which does not meet clean water standards.

To help alleviate the financing problem in other ways, the department is evaluating and developing alternative sources of funding. This includes the study by an interagency task force of the privatization of a portion of Pennsylvania's sewage treatment needs as well as monitoring Federal programs which may establish revolving loan funds or infrastructure bonds to finance facilities.

The program expansion piece of this Program Revision is needed in the permitting, monitoring and compliance efforts for municipal and industrial dischargers of wastewater. The Pennsylvania Clean Streams Law mandates water quality priorities which, in several areas, are different than those required by the Federal program. Available staff resources are highly involved with meeting Federal program priorities in order to maintain Federal program grants, often to the detriment of the more complex and often more stringent State priorities.

The inspection and permitting of wastewater dischargers illustrates the problem. Federal requirements concentrate on major dischargers and the monitoring of monthly discharge reports. State requirements call for the inspection of all facilities at least once a year to assure operation in accordance with the State permit. The Federal program monitors 50 percent, by volume, of wastewater discharged, but this is numerically only 10 percent of the dischargers of wastewater in the Commonwealth. This program expansion will make it possible to conduct the required 2,000+ additional inspections necessary each year.

Likewise, differences in the permitting of facilities causes problems and delays. Federal programs require that all existing wastewater facilities be re-permitted on a five-year cycle. As a result, the processing and issuance of State permits for new or expanded facilities has suffered, creating backlogs and delays for developers and municipalities. This Program Revision will eliminate the backlog, speed up processing and remove this impediment to new development and economic growth.

This Program Revision will also increase the department's ability to conclude State compliance actions, either through settlement or with penalties and fines as well as improving the response to water pollution emergencies and complaints.

This expansion of the water quality permitting and compliance program will cost \$540,000 in 1985-86.

Water Quality Management

Program Revision: Water Quality Management Expansion (continued)

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection	\$ 874	\$ 1,324	\$ 1,377	\$ 1,432	\$ 1,489
Sewage Facilities Construction Grants	1,000	2,000	3,000	3,000	3,000
GENERAL FUND TOTAL	<u>.....</u>	<u>.....</u>	<u>\$ 1,874</u>	<u>\$ 3,324</u>	<u>\$ 4,377</u>	<u>\$ 4,432</u>	<u>\$ 4,489</u>

Community Environmental Management

OBJECTIVE: To minimize the incidence of diseases associated with home and community environment.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,057	\$ 7,478	\$ 8,114	\$ 8,359	\$ 8,613	\$ 8,877	\$ 9,153
Federal Funds	1,440	3,748	3,728	3,728	3,728	3,728	3,728
TOTAL	\$ 7,497	\$ 11,226	\$ 11,842	\$ 12,087	\$ 12,341	\$ 12,605	\$ 12,881

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Inspections of food establishments	16,500	17,900	18,000	18,250	18,500	18,500	18,500
Inspections of public bathing places, schools, organized camps and campgrounds	5,093	6,225	6,550	6,950	7,000	7,000	7,000
Communities receiving State grants for rat and other vector control	83	75	85	90	90	90	90
Inspections of public drinking water supplies	1,832	2,000	2,500	2,750	2,750	2,750	2,750
Sanitary surveys of public drinking water supplies	346	750	800	800	800	800	800

Program Analysis:

One of man's most basic needs is an adequate supply of high quality drinking water. There are approximately 2,400 community water supplies in Pennsylvania serving 10 million year-round residents in municipalities, mobile home parks, institutions, etc. Hundreds of these supplies need major repair, expansion, upgrading, or improvement in operation and maintenance. As a result, numerous community waterworks have extreme difficulty meeting bacteriological, chemical, or community standards for safe drinking water. The deteriorated facilities and lack of expertise in managing and operating community water systems placed an estimated 3 million residents at risk of being served unsafe water.

In recognition of water supply problems, a public referendum authorized a \$300 million bond issue of which at least \$220 million is dedicated to loans for community water systems to initiate remedial action. This Water Facilities Loan Program was implemented in January, 1984. Approximately 30 loans for improvement of various community

water supply facilities have been approved with over 50 applications expected to be filed in 1985-86

In addition to the community water systems, there are approximately 8,000 noncommunity water supply systems in the Commonwealth, serving facilities such as eating and drinking establishments, commercial or industrial locations, schools, motels, camps and parks. There are also 600,000 private water supplies serving 2 million residents of which 60 percent are estimated to be unsafe due to improper construction and/or bacteriological and chemical impurities. This program provides consultative services and inspections to prevent, identify and correct water quality threats. This includes the Giardia Monitoring Team which focuses on unfiltered surface water sources.

Another increasingly important water source are the 49 establishments bottling water in Pennsylvania and the 26 establishments in other states shipping bottled water into the Commonwealth for public sale. With increasing public awareness and concerns over quality of drinking water, this

Community Environmental Management (continued)

Program Analysis: (continued)

market is growing. The suppliers are now considered community water systems, subject to the standards of that program.

On May 1, 1984 the Pennsylvania Safe Drinking Water Act was signed. Under this act the department assumed primacy, that is primary responsibility to enforce and administer the provisions of the Federal Safe Drinking Water Act. With primacy, increased Federal funds have become available to provide for these increased responsibilities. Another feature is that, all community and noncommunity water systems will come under this program including 3,000 not previously regulated.

Safe food is also essential to human health. If food is contaminated, it can cause illness, even death. Mishandling of food increases the risk of food-borne diseases.

The department is mandated to insure the safety of food provided to the public from the State's food service facilities. The department is responsible for the establishment and implementation of uniform regulations and standards throughout the State and must evaluate the food programs of county and local health departments. Five county health departments and numerous city, borough, and first class township health departments are responsible for licensing and inspecting 34,000 establishments. The department licenses and inspects 16,000 establishments located in municipalities not having their own health departments.

The food protection program utilizes inspections, consultation, and legal action in directly regulating the food establishments. Studies show a direct relationship between the frequency of inspection and the sanitary conditions of the establishments. Establishments free of significant violations at the time of inspection present a decreased hazard of illness to the public. Coupled with this enforcement program, the department cooperates with the restaurant industry, academic institutions and professional organizations in training about 2,000 food service personnel annually.

It is essential that effective environmental health programs be implemented to protect the estimated 70 million visitors to Commonwealth recreational areas. The department utilizes inspections, consultation, education and enforcement actions to maintain regulatory compliance at Pennsylvania's 5,400 public recreational facilities. In addition, the department is initiating a program of inspection and compliance for seasonal farm labor camps in the mushroom industry. This will provide sanitation and safety standards for visiting workers.

The school programs provide high environmental sanitation standards and safety to the Commonwealth's 3,644 public and private academic schools. School inspections are conducted as mandated by State law.

This program also contains a Vector Control Program, the purpose of which is to solve insect and rodent problems that threaten public health by advancing community environmental improvement with grants-in-aid designed to eliminate rat sources through training and education of municipal workers, supervising insect control operations; conducting applied research projects and directing emergency State vector control operations during natural disasters. Targeted areas include dumps, dilapidated buildings, out-buildings, litter, overgrown and crumbling stone-wall stream banks, incinerators and disposal sites, as well as root clogged storm and sanitary sewer systems.

In fiscal year 1984-85, a Blackfly Control Program is being fully implemented. This program is being expanded by an additional \$500,000. The goal is to develop and use a safe, effective method to reduce this pest which torments many citizens as well as visitors and tourists. This program will not only concentrate on central Pennsylvania but also the entire Susquehanna Basin. Studies will also be made on other rivers such as the Schuylkill, Lehigh and upper Delaware to identify other areas plagued by this pest.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection.....	\$ 5,472	\$ 5,793	\$ 6,114	\$ 6,359	\$ 6,613	\$ 6,877	\$ 7,153
Black Fly Control.....	100	1,000	1,500	1,500	1,500	1,500	1,500
Vector Control.....	485	500	500	500	500	500	500
Water Supply Project--Beccaria.....	.....	185	.....	.....	.....	.....	.....
GENERAL FUND TOTAL.....	\$ 6,057	\$ 7,478	\$ 8,114	\$ 8,359	\$ 8,613	\$ 8,877	\$ 9,153

Solid Waste Management

OBJECTIVE: To minimize present or potential hazards to human health and the environment from improper and inadequate solid waste management practices

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,901	\$ 11,966	\$ 16,619	\$ 17,879	\$ 18,017	\$ 18,322	\$ 18,645
Federal Funds	4,039	15,500	28,609	29,846	31,161	32,515	32,515
Other Funds	67	242	220	220	220	220	220
TOTAL	\$ 11,007	\$ 27,708	\$ 45,448	\$ 47,945	\$ 49,398	\$ 51,057	\$ 51,380

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Hazardous waste inspections performed ...	1,789	1,000	2,400	2,400	2,400	2,400	2,400
Hazardous waste facilities permitted and licensed under Act 97	196	300	300	300	290	310	290
Abandoned site inspections or investigations	360	450	450	300	300	300	300
Municipal and residual waste facilities permitted	421	165	300	450	600	600	600
Hazardous waste sites receiving remedial action	6	4	10	11	10	10	10

Program Analysis:

Solid waste management has been and will continue to be a major environmental issue. Pennsylvania citizens and industry generate an estimated 11 million tons of municipal waste, 25 million tons of residual waste, and 6 million tons of hazardous waste per year that are regulated under this program.

Solid waste is a generic term that includes within its definition wastes generated from residential, commercial, industrial and agricultural activities. Solid wastes are classified into three major groups.

MUNICIPAL WASTES: Any garbage, refuse or waste resulting from the operation of residential, municipal, commercial or institutional establishments and community activities.

RESIDUAL WASTES: Any discarded material or other waste resulting from an industrial, mining, water treatment, wastewater treatment or air pollution control facility, provided that the waste is not hazardous. Residual waste does not include agricultural waste produced in normal farming

operations or coal mining and mineral waste.

HAZARDOUS WASTE: Any discarded material or other waste which, because of its quantity, concentrations, or characteristics may: (1) cause or significantly contribute to an increase in mortality, or (2) pose a substantial hazard to human health or the environment when improperly treated, stored, transported, or disposed of.

While Pennsylvania's solid waste management program began in 1968, the early years dealt basically with municipal solid waste. Thousands of industrial plants continued to generate wastes that escaped the control of water pollution, air pollution and land protection laws. In particular, the hazardous waste problem became increasingly critical due to thousands of abandoned and active land disposal sites where at least the threat of potential health hazards exists. Transporters of hazardous wastes too often simply continued to dump toxic materials in remote areas, in strip mines or in mine shafts. The wastes were often transported in drums that were stacked in warehouses, or in the open, to

Solid Waste Management (continued)

Program Analysis: (continued)

rust and leak with no care taken to prevent health and pollution hazards.

Recognizing the national scope of waste problems, Congress passed the 1976 Resource Conservation and Recovery Act (RCRA). The Act gave EPA the authority to develop a nationwide program to regulate hazardous waste from cradle to grave. The Federal Government since 1980 has concentrated its program and funding on hazardous solid waste. Responsibilities under RCRA are divided between the Federal government and the states.

In July of 1980, the General Assembly significantly upgraded Pennsylvania's solid waste legislation through passage of the Solid Waste Management Act (Act 97). This statute authorized the department to implement a comprehensive program including control of municipal, residual and hazardous waste. Of particular importance was the fact that Act 97 made it possible for the Commonwealth to accept primary enforcement responsibility (primacy) from the Federal government for Pennsylvania's hazardous waste programs.

Pennsylvania is one of the leading producers of hazardous waste. The State industries generate 6 million tons of hazardous waste annually, of which one million tons are disposed off-site. Currently 14 percent of Pennsylvania's hazardous waste to be disposed off-site is exported to as many as 25 states.

The hazardous waste program involves control of materials from the point of generation to the point of disposal. All entities engaged in hazardous waste management must complete notifications to the department. Storage, treatment and disposal facilities must acquire department permits. Transporters must be licensed. Manifest documents of all shipments must be tracked to insure proper disposal. Facilities operating without department permits are subject to investigation, enforcement and remedial actions. Illegal activities are halted through enforcement measures while plans and documents are reviewed and permits are issued. Department inspection, surveillance, monitoring and enforcement is required by State and Federal law for all facilities and activities. This expanded Federal and State effort has created a new regulated community of approximately 2,500 generators, transporters and storage treatment/disposal facilities. The program measure showing the number of site inspections performed decreased in 1984-85 because Federal inspection requirements have changed. The number of inspections will increase sharply beginning in 1985-86 as a result of additional funding pro-

vided in the recommended Program Revision for this program.

Since passage of the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), the Commonwealth has been heavily involved in the abandoned hazardous waste site clean up program.

An increase in the Commonwealth's Hazardous Waste Management Program is recommended. An explanation is part of the program revision following this subcategory.

Although approximately 80 percent of the Commonwealth's solid waste effort is devoted to the control of hazardous wastes, this category is the smallest of the three solid waste groups in terms of tonnage.

In terms of volume, residual waste represents the largest portion of solid waste. Permits have been required for the disposal of residual waste since 1970. However, department policy in early program years directed all available resources to permitting of municipal waste landfills and closing open dumps. In 1974, the department began permitting residual waste sites. However, with the priority given to the hazardous waste program, progress has been slow.

Over 95 percent of the 11 million tons of municipal waste is disposed of in sanitary landfills. Many current sites are reaching capacity and, due to public concern and opposition, new sites are not being established. As a result, local governments are having greater difficulty in finding landfills to accept their wastes and are experiencing escalating costs for this method of disposal.

There are two basic approaches to alleviating this problem. The first involves a cooperative effort by local and State governments to address public concerns about new landfill sites. A second method involves developing alternate disposal strategies. For example, recycling of household items is a simple but effective approach. Resource recovery and waste to energy facilities are also practical solutions.

In 1984-85, an initiative was begun to expand the capabilities for adequate regulatory oversight of municipal and residual waste management. This expansion will continue. This will help address public concerns by insuring that existing and future landfill operations are operated in an environmentally sound manner. Also there will be increased ability to encourage and plan alternative disposal techniques and facilities.

This continued expansion, as well as one for Resource Recovery Grants and one for Solid Waste Management Planning Grants are explained in the comprehensive program revision appended to this subcategory.

Solid Waste Management (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection.....	\$ 3,301	\$ 3,966	\$ 4,535	\$ 4,950	\$ 5,148	\$ 5,354	\$ 5,568
Hazardous Waste Control	3,000	5,100	7,834	8,679	8,869	9,068	9,277
Solid Waste Disposal Planning Grants...	600	800	1,250	1,250	1,000	900	800
Resource Recovery Grants		2,100	3,000	3,000	3,000	3,000	3,000
GENERAL FUND TOTAL	\$ 6,901	\$ 11,966	\$ 16,619	\$ 17,879	\$ 18,017	\$ 18,322	\$ 18,645

**Solid Waste Management
Program Revision: Solid Waste Management Expansion**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund			\$ 4,369	\$ 5,459	\$ 5,420	\$ 5,541	\$ 5,673
Federal Funds			13,309	14,546	15,861	17,215	17,215
TOTAL			\$ 17,678	\$ 20,005	\$ 21,281	\$ 22,756	\$ 22,888

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Hazardous waste inspections performed:							
Current	1,789	1,000	1,000	1,000	1,000	1,000	1,000
Program Revision			2,400	2,400	2,400	2,400	2,400
Hazardous waste sites receiving remedial action:							
Current	6	4	8	8	8	8	8
Program Revision			10	11	10	10	10
Municipal and residual waste facilities permitted:							
Current	421	165	165	165	165	165	165
Program Revision			300	450	600	600	600
Communities assisted by planning grants:							
Current	647	915	915	915	915	915	915
Program Revision			1,429	1,429	1,143	1,028	915

Program Analysis:

This Program Revision continues the expansion begun last year in four existing Commonwealth programs which represent multi-faceted approach to what many would argue is Pennsylvania's most pressing environmental concern — solid waste disposal.

Hazardous Waste Control

The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 commonly known as "CERCLA" or "Superfund" was passed to give the Federal government authority to clean up hazardous waste sites and to respond to spills of hazardous substances. The Act provided new enforcement tools and the legal authority to compel responsible parties to undertake cleanups and to recover costs incurred through government financed cleanups. To address abandoned sites or sites for which responsible parties are unable or unwilling to undertake cleanup, the Act established the "Hazardous Substance Response Trust Fund" which is financed by taxes on the manufacture or import of certain chemicals and petroleum

and general Federal revenues.

Pennsylvania was one of the first states to provide staff and financial resources for this program and, since the Commonwealth ranks third in the number of Superfund sites, it is important to maintain an aggressive program to retain a favorable position in competing for Superfund dollars.

This program increase provides \$1.6 million which represents the 10% state match for 10 sites which will reach the construction phase. Also included is \$200,000 which will provide operation and maintenance at two sites which will be completed in 1985-86. The program measure which estimates the number of sites which will receive remedial action has been changed to reflect better cost projections.

The Hazardous Waste Management Program will also be increased by \$575,000. This program regulates all aspects of the generation, transportation, storage and disposal of hazardous waste. The increase will expand the technical capabilities of the department to review permits for treatment, storage and disposal facilities as well as performing additional inspections of sites.

Solid Waste Management (continued)**Program Revision: Solid Waste Management Expansion (continued)****Program Analysis: (continued)**

A new program, Hazardous Waste Air Monitoring, is included in this Program Revision. It will concentrate on the complex emissions into the air from sources such as hazardous waste incinerators, hazardous waste disposal sites, certain municipal landfills and the many potentially hazardous abandoned waste sites in Pennsylvania. First year costs are \$345,000.

Residual and Municipal Waste Management

The priorities given hazardous waste management in the recent past have created a gap in the Commonwealth's regulation of municipal and residual waste management activities. The increased inspections, monitoring and legal initiatives provided through this Program Revision will help reduce illegal disposal activities, increase compliance of existing permitted facilities and improve the solid waste infrastructure.

This recommended increase is the second of four planned increases to provide adequate regulatory oversight of the municipal and residual waste management system. This second year will cost \$285,000.

A strong regulatory program is also an important component of any facility siting program. Conflicting trends in today's society, such as less available land, more waste, more people and increased environmental awareness have resulted in difficulty finding acceptable sites. Unless the affected public can be assured that these sites will be designed, constructed and operated in an environmentally sound manner, it will be nearly impossible to develop any future sites. More inspection, monitoring and enforcement is needed to prevent environmental problems before they occur, to remedy problems at abandoned sites and to improve public confidence that sites will be operated in an environmentally sound manner. The program measures reflect this as a lag time between the increased regulatory effort and the permitting of new facilities.

Solid Waste Disposal Planning Grants

Act 97 of 1980, the Solid Waste Management Act, authorizes the Commonwealth to assist local governments with the development of solid waste management plans. It requires that plans be developed for the collection, transportation, processing and disposal of wastes generated or accepted within municipal boundaries. The plans must provide for municipal waste management systems that do not pollute our natural resources.

These grants are used not only to prepare long-range management plans, but also to secure permits required to allow for the expansion of existing facilities and to consider management alternatives, including resource recovery. The Department of Environmental Resources also uses these funds to generate regional solutions to solid waste problems. Over 85 percent of the planning grants funded in the past two years have gone to counties or groups of municipalities to address areawide problems.

Such planning efforts have become increasingly important because areas in the Commonwealth are reaching landfill capacity and/or are experiencing escalating landfill costs. As this is realized by local officials, it is critical that the Commonwealth maintain its grant program to encourage proper planning for changes that are required for proper waste disposal.

In 1984-85, the department received \$1.2 million in requests for the \$800,000 available for these planning grants. A \$450,000 increase is recommended in 1985-86 to help municipalities develop their solid waste management plans.

Resource Recovery Grants

The current situation of over-reliance on landfilling for solid waste disposal must be viewed as a lost opportunity to recover recyclable materials, generate energy and conserve land resources. Resource recovery alternatives are an extremely important part of the solution to Pennsylvania's waste problems.

Pennsylvania's Solid Waste Resource Recovery Development Act provides for a grant program to aid municipalities in the use of new methods of extracting and recycling useable materials and energy from municipal solid waste.

Many local governments do not have the financial resources to take the risk involved in using new technology. An active resource recovery program requires grants to address the front end capital needs for new facilities construction.

The proposed Program Revision will provide an increase of \$900,000 to stimulate additional development of projects to conserve recyclable materials in solid waste and to convert waste materials to energy. In the first half of 1984, grant requests totalling \$13 million competed for slightly more than \$3 million in grant funds available from the Solid Waste-Resource Recovery Fund for which a cash flow statement appears in the appendix to Volume I of this budget.

ENVIRONMENTAL RESOURCES

Solid Waste Management (continued) Program Revision: Solid Waste Management Expansion (continued)

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection.....			\$ 285	\$ 530	\$ 551	\$ 573	\$ 596
Hazardous Waste Control			2,734	3,579	3,769	3,968	4,177
Solid Waste Disposal Planning Grants...			450	450	200	100	.....
Resource Recovery Grants			900	900	900	900	900
GENERAL FUND TOTAL			<u>\$ 4,369</u>	<u>\$ 5,459</u>	<u>\$ 5,420</u>	<u>\$ 5,541</u>	<u>\$ 5,673</u>

Regulation of Mining

OBJECTIVE: To maximize the economic benefits from mining activities while minimizing the negative environmental, health and safety consequences of such activities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,602	\$ 7,055	\$ 8,135	\$ 8,438	\$ 8,775	\$ 9,125	\$ 9,489
Federal Funds	6,587	10,742	8,326	8,653	8,675	8,425	8,425
Other Funds	48	248	490	165	165	165	165
TOTAL	\$ 13,237	\$ 18,045	\$ 16,951	\$ 17,256	\$ 17,615	\$ 17,715	\$ 18,079

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Surface mining permits:							
Issued	521	1,200	700	500	500	600	800
Disapproved	18	20	20	20	25	25	25
Complete and partial inspections performed:							
Surface mines	35,473	36,000	40,000	40,000	40,000	40,000	40,000
Deep mines	2,231	2,200	2,200	2,000	2,200	2,200	2,200
Oil and gas fields	12,007	12,000	12,000	12,000	12,000	12,000	12,000
Surface mine enforcement actions	2,065	2,000	2,000	2,000	2,000	2,000	2,000
Mine subsidence insurance policies in effect	21,712	24,000	27,000	30,000	33,000	36,000	40,000
Employees trained in mine safety	9,035	9,000	9,000	9,000	9,000	9,000	9,000
Well permit applications processed	9,829	14,000	13,000	11,000	10,000	10,000	10,000

Program Analysis:

The purpose of this program is to minimize adverse environmental impact from active mining operations. Through the administration of State and Federal laws, this program regulates active surface mining operations, coal refuse disposal, and the surface effects of active underground mining related to subsidence. Focusing on the important coal industry, regulatory activities are designed to assure proper land reclamation, prevent water and air pollution and protect the health and safety of the public.

In the 1977 Federal Surface Mine Control and Reclamation Act, Congress recognized the national importance of an adequate program to control the adverse environmental impacts of mining. This legislation established a new set of standards for controlling subsidence, coal refuse disposal and surface effects of underground mines, as well as surface mining. To foster a strong State role in this regulatory effort, the Act provided for delegation by the Federal government of primary enforcement responsibility

(primacy). On July 31, 1982, Pennsylvania was delegated primary enforcement responsibility.

The additional State and Federal funds related to the Coal Mining Primacy program have enabled the department to expand its staff and facilities to meet the levels of regulatory involvement required in the delegated program. Significant output requirements are: once-per-month inspections, a complete quarterly inspection, ten day response to problems or complaints received through the Federal Office of Surface Mining (OSM) and bond release inspections within 30 days of receipt of the application. Less extensive partial inspections are conducted in each of the other two months of the quarter. These more stringent requirements have increased the number of enforcement actions as shown in the Program Measure.

Primacy has required more effort to be expended in the permitting of mining operations because of the increased level of review detail. This has increased the length of time

Regulation of Mining (continued)

Program Analysis: (continued)

it takes to process a permit. Further, the amount of permit application activity has more than doubled since 1977, and data requirements have expanded to levels far exceeding the pre-Federal Act program. Another important program under primacy is the assistance to small coal operators for the preparation of certain technical portions of their permit applications. This program is Federally funded but is administered by the department.

Another activity of the mining program is the offering of mine subsidence insurance to residential and small commercial owners of property and private structures. This insurance program is directed by the Coal and Clay Mine Subsidence Insurance Board. A special fund is administered by the Board in which premium and investment income are deposited and from which insurance claims and costs are paid. The growth in the number and value of policies has steadily increased since the beginning of the fund. With increasing property values and public awareness, this trend is expected to continue. A cash flow statement for this fund is included in the appendix to Volume I of this budget.

Over half of Pennsylvania's coal production comes from underground coal mining where the potential for accidents far exceeds that found in surface mining operations. The number of fatalities has continued to be low in Pennsylvania, although it is higher than the all-time low established in 1978-79. At the same time, disabling injuries have also been on the rise. The reality of increased accidents results in the

obligation of mine management, mine labor and government to cooperate in a unified effort to make the deep mine working environment as safe as possible.

The Office of Deep Mine Safety has, for several years, been engaged in conducting mine safety training programs to minimize the number of accidents. Certification requirements for underground mine workers are also managed by this program thereby directly influencing the type and degree of expertise of personnel working in responsible positions underground.

The Bureau of Oil and Gas Management is responsible for administering laws and regulations covering the oil and gas industry in Pennsylvania. Through a permitting system for drilling activity, inspecting drilling and storage sites, and monitoring and enforcement actions, the program works toward protecting the environment and balancing conflicting interests of the oil, gas and coal industries.

An expansion of the Bureau of Oil and Gas Management totalling \$450,000 is recommended in 1985-86. Certain gas-bearing formations underlying Pennsylvania have been classified by the Federal Energy Regulatory Commission as qualifying for price incentives under the Natural Gas Policy Act. This has caused a large surge in gas-drilling activities which means an increase in well permit applications beginning in 1984-85. Consequently, there will be additional wells and sites to inspect and monitor, increasing that aspect of Bureau operations.

Program Costs by Appropriation:

			(Dollar Amounts in Thousands)				
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Deep Mine Safety Inspections	\$ 2,719	\$ 2,922	\$ 3,027	\$ 3,129	\$ 3,254	\$ 3,384	\$ 3,519
Office of Protection	3,798	4,123	5,098	5,299	5,511	5,731	5,960
Interstate Mining Commission	10	10	10	10	10	10	10
Emergency Mine Subsidence Relief	75	.....	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 6,602	\$ 7,055	\$ 8,135	\$ 8,438	\$ 8,775	\$ 9,125	\$ 9,489

Environmental Support Services

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

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,480	\$ 8,225	\$ 8,746	\$ 9,096	\$ 9,460	\$ 9,838	\$ 10,232
Federal Funds	1,066	1,587	550	415	415	415	415
Other Funds	793	1,520	1,275	1,072	1,072	1,072	1,072
TOTAL	\$ 9,339	\$ 11,332	\$ 10,571	\$ 10,583	\$ 10,947	\$ 11,325	\$ 11,719

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Inorganic analyses	435,717	702,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Organic samples	6,447	6,200	6,200	6,200	6,200	6,200	6,200
Court appearances	17	20	20	20	20	20	20
Bacteriological analyses	36,265	43,000	46,000	46,000	46,000	46,000	46,000
Radiological samples	2,959	2,600	2,600	2,600	2,600	2,600	2,600

Program Analysis:

This program encompasses the technical and administrative support efforts of the Commonwealth's environmental protection activities.

The laboratory program is an essential service function for all Environmental Protection bureaus and provides analytical data for the determination of pollution levels in the total environment. Toxic chemicals and metals are analyzed in streams and lakes, solid waste, drinking water, industrial waste and fish; radiation is measured from a multitude of media including milk and other food stuffs, water and air; bacteria are monitored in drinking water, bathing beaches and sewage treatment plants; direct services are provided to homeowners to determine water potability; and inorganic pollutants are measured in air, water, mine drainage, industrial waste and sewage outflow.

Laboratory services continue to become increasingly complex as more potential hazards are identified and as additional and more frequent samplings are required. Program expansions in Solid Waste Management, Water Quality

Management, Management of Water and Mineral Resources, Radiation Protection and Regulation of Mining (including Oil and Gas Management) will increase workloads as well as add to the complexity of analysis. A major portion of the increase in inorganic analysis, for example, will result from more frequent surface mine inspection sampling. To fulfill its responsibility, the laboratory continues to acquire the most modern equipment as well as automating functions where possible. Also important are skilled personnel, quality assurance and the best methodologies to provide the most accurate information.

Management Services furnishes administrative and clerical support to the Office of Environmental Protection. Functions include bonding for mining, hazardous waste and mine subsidence (including the computerization of this function); budget and fiscal management; grant execution; and data processing as well as maintenance of central filing and analysis systems.

Environmental Support Services (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection.....	<u>\$ 7,480</u>	<u>\$ 8,225</u>	<u>\$ 8,746</u>	<u>\$ 9,096</u>	<u>\$ 9,460</u>	<u>\$ 9,838</u>	<u>\$ 10,232</u>

Radiation Protection

OBJECTIVE: To protect all individuals from unnecessary radiation exposure from natural and artificial radiocontamination and unnecessary occupational and medical exposure.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,885	\$ 7,158	\$ 6,787	\$ 5,595	\$ 5,611	\$ 627	\$ 645
Federal Funds	128	10,433	19,287	149	149	149	149
Other Funds	14	1,017	1,800	2,393	2,793	2,933	3,093
TOTAL	\$ 7,027	\$ 18,608	\$ 27,874	\$ 8,137	\$ 8,553	\$ 3,709	\$ 3,887

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Radiation user inspections performed.....	864	1,000	1,100	1,200	1,300	1,400	1,400
Users brought into compliance through inspections	31	50	275	300	325	350	350
Nuclear plant off-site samples	3,021	3,000	3,000	3,000	3,000	3,000	3,000

Program Analysis:

Act 147 of 1984, the Radiation Protection Act, named the Department of Environmental Resources as the agency responsible for the registration, licensing, regulation and control of radiation sources and users within the Commonwealth. A major aspect of this Act is the increase and dedication of fees and penalties to the funding of Radiation Protection program activities.

Sources of potentially serious exposure to ionizing radiation include nuclear power plants, shipments of radioactive materials, and large industrial, university and hospital users of radiation sources. On an individual basis, unnecessary radiation exposure can occur to individual patients of the healing arts profession utilizing X-ray equipment or radioactive materials in routine practice. Methods of exposure control include: (1) regulation and inspection, (2) environmental radiation surveillance and (3) public safety near nuclear plants.

The first of these three activities is carried out by registering equipment and licensing the possession and handling of materials at all radiation sources and by performing inspections. Enforcement actions are taken if needed to obtain compliance with existing laws and regulations. A public information program concerning medical radiation exposure is also conducted.

The second activity, the off-site sampling program, con-

ducts routine surveillance in the environs of the nuclear power generating facilities in the Commonwealth. These are: Beaver Valley Power Station, Limerich Generating Station, Peach Bottom Atomic Power Station, Susquehanna Steam Electric Station and Three Mile Island Nuclear Station. The radiation protection program involves environmental monitoring of air, soil, water, food, and vegetation around nuclear power plants, and has extended the emergency thermoluminescent dosimetry system to better evaluate accidental release of radioactivity.

The third involves insuring the safety of citizens in the vicinity of nuclear power plants. The entire professional staff of the Bureau of Radiation Protection has completed the Federal Emergency Management Agency's course on accident assessment. All have been trained in the implementation of the State Emergency Plan for nuclear accidents. Candidates for field team membership are trained formally in the use of field instrumentation. Quarterly, this equipment is set up and used as part of a proficiency maintenance training effort. Major exercises have been conducted at each of the operational nuclear power plant sites in Pennsylvania with several drills preceding each exercise. These exercises will occur on an annual basis at each site. At least one drill each year has full State participation by all agencies involved and a Federal critique of the drill is issued.

Radiation Protection (continued)

Program Analysis: (continued)

In addition to the routine activities above, four additional areas are of importance to the program:

(1) The continued decontamination and recovery of the TMI-II reactor. Very slow progress has been occurring at TMI-II, but progress is being made. It is anticipated that the decontamination process, the removal of the core, and subsequent shipments of radioactive wastes offsite will take many more years. This budget recommends the transfer of the \$5 million per year contribution to the clean-up from the Department of Commerce to the Department of Environmental Resources. 1985-86 will be the fourth year of this six year effort.

(2) The top priority site in the Federal government's Uranium Mill Tailings Remedial Action Program is located in Canonsburg. The industrial park in this municipality was operated as a uranium and radium processing plant approximately 40 years ago and a large amount of radioactive material is buried at the facility. Sufficient funds are recommended to continue the State involvement in this clean-up effort which will continue until fiscal year 1986-87.

(3) Congress, in 1980, passed the Low Level Radiation Waste Policy Act which requires the states to be responsible for disposal of low level radiation waste generated within their borders. The Act also allows for an exclusive compact

among states in a region for a regional disposal site. The present out-of-state commercial sites will be included in exclusive compacts in the future. Recently, agreement has been reached by the Governors of West Virginia, Maryland, Delaware and Pennsylvania to establish a compact. If approved by the respective state legislatures Pennsylvania will establish a low-level radioactive waste disposal site which will be the depository for these four states. This budget includes \$200,000 for the Commonwealth's contribution to the implementation of this compact.

(4) Greater knowledge is becoming available concerning a potential health problem caused by Radon in private dwellings. Radon is a naturally occurring radioactive gas produced in rocks and soils. It migrates through basement cracks and other openings and is subsequently trapped in weather tight living spaces. The inhalation of particulate decay products of Radon presents an increased risk of lung cancer. A modest ad hoc program of evaluating a few homes and attempting low cost remedial action will continue.

With the implementation of Act 147 as well as new regulations, the number of radiation user inspections is expected to increase. The number of users brought into compliance through inspections is also expected to increase to about 25 percent.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Office of Protection	\$ 958	\$ 1,015	\$ 380	\$ 395	\$ 411	\$ 427	\$ 445
Canonsburg Remedial Action	927	1,143	1,207	.....	.....	.....	.....
Three Mile Island Clean-up	5,000	5,000	5,000	5,000	5,000	.....	.....
Appalachian States Low-level Waste Compact .....	.....	.....	200	200	200	200	200
GENERAL FUND TOTAL	\$ 6,885	\$ 7,158	\$ 6,787	\$ 5,595	\$ 5,611	\$ 627	\$ 645

Management of Recreation Areas and Facilities

OBJECTIVE: To provide open space areas and recreation facilities to maximize outdoor recreation opportunities for all Commonwealth citizens and out-of-state visitors.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 26,030	\$ 26,873	\$ 27,949	\$ 29,067	\$ 30,201	\$ 31,408	\$ 32,663
Federal Funds	4,674	2,600	2,000	1,500	1,000	1,000	1,000
Other Funds	4,037	5,229	4,620	5,020	5,020	5,020	5,020
TOTAL	\$ 34,741	\$ 34,702	\$ 34,569	\$ 35,587	\$ 36,221	\$ 37,428	\$ 38,683

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State park attendance in visitor days (thousands)	34,936	35,000	35,000	35,000	35,000	35,000	35,000
Major maintenance or restoration projects completed	309	280	280	280	280	280	280
Parks with major maintenance projects	92	95	95	95	95	95	95

Program Analysis:

The purpose of this program is to insure to the citizens of the Commonwealth the availability of outdoor recreation and programs within a reasonable driving distance of their homes. A total of 112 recreation areas encompassing nearly 279,378 acres provided recreational facilities, programs and activities to over 35 million visitors in the 1983-84 fiscal year. A new area, for which funds are included herein, is the White Clay Creek Interstate Park in Chester County. The State Park System also contributes significantly to Pennsylvania's tourist efforts, with approximately 15 percent of the attendance composed of out-of-state visitors.

During the 1970's, the State Park System experienced rapid expansion and improvement through the Project 70 and Project 500 Bond Issues. As facilities were constructed, greater emphasis had to be placed on funding operational requirements due to the great demand by the using public. As a result, the funding level for maintenance programs suffered. The older parks, many constructed in the 1930's, suffered the most from insufficient repair and restoration monies. But even some of the newer parks have been in operation for a sufficient time period to begin to develop maintenance deficiencies. To address this problem, a Major Maintenance Program for the Park System was initiated in 1981-82. By devoting existing park user fees to this effort, the massive investment made in the State's rich and varied recreational resources can be restored and

maintained.

It will take many years to reverse the serious maintenance backlog that developed during the last decade. Many of the facilities within the State Park System came to the point where major repair efforts became necessary to avoid the closure of complete State parks due to safety and health factors. Through the Major Maintenance Program, facilities are being restored to a point where preventive maintenance can replace uneconomical emergency repair efforts. The 1984-85 program is projected to include 250 projects at 90 parks. The 1983-84 figure included a higher number of projects due to the carry-over of work initiated in the latter part of the 1981-82 start-up year. These projects will include renovation or repair of roads, water systems, sewage treatment plants, swimming pools and beaches, boating facilities and structures such as comfort stations, bath houses, offices and visitor centers.

Given the problems of rising costs and limited availability of operating funds, the Bureau of State Parks has encouraged volunteer work by local civic groups, scouting organizations and private individuals. Act 136 of 1981 formalized the department's efforts to obtain the services of individuals without compensation for interpretive functions, visitor services, conservation measures and development or other activities. Since passage of this Act, the number of people involved has steadily increased. For example, dur-

Management of Recreation Areas and Facilities (continued)

Program Analysis: (continued)

ing the 1983-84 fiscal year, 420 private individuals provided over 46,700 man-hours of effort in the parks.

The park system continues to experience very heavy weekend usage which creates overloading of facilities and demands closure during these periods in order to protect the facility as well as the general public. Overloading on weekends strains the ability of the operational staff to accommodate this influx of users and allows limited time to provide services to users and proper maintenance to Commonwealth property. Efforts toward distribution of attendance continue to be placed on local programming and increased weekday usage is encouraged to insure visitor safety and protect the ecological system of the parks. In addition, funding for 20 seasonal positions has been included.

On September 19, 1984 the Governor signed Act 106, the Recreational Improvement and Rehabilitation Act, and Act

112, the Pennsylvania Conservation Corps Act. Both are funded by the Pennsylvania Economic Revitalization Fund. The department has begun the implementation and administration of these programs, screening project proposals submitted by local governments, the Fish and Game Commissions as well as those of the department itself. Bond funds utilized for PERF programs are not included in the dollar amounts reflected here, but are shown in three places in Volume I: a special PERF presentation, the Public Debt section and the Special Funds Appendix.

The highest priorities are given to projects which restore degraded natural resources, rehabilitate or renovate existing facilities in or near urban or suburban areas, provide training with marketable job skills, provide long-term benefits and generate revenues in excess of project costs.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Parks	\$ 26,012	\$ 26,848	\$ 27,924	\$ 29,041	\$ 30,175	\$ 31,382	\$ 32,637
Annual Fixed Charges—Flood Lands	12	13	13	13	13	13	13
Annual Fixed Charges—Project 70	6	12	12	13	13	13	13
GENERAL FUND TOTAL	<u>\$ 26,030</u>	<u>\$ 26,873</u>	<u>\$ 27,949</u>	<u>\$ 29,067</u>	<u>\$ 30,201</u>	<u>\$ 31,408</u>	<u>\$ 32,663</u>

Fish Commission

The Fish Commission administers and enforces the fishing and boating laws of the Commonwealth and provides for the protection and propagation of aquatic life.

FISH COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Grants and Subsidies			
Atlantic States Marine Fisheries Commission	\$ 4	\$ 4	\$ 5
Transfer to Fish Fund—Free Fishing Licenses .....	.....	.....	150
GENERAL FUND TOTAL	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 155</u>
Boating Fund			
General Government			
General Operations	\$ 3,614	\$ 4,036	\$ 4,265
TOTAL STATE FUNDS	<u>\$ 3,614</u>	<u>\$ 4,036</u>	<u>\$ 4,265</u>
Federal Funds	\$ 373	\$ 395	\$ 293
Other Funds	13	10	10
BOATING FUND TOTAL	<u>\$ 4,000</u>	<u>\$ 4,441</u>	<u>\$ 4,568</u>
Fish Fund			
General Government			
General Operations	\$ 14,591	\$ 15,908	\$ 16,406
TOTAL STATE FUNDS	<u>\$ 14,591</u>	<u>\$ 15,908</u>	<u>\$ 16,406</u>
Federal Funds	\$ 1,266	\$ 1,005	\$ 1,321
Other Funds	4,041	4,491	4,618
FISH FUND TOTAL	<u>\$ 19,898</u>	<u>\$ 21,404</u>	<u>\$ 22,345</u>
Department Total — All Funds			
General Fund	\$ 4	\$ 4	\$ 155
Special Funds	18,205	19,944	20,671
Federal Funds	1,639	1,400	1,614
Other Funds	4,054	4,501	4,628
TOTAL ALL FUNDS	<u>\$ 23,902</u>	<u>\$ 25,849</u>	<u>\$ 27,068</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Atlantic States Marine Fisheries Commission			
State Funds	\$ 4	\$ 4	\$ 5

Provides for Pennsylvania's contribution to the Atlantic States Marine Fisheries Commission which develops a joint program for the better utilization of the Atlantic seaboard fisheries.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Atlantic States Marine Fisheries Commission	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 5</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Transfer to Fish Fund—Free Fishing Licenses			
State Funds	\$ 150

Provides reimbursement from the General Fund to the Fish Fund for the issuance of free fishing licenses.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Transfer to Fish Fund—Free Fishing Licenses	<u>.....</u>	<u>.....</u>	<u>\$ 150</u>

**BOATING FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Operations			
State Funds	\$ 3,614	\$ 4,036	\$ 4,265
Federal Funds	373	395	293
Other Funds	13	10	10
TOTAL	<u>\$ 4,000</u>	<u>\$ 4,441</u>	<u>\$ 4,568</u>

Promotes watercraft safety, maintains and develops boating waterways and enforces the boating laws and regulations on the inland waters of the Commonwealth for safety in pleasure boating.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorization:			
General Operations	\$ 3,614	\$ 4,036	\$ 4,265
Federal Funds:			
Department of the Interior — Heritage Conservation and Recreation Services	55	77	7
U.S. Coast Guard Grant—Boating Safety	318	318	286
Other Funds:			
Sale of Vehicles	13	10	10
TOTAL	<u>\$ 4,000</u>	<u>\$ 4,441</u>	<u>\$ 4,568</u>

**FISH FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Operations			
State Funds	\$ 14,591	\$ 15,908	\$ 16,406
Federal Funds	1,266	1,005	1,321
Other Funds	4,041	4,491	4,618
TOTAL	<u>\$ 19,898</u>	<u>\$ 21,404</u>	<u>\$ 22,345</u>

Undertakes a variety of propagation and research activities to assure abundant supplies of aquatic life. Supplements the native fish stock to assure an ample supply of fish species for all anglers through the operation of fish hatcheries and supervision of private nurseries. Develops and maintains water and related land areas to improve public fishing, boating and related recreational activities. Enforces the fish laws of the Commonwealth.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorization:			
General Operations	\$ 14,591	\$ 15,908	\$ 16,406
Federal Funds:			
Anadromous Fish Act	49	16	. . . .
Fish and Wildlife Restoration Act	954	783	1,173
Commercial Fish Act	67	66	39
Department of the Interior — Heritage Conservation and Recreation Services	162	124	101
Mid-Atlantic Fisheries Management Council	4	7	4
Coastal Zone Management	20	. . . .	. . . .
Small Operator Assistance Programs	10	9	4
Other Funds:			
Sale of Vehicles	41	50	50
Reimbursement for Services — Boating Fund	4,000	4,441	4,568
TOTAL	<u>\$ 19,898</u>	<u>\$ 21,404</u>	<u>\$ 22,345</u>

FISH COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 3,235	\$ 3,265	\$ 3,623	\$ 3,885	\$ 4,022	\$ 4,165	\$ 4,314
Recreation	\$ 14,974	\$ 16,683	\$ 17,203	\$ 17,674	\$ 18,112	\$ 18,676	\$ 19,263
Recreational Fishing and Boating	14,974	16,683	17,203	17,674	18,112	18,676	19,263
DEPARTMENT TOTAL	<u>\$ 18,209</u>	<u>\$ 19,948</u>	<u>\$ 20,826</u>	<u>\$ 21,559</u>	<u>\$ 22,134</u>	<u>\$ 22,841</u>	<u>\$ 23,577</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4	\$ 4	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5
Special Funds	3,231	3,261	3,618	3,880	4,017	4,160	4,309
Federal Funds	11	47	41	41	41	41	41
Other Funds	579	586	602	609	631	655	680
TOTAL	<u>\$ 3,825</u>	<u>\$ 3,898</u>	<u>\$ 4,266</u>	<u>\$ 4,535</u>	<u>\$ 4,694</u>	<u>\$ 4,861</u>	<u>\$ 5,035</u>

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary

concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services. This subcategory provides for Pennsylvania's contribution to the Atlantic States Marine Fisheries Commission which develops a joint program for the better utilization of the Atlantic seaboard fisheries.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Atlantic States Marine Fisheries Commission	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>
BOATING FUND							
General Operations	<u>\$ 572</u>	<u>\$ 546</u>	<u>\$ 565</u>	<u>\$ 572</u>	<u>\$ 594</u>	<u>\$ 618</u>	<u>\$ 643</u>
FISH FUND							
General Operations	<u>\$ 2,659</u>	<u>\$ 2,715</u>	<u>\$ 3,053</u>	<u>\$ 3,308</u>	<u>\$ 3,423</u>	<u>\$ 3,542</u>	<u>\$ 3,666</u>

Recreational Fishing and Boating

OBJECTIVE: To provide a satisfactory variety of opportunities for fishing and boating on Commonwealth waters.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund			\$ 150	\$ 150			
Special Funds	\$ 14,974	\$ 16,683	17,053	17,524	\$ 18,112	\$ 18,676	\$ 19,263
Federal Funds	1,628	1,353	1,573	2,690	2,690	2,690	2,690
Other Funds	3,475	3,915	4,026	4,266	4,124	4,105	4,086
TOTAL	\$ 20,077	\$ 21,951	\$ 22,802	\$ 24,630	\$ 24,926	\$ 25,471	\$ 26,039

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Fishing licenses sold	1,039,000	1,132,000	1,132,000	1,149,000	1,160,000	1,175,000	1,175,000
Pounds of fish stocked in Commonwealth streams and lakes	2,642,284	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Boats registered	209,000	216,000	224,000	230,000	235,000	240,000	245,000
Fatal accidents reported	25	28	28	28	28	28	28
Convictions for violation of Fish and Boating Laws	14,000	14,500	15,000	15,500	16,000	16,000	16,000

Program Analysis:

The end product of this program is the enjoyment and pleasure derived by anglers and boaters on Commonwealth waterways. The success of this program can be measured by the fact that fishing license sales and boat registrations are continually increasing. With additional leisure time becoming available, the demand for outdoor water-related recreational opportunities is also increasing steadily.

Satisfying greater demands for increased hatchery production, cleaner streams and more and better boating access and launching facilities has become an increasingly difficult task. In recognition of the rising costs associated with these programs, the General Assembly authorized a fish license fee increase in 1982 which has increased revenues but still keeps fees within reach of most citizens. The funding of boating programs continues to be augmented by that por-

tion of the Liquid Fuels Tax paid on gasoline consumed by motor boats.

In the past year the pounds of fish stocked in streams and lakes has increased significantly over previous year's estimates. There are two main reasons. First the Commission is now stocking some areas previously stocked by Federal agencies. Secondly, development and use of better fish food by the hatcheries has increased the growth rate and, therefore, the size of fish being stocked. This measure should remain constant in future years.

Increases in convictions versus what was shown in last year's budget reflect the enforcement of stricter provisions of the 1980 Fish and Boat Code and increased deputy waterways patrolmen training.

Recreational Fishing and Boating (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Transfer to Fish Fund — Free Fishing							
Licenses	<u> </u>	<u> </u>	<u>\$ 150</u>	<u>\$ 150</u>	<u> </u>	<u> </u>	<u> </u>
BOATING FUND							
General Operations	<u>\$ 3,042</u>	<u>\$ 3,490</u>	<u>\$ 3,700</u>	<u>\$ 3,777</u>	<u>\$ 3,805</u>	<u>\$ 3,786</u>	<u>\$ 3,767</u>
FISH FUND							
General Operations	<u>\$ 11,932</u>	<u>\$ 13,193</u>	<u>\$ 13,353</u>	<u>\$ 13,747</u>	<u>\$ 14,307</u>	<u>\$ 14,890</u>	<u>\$ 15,496</u>

Game Commission

The Game Commission administers and enforces the game laws of the Commonwealth and provides for the protection and propagation of wildlife.

GAME COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Game Fund			
General Government			
General Operations	\$ 32,009	\$ 35,749	\$ 29,328
TOTAL STATE FUNDS	<u>\$ 32,009</u>	<u>\$ 35,749</u>	<u>\$ 29,328</u>
Federal Funds	\$ 5,485	\$ 4,410	\$ 3,575
Other Funds	212	130	146
GAME FUND TOTAL	<u>\$ 37,706</u>	<u>\$ 40,289</u>	<u>\$ 33,049</u>

**GAME FUND
GENERAL GOVERNMENT**

	1983-84	(Dollar Amounts in Thousands)	
	Actual	1984-85	1985-86
General Operations		Available	Budget
State Funds	\$ 32,009	\$ 35,749	\$ 29,328
Federal Funds	5,485	4,410	3,575
Other Funds	212	130	146
TOTAL	<u>\$ 37,706</u>	<u>\$ 40,289</u>	<u>\$ 33,049</u>

Conducts a full range of propagation, research and land management activities to assure sustained wildlife populations. Encourages conservation through the proper use and care of wildlife resources. Conducts hunter safety training classes. Supplements the native wildlife stock to assure an ample supply of game species for all hunters through the operation of game farms. Enforces the game laws of the Commonwealth and regulates hunting on open lands.

	1983-84	(Dollar Amounts in Thousands)	
	Actual	1984-85	1985-86
Source of Funds		Available	Budget
Executive Authorization:			
General Operations	\$ 32,009	\$ 35,749	\$ 29,328
Federal Funds:			
National Park Service .....	.....	225	150
Pittman-Robinson Act Reimbursements	5,485	4,155	3,400
Endangered Species .....	.....	30	25
Other Funds:			
Sale of Vehicles	176	74	100
Sharecrop and Agricultural Leases .....	.....	20	10
Mellon Grant—Eagles	36	36	36
TOTAL	<u>\$ 37,706</u>	<u>\$ 40,289</u>	<u>\$ 33,049</u>

GAME COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 9,434	\$ 10,255	\$ 4,459	\$ 4,259	\$ 3,243	\$ 3,163	\$ 3,061
Recreation	\$ 22,575	\$ 25,494	\$ 24,869	\$ 23,637	\$ 18,177	\$ 17,789	\$ 17,327
Wildlife Management	22,575	25,494	24,869	23,637	18,177	17,789	17,327
DEPARTMENT TOTAL	<u>\$ 32,009</u>	<u>\$ 35,749</u>	<u>\$ 29,328</u>	<u>\$ 27,896</u>	<u>\$ 21,420</u>	<u>\$ 20,952</u>	<u>\$ 20,388</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	<u>\$ 9,434</u>	<u>\$ 10,255</u>	<u>\$ 4,459</u>	<u>\$ 4,259</u>	<u>\$ 3,243</u>	<u>\$ 3,163</u>	<u>\$ 3,061</u>

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected

by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GAME FUND							
General Operations	<u>\$ 9,434</u>	<u>\$ 10,255</u>	<u>\$ 4,459</u>	<u>\$ 4,259</u>	<u>\$ 3,243</u>	<u>\$ 3,163</u>	<u>\$ 3,061</u>

Wildlife Management

OBJECTIVE: To establish a habitat for the production of a sustained yield of wildlife resources for their recreational use as well as the assurance of their perpetuation.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 22,575	\$ 25,494	\$ 24,869	\$ 23,637	\$ 18,177	\$ 17,789	\$ 17,327
Federal Funds	5,485	4,410	3,575	3,700	3,700	3,900	4,025
Other Funds	212	130	146	146	146	146	110
TOTAL	\$ 28,272	\$ 30,034	\$ 28,950	\$ 27,483	\$ 22,023	\$ 21,835	\$ 21,462

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Hunting licenses sold	1,268,524	1,230,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
Deer population	840,000	800,000	750,000	750,000	750,000	750,000	750,000
Deer taken	136,293	135,000	135,000	135,000	135,000	130,000	130,000
Acres open to public hunting	8,716,989	8,790,000	8,865,000	8,865,000	8,865,000	8,865,000	8,865,000
Arrests for violation of game laws	11,338	10,000	9,000	9,000	9,000	9,000	9,000
Pheasant released to supplement native population	300,000	210,000	210,000	50,000	50,000	50,000	50,000

Program Analysis:

The primary thrust of this program is to insure the perpetuation of various species of wildlife. As the measures indicate, the number of deer taken per license issued has remained relatively constant and would seem to confirm the adequacy of the Commonwealth's deer population.

An important ancillary benefit of the Commission's propagation program is land management. In addition to the approximately 1,233,000 acres owned and managed by the Commission, additional land is made available for hunting through cooperative programs with private landowners and this encourages private landowners to practice good land

management. Even with these actions taken by the Commission, current indications show a decrease in the overall acres available for public hunting as more and more land is being purchased by developers for housing developments. The measures have remained relatively stable and thus reflect the consistency of this program.

As part of the Commission's current endangered species program approximately 30 Canadian bald eagles have been released throughout Pennsylvania. This particular program which is scheduled for the next three to four years is designed to repopulate the Commonwealth's bald eagle population.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GAME FUND							
General Operations	\$ 22,575	\$ 25,494	\$ 24,869	\$ 23,637	\$ 18,177	\$ 17,789	\$ 17,327

Department of General Services

The Department of General Services administers the leasing, purchasing, transportation, construction, repair and maintenance services for all agencies of the Commonwealth.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
General Government Operations	P11. Computer Aided Design and Drafting System ...	\$ 80 ^a

This Productivity Improvement Initiative will provide for computerization of the drafting of architectural and engineering design projects.

DEPARTMENT TOTAL	\$ 80
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DEPARTMENT OF GENERAL SERVICES

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 39,586	\$ 41,567	\$ 44,436
Harristown Rental Charges	7,751	7,837	7,951
Disadvantaged Business Enterprise	44	100	100
Capitol Dome Repair .....	.....	500	.....
Utility Costs	7,457	8,103	8,530
Harristown Utility and Municipal Charges	5,160	5,469	5,700
Printing and Distribution of the Pennsylvania Manual .....	.....	165	.....
Subtotal	<u>\$ 59,998</u>	<u>\$ 63,741</u>	<u>\$ 66,717</u>
Debt Service Requirements			
General State Authority Rentals	\$ 43,331	\$ 43,189	\$ 42,352
Grants and Subsidies			
Capitol Fire Protection	\$ 250	\$ 250	\$ 250
Tort Claims Payments	2,000	3,000	3,000
Subtotal	<u>\$ 2,250</u>	<u>\$ 3,250</u>	<u>\$ 3,250</u>
Capital Improvements			
Energy Conservation Projects .....	.....	\$ 1,000	\$ 3,000
TOTAL STATE FUNDS	<u>\$ 105,579</u>	<u>\$ 111,180</u>	<u>\$ 115,319</u>
Federal Funds	\$ 75	.....	.....
Other Funds	13,617	\$ 13,983	\$ 15,855
GENERAL FUND TOTAL	<u>\$ 119,271</u>	<u>\$ 125,163</u>	<u>\$ 131,174</u>
Motor License Fund			
Debt Service Requirements			
General State Authority Rentals	\$ 1,170	\$ 1,210	\$ 1,171
Grants and Subsidies			
Tort Claims Payments	\$ 12,000	\$ 20,000	\$ 20,000
MOTOR LICENSE FUND TOTAL	<u>\$ 13,170</u>	<u>\$ 21,210</u>	<u>\$ 21,171</u>
Banking Department Fund			
General Government			
Harristown Rental Charges	\$ 175	\$ 172	\$ 171
Harristown Utility and Municipal Charges	130	120	120
BANKING DEPARTMENT FUND TOTAL	<u>\$ 305</u>	<u>\$ 292</u>	<u>\$ 291</u>

DEPARTMENT OF GENERAL SERVICES

Summary by Fund and Appropriation (continued)

	1982-83 Actual	(Dollar Amounts in Thousands) 1983-84 Available	1984-85 Budget
Boating Fund			
Debt Service Requirements			
General State Authority Rentals	\$ 2	\$ 2	\$ 2
BOATING FUND TOTAL	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>
Fish Fund			
Debt Service Requirements			
General State Authority Rentals	\$ 62	\$ 63	\$ 63
FISH FUND TOTAL	<u>\$ 62</u>	<u>\$ 63</u>	<u>\$ 63</u>
Lottery Fund			
General Government			
Harristown Rental Charges	\$ 328	\$ 231	\$ 109
Harristown Utility and Municipal Charges	259	182	89
LOTTERY FUND TOTAL	<u>\$ 587</u>	<u>\$ 413</u>	<u>\$ 198</u>
Revenue Sharing Trust Fund			
General Government			
Moving and Relocation Expenses .....	.....	\$ 368	\$ 384
REVENUE SHARING TRUST FUND TOTAL	<u>.....</u>	<u>\$ 368</u>	<u>\$ 384</u>
Department Total — All Funds			
General Fund	\$ 105,579	\$ 111,180	\$ 115,319
Special Funds	14,126	22,348	22,109
Federal Funds	75	.....	.....
Other Funds	13,617	13,983	15,855
TOTAL ALL FUNDS	<u>\$ 133,397</u>	<u>\$ 147,511</u>	<u>\$ 153,283</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
General Government Operations			
State Funds	\$ 47,381	\$ 50,004	\$ 52,487
Federal Funds	75	.....	.....
Other Funds	11,542	12,812	14,652
TOTAL	<u>\$ 58,998</u>	<u>\$ 62,816</u>	<u>\$ 67,139</u>

Provides for direction and coordination of the department's programs which include acting as purchasing agent for all agencies, maintaining a system for the distribution of Federal and State surplus property, providing for the insurance and leased space requirements of agencies, maintaining the Commonwealth automotive fleet, providing engineering and architectural services, furnishing the necessary maintenance, janitorial, and custodial services for Commonwealth owned building, and operating the Disadvantaged Business Enterprise Program.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
General Government Operations	\$ 39,586 ^a	\$ 41,567	\$ 44,436
Harristown Rental Charges	7,751	7,837	7,951
Disadvantaged Business Enterprise Program	44	100	100
Capitol Dome Repair .....	.....	500	.....
Federal Funds:			
National Emergency Aid Radio Program	4	.....	.....
ARC Telecommunications Technical Assistance	24	.....	.....
Coal-Oil Fuel Mixture	47	.....	.....
Other Funds:			
Sales and Rental Automotive Equipment	7,014	7,697	7,464
Commissions Earned—Employee Group Life Insurance			
Administration	50	50	50
Receipt of Service Charge—Federal Surplus Property	416	500	550
Reimbursement for Reproduction Services	2,890	3,100	3,200
Rental of Sound Equipment	28	30	35
Employe Liability Self-Insurance Plan	78	78	81
Information Center — Centrex	159	163	166
General State Authority Fiscal Function	66	69	72
Newsroom Services	15	15	15
Computer Services	43	35	35
Micrographic Service	768	1,055	1,430
Plans Forefeiture	15	20	20
Special Funds Billings .....	.....	.....	938
Media Center Reimbursements .....	.....	.....	596
TOTAL	<u>\$ 58,998</u>	<u>\$ 62,816</u>	<u>\$ 67,139</u>

^aActually appropriated as follows: General Government Operations \$39,098,000 and Scranton State Office Building \$488,000.

GENERAL FUND

GENERAL SERVICES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
Utility Costs	Actual	Available	Budget
State Funds	\$ 12,617	\$ 13,572	\$ 14,230
Other Funds .....	.....	.....	203
TOTAL	<u>\$ 12,617</u>	<u>\$ 13,572</u>	<u>\$ 14,433</u>

Provides for the payment of water, sewerage, electricity and heating fuel bills.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
Source of Funds	Actual	Available	Budget
Appropriations:			
Utility Costs	\$ 7,457	\$ 7,457	\$ 8,530
Utility Costs—Recommended Supplemental .....	.....	646	.....
Harristown Utility and Municipal Charges	5,160	5,469	5,700
Other Funds:			
Special Fund Billings .....	.....	.....	203
TOTAL	<u>\$ 12,617</u>	<u>\$ 13,572</u>	<u>\$ 14,433</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Printing and Distribution of the Pennsylvania Manual			
State Funds	\$ 165	.....

Provides for the biennial printing and distribution of the Pennsylvania Manual.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Printing and Distribution of the Pennsylvania Manual.....	<u>.....</u>	<u>\$ 165</u>	<u>.....</u>

DEBT SERVICE REQUIREMENTS

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General State Authority Rentals			
State Funds	\$ 43,331	\$ 43,189	\$ 42,352
Other Funds	2,075	1,171	1,000
TOTAL	<u>\$ 45,406</u>	<u>\$ 44,360</u>	<u>\$ 43,352</u>

Makes rental payments to the General State Authority for the use of grounds, buildings and equipment financed and constructed by the Authority other than for State-aided colleges and universities which are paid by the Department of Education. This amount also provides for fire and boiler insurance premiums.

The rental payments are for the retirement of bonds issued by the Authority. Since 1968, capital construction has been financed by General Obligation Bonds and the debt service is paid through the Treasury Department.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General State Authority Rentals	\$ 43,331	\$ 43,189	\$ 42,352
Other Funds:			
Fees from Dormitory Rentals.....	1,546	.....	.....
Fees from Student Union Rentals	529	1,171	1,000
TOTAL	<u>\$ 45,406</u>	<u>\$ 44,360</u>	<u>\$ 43,352</u>

GRANTS AND SUBSIDIES

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Capitol Fire Protection			
State Funds	\$ 250	\$ 250	\$ 250

Provides payment to the city of Harrisburg for fire protection rendered to the Capitol Building.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Capitol Fire Protection	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 250</u>

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Tort Claims			
State Funds	\$ 2,000	\$ 3,000	\$ 3,000

Provides for the payment of tort claims settled either through the litigation process or through prelitigation negotiations.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Tort Claims Payments	<u>\$ 2,000</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

CAPITAL IMPROVEMENTS

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
Capital Improvements	Actual	Available	Budget
State Funds	\$ 1,000	\$ 3,000

Provides funds to purchase and install various energy saving devices in Commonwealth owned buildings.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
<i>Source of Funds</i>	Actual	Available	Budget
Appropriations:			
Energy Conservation Projects	<u>. . . .</u>	<u>\$ 1,000</u>	<u>\$ 3,000</u>

DEBT SERVICE REQUIREMENTS

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General State Authority Rentals			
State Funds	\$ 1,170	\$ 1,210	\$ 1,171

Makes rental payments to the General State Authority for the use of grounds, buildings, and equipment that were acquired, financed and constructed by the Authority for the Department of Transportation and the State Police. The Commonwealth secures title to the buildings and the property after the total cost of each has been matched by rental payments.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General State Authority Rentals	<u>\$ 1,170</u>	<u>\$ 1,210</u>	<u>\$ 1,171</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Tort Claims			
State Funds	\$ 12,000	\$ 20,000	\$ 20,000

Provides for the payment of tort claims which are settled either through a litigation process or through prelitigation negotiations.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Tort Claims Payments	\$ 12,000	\$ 15,000	\$ 20,000
Tort Claims Payments—Recommended Supplemental .....	.....	5,000	.....
TOTAL	<u>\$ 12,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

**BANKING DEPARTMENT FUND
GENERAL GOVERNMENT**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 305	\$ 292	\$ 291

Provides for the payment of rent, water, electricity and heating fuel in the Harristown building where the space is used by the Banking Department.

<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Executive Authorizations:			
Harristown Rental Charges	\$ 175	\$ 172	\$ 171
Harristown Utility and Municipal Charges	130	120	120
TOTAL	<u>\$ 305</u>	<u>\$ 292</u>	<u>\$ 291</u>

**BOATING FUND
DEBT SERVICE REQUIREMENTS**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General State Authority Rentals			
State Funds	\$ 2	\$ 2	\$ 2

Provides for rental payments to the General State Authority for the use of grounds, buildings, and equipment which were acquired, financed, and constructed by the Authority.

<i>Source of Funds</i>	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Appropriation:			
General State Authority Rentals	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>

**FISH FUND
DEBT SERVICE REQUIREMENTS**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General State Authority Rentals			
State Funds	\$ 62	\$ 63	\$ 63

Provides for rental payments to the General State Authority for the use of grounds, buildings, and equipment which were acquired, financed, and constructed by the Authority. The Commonwealth secures title to the buildings and property after the total cost of each has been matched by rental payments.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General State Authority Rentals	<u>\$ 62</u>	<u>\$ 63</u>	<u>\$ 63</u>

**LOTTERY FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 587	\$ 413	\$ 198

Provides for the payment of rent, water, electricity and heating fuel in the Harristown buildings where the space is used by Department of Revenue in administration of State Lottery functions.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorizations:			
Harristown Rental Charges	\$ 328	\$ 231	\$ 109
Harristown Utility and Municipal Charges	259	182	89
TOTAL	<u>\$ 587</u>	<u>\$ 413</u>	<u>\$ 198</u>

**REVENUE SHARING TRUST FUND
GENERAL GOVERNMENT**

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Moving and Relocation Expenses			
State Funds	\$ 368	\$ 384

Provides for payment of costs associated with moving, consolidating, or abandoning facilities of various departments.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
<i>Source of Funds</i>			
Executive Authorization:			
Moving and Relocation Expenses	<u>\$ 368</u>	<u>\$ 384</u>

DEPARTMENT OF GENERAL SERVICES

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 8,364	\$ 8,747	\$ 8,778	\$ 9,312	\$ 9,496	\$ 10,078	\$ 10,272
Commodity Management	\$ 3,738	\$ 3,845	\$ 3,930	\$ 4,087	\$ 4,250	\$ 4,420	\$ 4,598
Procurement and Distribution of Commodities	3,194	3,360	3,478	3,617	3,762	3,912	4,069
Disposition and Utilization of Surplus and Donated Commodities	544	485	452	470	488	508	529
Physical Facilities Management	\$ 48,287	\$ 52,552	\$ 57,180	\$ 59,824	\$ 63,147	\$ 64,916	\$ 67,215
Management and Operation of Facilities ..	48,287	52,552	57,180	59,824	63,147	64,916	67,215
Financing Commonwealth Obligations	\$ 44,565	\$ 44,464	\$ 43,588	\$ 41,958	\$ 40,116	\$ 36,058	\$ 32,526
Payment of General State Authority Rentals	44,565	44,464	43,588	41,958	40,116	36,058	32,526
Management of Commonwealth Liability ..	\$ 14,751	\$ 23,920	\$ 23,952	\$ 30,990	\$ 25,030	\$ 27,071	\$ 29,114
Risk Management and Tort Claims	14,751	23,920	23,952	30,990	25,030	27,071	29,114
DEPARTMENT TOTAL	<u>\$ 119,705</u>	<u>\$ 133,528</u>	<u>\$ 137,428</u>	<u>\$ 146,171</u>	<u>\$ 142,039</u>	<u>\$ 142,543</u>	<u>\$ 143,725</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 8,364	\$ 8,747	\$ 8,778	\$ 9,312	\$ 9,496	\$ 10,078	\$ 10,272
Other Funds	3,903	4,398	5,201	5,448	5,706	5,978	6,264
TOTAL	\$ 12,267	\$ 13,145	\$ 13,979	\$ 14,760	\$ 15,202	\$ 16,056	\$ 16,536

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of various specific programs but, which because of their generalized nature, cannot be reasonably charged to any one substantive program. Such services include overall executive direction, manpower management, fiscal accounting and management information processing.

The costs for records retention and paperwork management are reflected in this subcategory.

This program also provides support for the printing and distribution of the Pennsylvania Manual, which is issued bi-annually, and the administration of the Disadvantaged Business Enterprise Program.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 8,320	\$ 8,482	\$ 8,678	\$ 9,025	\$ 9,386	\$ 9,762	\$ 10,152
Printing and Distribution of the Pennsylvania Manual .....	.....	165	.....	182	.....	201	.....
Disadvantaged Business Enterprise Program	44	100	100	105	110	115	120
GENERAL FUND TOTAL	\$ 8,364	\$ 8,747	\$ 8,778	\$ 9,312	\$ 9,496	\$ 10,078	\$ 10,272

Procurement and Distribution of Commodities

OBJECTIVE: To provide the Commonwealth agencies with commodities within a reasonable time and which conform to accepted standards of quality.

Recommended Program Costs:

	(Dollar Amounts in 'Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,194	\$ 3,360	\$ 3,478	\$ 3,617	\$ 3,762	\$ 3,912	\$ 4,069
Federal Funds	28						
Other Funds	7,015	7,697	7,464	7,837	8,229	8,640	9,072
TOTAL	\$ 10,237	\$ 11,057	\$ 10,942	\$ 11,454	\$ 11,991	\$ 12,552	\$ 13,141

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Value of purchases made (in thousands) ...	\$345,000	\$350,000	\$360,000	\$370,000	\$380,000	\$390,000	\$400,000
Tests and inspections made on commodities	865	900	1,000	1,020	1,030	1,040	1,050
Specifications established, reviewed or amended	5,300	5,250	5,300	5,390	5,400	5,450	5,500
Bid evaluations and requisitions reviewed and processed	7,355	6,890	7,080	7,290	7,500	7,710	7,925
Requests for telecommunications proposal and/or service-surveyed, written, evaluated and awarded or processed....	7,730	7,302	7,375	7,450	7,523	7,600	7,615

Program Analysis:

This program includes the purchasing functions for all agencies of the Commonwealth. It provides the method through which the Commonwealth enters into contracts for the vast spectrum of goods and services procured for the various agencies. Tests and inspections are also conducted to determine conformance with acceptable standards of quality.

This program also assists local governments by allowing them to participate in Commonwealth contracts for the purchase of goods and materials. Currently 35 percent of the Commonwealth's political subdivisions are using this service even though 71 percent have qualified. Although exact savings are difficult to quantify, this practice undoubtedly produces a savings of tax dollars at the local level.

Included in this program is the Vendor Information and Support Division which is designed to allow vendors a pre-bid view of all contracts for goods and services of \$5,000 or more. This division has been very active in increasing minority vendor participation. As a result of their efforts,

minority participation in Commonwealth purchases continued to increase.

The measure for bid evaluations and requisitions reviewed and processed is significantly lower than forecast last year. This is a result of continued decentralization of the purchasing function, which began with the increase in the maximum dollar amount of goods which may be purchased by other agencies without going through General Services. All agencies do not have the same maximum; current plans are to soon expand the higher maximum to all agencies, which will be reflected in another decrease in bid evaluations and requisitions received by DGS in 1984-85.

The estimate of requests for telecommunications proposal and/or service-surveyed, written, evaluated and awarded or processed is lower for future years because of the recent purchase of the Commonwealth's in-place telephone equipment, resulting in approximately \$32 million in savings over the next five years. The difference between last year's estimate and the actual figure for 1983-84 is a result of a change in

Procurement and Distribution of Commodities (continued)

Program Analysis: (continued)

the reporting system which improved accuracy.

In the past, the primary concern in most procurement transactions has been the initial cost. It has since been recognized that after the initial purchase of an item, or completion of a facility or system, a substantial amount of tax monies continue to be spent for energy, maintenance, repair and related costs. The purchasing concept of life cycle

costing has come to be recognized as both viable and essential. This system has therefore been adopted for those acquisitions requiring substantial operating and maintenance costs over their life spans. The Department of General Services is responsible for the development, implementation, and coordination of an effective life cycle costing program.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 3,194</u>	<u>\$ 3,360</u>	<u>\$ 3,478</u>	<u>\$ 3,617</u>	<u>\$ 3,762</u>	<u>\$ 3,912</u>	<u>\$ 4,069</u>

Disposition and Utilization of Surplus and Donated Commodities

OBJECTIVE: To derive maximum utilization of all surplus and donated commodities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 544	\$ 485	\$ 452	\$ 470	\$ 488	\$ 508	\$ 529
Other Funds	415	500	550	550	600	600	650
TOTAL	\$ 959	\$ 985	\$ 1,002	\$ 1,020	\$ 1,088	\$ 1,108	\$ 1,179

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Value of Federal surplus property (in thousands):							
On hand	\$ 3,000	\$ 3,500	\$ 3,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Distributed	\$10,400	\$11,000	\$10,000	\$10,500	\$11,000	\$11,800	\$12,000
State surplus items transferred for interagency use	26,200	26,500	26,700	27,000	27,200	27,400	27,600

Program Analysis:

This program involves the proper administration of all surplus property, including both Federal surplus property and surplus property belonging to the Commonwealth.

Functioning as an intermediary between the Federal government and eligible tax supported or nonprofit tax exempt health, education and civil defense organizations, and eligible senior citizen groups, the department obtains surplus Federal property from various military and other Federal government installations at no cost other than for screening and transportation. The property is then sold to eligible organizations for a nominal service charge. The utilization of Federal surplus property by the eligible organizations saves a significant amount of tax dollars at the local level by providing needed products at a fraction of their cost in the open market.

Surplus Commonwealth property is administered through a system of either transferring the Commonwealth's surplus property to a requesting agency or disposing of it through

sales to the general public or as trade-ins on new goods, thus assuring the maximum utilization of the Commonwealth's property.

The measure dealing with Federal Surplus Property on hand has declined substantially from the 1982-83 level as a result of efforts to screen property more critically in recognition of donee needs and improved inventory management techniques. The ultimate goal is to place the program on a self-supporting basis.

The measure dealing with State surplus items transferred continued the substantial decrease reflected in the 1982-83 budget year because of the conversion to only counting those items actually passing through the Department. The reduced growth reflected in subsequent years results from a decrease in the number of items declared surplus, offset partially by an increase resulting from the recently instituted furniture rehabilitation program.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 544	\$ 485	\$ 452	\$ 470	\$ 488	\$ 508	\$ 529

Management and Operation of Facilities

OBJECTIVE: To provide and maintain the Commonwealth's real property and facilities in order that Commonwealth operations may be conducted in the most efficient and economical manner possible.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 47,395	\$ 51,479	\$ 56,307	\$ 59,326	\$ 62,643	\$ 64,418	\$ 66,715
Special Funds	892	1,073	873	498	504	498	500
Federal Funds	47						
Other Funds	81	89	1,509	1,582	1,660	1,740	1,824
TOTAL	\$ 48,415	\$ 52,641	\$ 58,689	\$ 61,406	\$ 64,807	\$ 66,656	\$ 69,039

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Work orders executed	17,769	18,000	18,000	18,000	18,500	19,000	19,500
Lease agreements executed	549	650	650	650	650	650	650
Agency funded projects for design, survey, and/or inspection work	232	325	325	325	325	325	325
Capital facilities projects in design and/or construction:							
Number	161	320	320	325	335	342	361
Value (in thousands)	\$661,230	\$550,000	\$575,000	\$575,000	\$600,000	\$600,000	\$610,000

Program Analysis:

The property management functions in this program include maintenance, janitorial, custodial, mechanical repair and police services for the grounds and buildings of the Capitol Complex and Harristown in Harrisburg plus the State office buildings in Pittsburgh, Philadelphia, Scranton, Altoona, and Reading. An additional \$500,000 has been provided as an initiative in this budget for an on-going maintenance program for buildings under the department's jurisdiction. Energy audits will also be conducted from this increase.

Work is performed both on a routine basis and as the result of work orders from using departments. Efforts are made to keep renovations and work order changes to a minimum. But while the number of work orders executed shown above reflects a substantial decrease from the level shown in last year's budget, this is the result of an improvement to the work order reporting system to more accurately account for the department's output rather than to any significant decrease in work orders.

Lease agreements executed were also down last year compared to the projected amount because of changes to the

definition of the measure. Lease agreements reopened and altered on an annual basis for cost of living adjustments were not necessarily included in the figure depending on circumstances and the amount of adjustment required. Prior to last year all minor adjustments were included. This budget provides for the transfer of the Commonwealth Media Center from the Department of Transportation to the Department of General Services. Also, \$400,000 has been provided to begin linking the buildings within the Capitol Complex to the Commonwealth Media Center with coaxial cable. Over the next two years, an additional \$900,000 will be required to complete the project.

In addition, this program seeks to assure the efficient acquisition and utilization of space and facilities. This involves contracting for the rent of office space for Commonwealth activities that cannot be adequately housed in Commonwealth-owned buildings, surveying the space requirements and determining space allocation for all Commonwealth-owned and leased building, as well as the responsibility for agency moves. The cost of such moves is provided for from a continuing appropriation from the

Management and Operation of Facilities (continued)

Program Analysis: (continued)

Revenue Sharing Trust Fund.

Another important activity of this program is to provide the Commonwealth with the best possible technical services and contracts for constructing capital improvements (other than highway projects), renovating and rehabilitating present buildings and assuring that all capital projects are completed in the most efficient manner. This program is responsible for preparing plans, designs, surveys and specifications for all construction projects under the Department of General Services' jurisdiction. Each project is closely monitored via frequent inspections during construction to insure compliance with State laws and building codes. Presently 320 capital facilities projects with a value of over half a billion dollars are under design or construction.

A Productivity Improvement Initiative of \$80,000 has been provided for computerization of the drafting of architectural and engineering design projects. Productivity Improvement Initiatives are summarized for all agencies in Volume I.

This program also provides funds to upgrade Commonwealth facilities to reduce energy costs. At current energy prices, investments in projects to reduce energy consumption produce significant savings which result in rapid payback of the project costs. These projects will be done throughout the Commonwealth. An additional \$2,000,000 has been provided to fund an increased number of energy conservation projects in Fiscal Year 1985-86.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 26,777	\$ 28,320	\$ 30,876	\$ 32,145	\$ 33,413	\$ 34,281	\$ 35,653
Harristown Rental Charges	7,751	7,837	7,951	7,946	7,796	7,199	6,485
Capitol Dome Repair .....	.....	500	.....	.....	.....	.....	.....
Utility Costs	7,457	8,103	8,530	10,000	11,900	13,090	14,399
Harristown Utility and Municipal Charges	5,160	5,469	5,700	5,985	6,284	6,598	6,928
Capitol Fire Protection	250	250	250	250	250	250	250
Energy Conservation Projects .....	.....	1,000	3,000	3,000	3,000	3,000	3,000
GENERAL FUND TOTAL	\$ 47,395	\$ 51,479	\$ 56,307	\$ 59,326	\$ 62,643	\$ 64,418	\$ 66,715
BANKING DEPARTMENT FUND							
Harristown Rental Charges	\$ 175	\$ 172	\$ 171	\$ 170	\$ 167	\$ 157	\$ 153
Harristown Municipal and Utility Costs ..	130	120	120	126	132	139	144
BANKING FUND DEPARTMENT TOTAL	\$ 305	\$ 292	\$ 291	\$ 296	\$ 299	\$ 296	\$ 297
STATE LOTTERY FUND							
Harristown Rental Charges	\$ 328	\$ 231	\$ 109	\$ 109	\$ 107	\$ 99	\$ 95
Harristown Utility and Municipal Charges	259	182	89	93	98	103	108
STATE LOTTERY FUND TOTAL ...	\$ 587	\$ 413	\$ 198	\$ 202	\$ 205	\$ 202	\$ 203
REVENUE SHARING TRUST FUND							
Moving and Relocation Expenses .....	.....	\$ 368	\$ 384	.....	.....	.....	.....

Payment of General State Authority Rentals

OBJECTIVE: To make rental payments to the General State Authority for projects financed and constructed by the Authority.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 43,331	\$ 43,189	\$ 42,352	\$ 40,722	\$ 38,880	\$ 34,822	\$ 31,290
Special Funds	1,234	1,275	1,236	1,236	1,236	1,236	1,236
Other Funds	2,075	1,171	1,000	1,000	1,000	1,000	1,000
TOTAL	\$ 46,640	\$ 45,635	\$ 44,588	\$ 42,958	\$ 41,116	\$ 37,058	\$ 33,526

Program Analysis:

The Department of General Services makes payments to the General State Authority for rent and other charges that are due on leases or other contractual agreements between the department and the General State Authority. Payments are for the use of grounds, buildings and equipment financed and constructed by the authority with the exception of projects for State-aided colleges and universities which are paid

for by the Department of Education. This amount also provides for fire and boiler insurance premiums.

The rental payments are for the retirement of bonds issued by the authority. Since 1968, capital construction has been financed by General Obligation Bonds and the debt service is paid through the Treasury Department.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General State Authority Rentals	\$ 43,331	\$ 43,189	\$ 42,352	\$ 40,722	\$ 38,880	\$ 34,822	\$ 31,290
MOTOR LICENSE FUND							
General State Authority Rentals	\$ 1,170	\$ 1,210	\$ 1,171	\$ 1,171	\$ 1,171	\$ 1,171	\$ 1,171
FISH FUND							
General State Authority Rentals	\$ 62	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
BOATING FUND							
General State Authority Rentals	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2

Risk Management and Tort Claims

OBJECTIVE: To provide for the reduction of potential risks and for the equitable settlement of tort claims.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,751	\$ 3,920	\$ 3,952	\$ 5,990	\$ 5,030	\$ 5,071	\$ 5,114
Special Funds	12,000	20,000	20,000	25,000	20,000	22,000	24,000
Other Funds	128	128	131	140	144	153	158
TOTAL	\$ 14,879	\$ 24,048	\$ 24,083	\$ 31,130	\$ 25,174	\$ 27,224	\$ 29,272

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Claims filed	7,193	8,991	9,845	10,780	11,804	12,925	14,153
Claims closed (includes settlements, judgements and denials)	6,047	6,960	7,308	7,673	8,057	8,460	8,883
Claims Pending	4,747	6,778	9,315	12,422	16,169	20,634	25,904
Amount of claims pending (in thousands) ..	\$124,559	\$165,041	\$208,067	\$231,925	\$269,196	\$312,455	\$362,667

Program Analysis:

This program has been substantially affected by two significant court decisions in the past six years. First, the Commonwealth's previous use of sovereign immunity as a defense against tort claims was abolished by the Mayle decision in July 1978. Subsequently, by Act 152 of 1978, the General Assembly reaffirmed sovereign immunity, but also established criteria for limited amounts of liability in eight specific areas: (1) vehicle liability; (2) medical-professional liability; (3) personal property; (4) Commonwealth real estate, highways and sidewalks; (5) potholes and other dangerous conditions; (6) care, custody or control of domestic animals; (7) liquor store sales; and (8) National Guard activities.

Then, in early 1984, the Pennsylvania Supreme Court struck down the dollar limitation on awards for pre-Act 152 cases. Still pending in the Courts is the related issue of the constitutionality of financial limitations on post-Act 152 cases. It is anticipated that in 1985 or 1986 the Supreme Court will rule on this latter issue.

As a response to the Mayle decision and Act 152, a self-insurance program was established jointly by the Department of General Services and the Office of Attorney General to provide for the handling of tort claims brought against

the Commonwealth, its officials and employees. Claims in the pre-litigation stage are investigated and handled by qualified and experienced evaluators in the Department of General Services. Claims in litigation are defended by the Tort Litigation Unit in the Office of Attorney General with investigative services provided by the Department of General Services. In either situation, the actual payment of claims is made from the appropriated funds for this program. The torts program has been incorporated into the overall Risk Management Program, which provides loss prevention activities to reduce the potential risks as much as possible.

As a result of the adverse ruling on pre-Act 152 cases, the cost of claims settled and pending has increased substantially. Similarly, the number of claims filed is also increasing sharply due to increased public awareness of Act 152. Particularly impacted have been cases involving vehicle liability, with the result that the Motor License Fund 1984-85 appropriation for tort claims payments will have to be increased by \$5 million over the \$15 million originally appropriated; similar \$20 million annual amounts are now projected for 1985-86 and future year Motor License Fund needs. And if the constitutionality of the award limits on post-Act 152 claims is also struck down, further cost in-

Risk Management and Tort Claims (continued)

Program Analysis: (continued)

creases in this program will probably occur in the General Fund as well as in the Motor License Fund. The projections shown do not take such an eventuality into consideration.

Claims incurred (paid plus reserves) for liability cases in a given year are often not completely paid out for many years (up to ten years). Because of this unpredictability as to the time of settlement coupled with the uncertainty as to amount of settlement, it is very difficult to determine accurate reserves for open claims. However, reserves are being assigned to open claims by the claims evaluators and litigation attorneys and adjusted accordingly to reflect up-

dated claim developments.

The activities of the program will be analyzed as more claims and risk experience becomes available and the impact of the lifting of the dollar limitation become better known. This program has provided a mechanism for efficient relief to injured members of the public, along with an emphasis on the prevention and control of damages.

This program also has the responsibility of administering Commonwealth's numerous self-insurance programs, the State Insurance Fund, the employe bond program, and other miscellaneous insurance programs.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 751	\$ 920	\$ 952	\$ 990	\$ 1,030	\$ 1,071	\$ 1,114
Tort Claims Payments	2,000	3,000	3,000	5,000	4,000	4,000	4,000
GENERAL FUND TOTAL	<u>\$ 2,751</u>	<u>\$ 3,920</u>	<u>\$ 3,952</u>	<u>\$ 5,990</u>	<u>\$ 5,030</u>	<u>\$ 5,071</u>	<u>\$ 5,114</u>
MOTOR LICENSE FUND							
Tort Claims Payments	<u>\$ 12,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 25,000</u>	<u>\$ 20,000</u>	<u>\$ 22,000</u>	<u>\$ 24,000</u>

Department of Health

The Department of Health is responsible for planning and coordinating all the health resources of the Commonwealth. In addition, the department provides some direct public health services, including programs for children, treatment for certain blood diseases, programs for communicable diseases, and subsidies for research and development.

The Secretary of Health receives assistance and information from approximately fifty advisory groups, the most prominent being: the Advisory Health Board, the Drug, Device and Cosmetic Board, the Advisory Committee for Clinical Laboratories, the Statewide Health Coordinating Council, and the Advisory Council on Drug and Alcohol Abuse.

Some Federal funds supporting General Government Operations, Quality Assurance, State Public Health Laboratory, and State Health Care Centers are also reflected as Other Funds.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
Vital Statistics	PII — Vital Statistics Automation	\$ 500 ^a

This Productivity Improvement Initiative will provide an automated retrieval system for birth records.

Assistance to Drug and Alcohol Abuse Programs	Teen Pregnancy and Parenthood	200 ^b
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This Program Revision will create new programs and/or expand existing ones to meet the comprehensive needs of pregnant and parenting teenagers.

DEPARTMENT TOTAL	\$ 700
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^aThis is only one of numerous Productivity Improvement Initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

^bIn addition \$946,000 is budgeted in the Department of Education and \$1,250,000 in the Department of Labor and Industry making the total Program Revision \$2,396,000. Details are presented following the General Elementary and Secondary Education subcategory shown in Education.

DEPARTMENT OF HEALTH

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
General Fund			
General Government			
General Government Operations	\$ 10,811	\$ 10,886	\$ 11,271
TMI — Health Studies	299	340	547
Quality Assurance	3,222	3,520	3,638
Vital Statistics	3,861	3,953	4,586
State Laboratory	2,537	2,840	2,933
State Health Care Centers	12,965	13,557	14,024
Vietnam Herbicides Information Commission	134	150	230
Diabetes Task Force	201	217	301
Cancer Registry	471	500	600
Arthritis Task Force .....	.....	50	50
Subtotal	<u>\$ 34,501</u>	<u>\$ 36,013</u>	<u>\$ 38,180</u>
Grants and Subsidies			
School Health Examinations	\$ 18,500	\$ 18,700	\$ 18,700
Local Health Departments	18,165	18,020	18,380
Local Health Departments — Environmental	3,291	3,291	3,255
Maternal and Child Health	772	803	819
Emergency Health Services	1,704	1,844	1,881
Hemophilia Services	1,384	1,384	1,412
Sickle Cell Anemia	700	728	743
Sickle Cell Anemia — Summer Camps .....	.....	25	.....
Cooley's Anemia	194	212	216
Renal Disease	5,166	7,300	9,295
Home Ventilators	371	386	394
Coalworker's Pneumoconiosis Services	534	632	645
Spina Bifida	750	750	765
Keystone State Games	50	100	100
Adult Cystic Fibrosis	172	194	198
Screening and Treatment — Venereal Disease	378	394	402
Screening and Treatment — Tuberculosis	571	620	632
Assistance to Drug and Alcohol Abuse Programs	24,414	26,918	28,918
Cancer Control, Prevention and Research	538	2,000	3,000
The Institute for Cancer Research, Fox Chase, Philadelphia	418	435	435
Pittsburgh Cancer Institute .....	.....	250	.....
The Wistar Institute — Research, Philadelphia	200	208	208
Lupus Disease — Research	80	80	80
Cardiovascular Studies — University of Pennsylvania	60	62	62
Cardiovascular Studies — St. Francis Hospital, Pittsburgh	60	62	62
Central Pennsylvania Oncology Group	100	104	104
Burn Foundation of Greater Delaware Valley	155	161	161
Sunshine Foundation	75	25	.....
United Neighborhood Facilities Health Care — Erie	150	150	.....
Cerebral Palsy — St. Christopher's Hospital, Philadelphia	575	598	598
Cleft Palate Clinic — Lancaster	50	52	52
Cleft Palate Clinic — Pittsburgh	50	52	52
Tay Sachs Disease — Jefferson Medical College	50	52	52
Subtotal	<u>\$ 79,677</u>	<u>\$ 86,592</u>	<u>\$ 91,621</u>
TOTAL STATE FUNDS	<u>\$ 114,178</u>	<u>\$ 122,605</u>	<u>\$ 129,801</u>

DEPARTMENT OF HEALTH
Summary by Fund and Appropriation
(continued)

	1983-84	(Dollar Amounts in Thousands)	
	Actual	1984-85 Available	1985-86 Budget
Federal Funds	\$ 97,150	\$ 109,942	\$ 105,379
Other Funds	14,091	16,183	16,035
GENERAL FUND TOTAL	<u>\$ 225,419</u>	<u>\$ 248,730</u>	<u>\$ 251,215</u>
 Department Total — All Funds			
General Fund	\$ 114,178	\$ 122,605	\$ 129,801
Federal Funds	97,150	109,942	105,379
Other Funds	14,091	16,183	16,035
TOTAL ALL FUNDS	<u>\$ 225,419</u>	<u>\$ 248,730</u>	<u>\$ 251,215</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 10,811	\$ 10,886	\$ 11,271
Federal Funds	4,499	6,670	5,764
Other Funds	6,610	7,855	7,221
TOTAL	\$ 21,920	\$ 25,411	\$ 24,256

Provides for the overall executive direction and administration of the department including personnel, fiscal management, office services, public information, legal, data processing, systems development, purchasing, health statistics, comprehensive health planning, venereal disease prevention, migrant health programs and drug and alcohol programs. Provides for expenses of the department's boards, councils and commissions. Includes the administrative funding for the Alcohol, Drug Abuse and Mental Health, Maternal and Child Health, and Preventive Health and Health Services Block Grants.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
General Government Operations	\$ 10,811	\$ 10,886	\$ 11,271
Federal Funds:			
State Health Planning and Development Agency	361	1,000	1,000
Cooperative Health Statistics	280	412	446
Indochinese Refugee Program	103	116	116
D.D. Detection and Awareness	29	75	.....
D.D. Adult Rehabilitation	79	10	.....
D.D. Statewide Directory of Services and Services Providers ...	103	100	.....
D.D. School Nursing Achievement	51	.....	.....
D.D. System for Statewide Data .....	.....	45	.....
D.D. Information System Prevention Efforts	30	55	.....
D.D. Unmet Needs Assessment	19	45	.....
D.D. Parent Training	30	57	.....
D.D. Phenylketonuria	15	15	.....
Consolidated D.D. Programs .....	.....	.....	207
Statewide Emergency Medical Services Information System	53	.....	.....
Health Resources Recruitment Project	7	58	48
National Health Services Corps	33	130	130
FHWA — Emergency Medical Services Program	35	50	50
FHWA — Driving Under Influence Management Grant	89	80	80
NIDA — State Training Systems Project	36	.....	.....
Social Security Administration (XVI) — Drug and Alcohol Referral and Monitoring	31	33	35
NIAAA — State Manpower Development	9	.....	.....
LEAA — Treatment Alternatives to Street Crime	21	500	.....
Alcohol, Drug Abuse and Mental Health Block Grant — Administration	1,420	1,520	1,453
Maternal and Child Health Block Grant — Administration	1,431	1,900	1,750
Preventive Health and Health Services Block Grant — Administration	234	300	319
Centralia Mine Fire Recovery .....	.....	169	130

Source of Funds (continued)	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Other Funds:			
Data Processing Reimbursement	\$ 987	\$ 1,600	\$ 1,100
Drug and Alcohol Annual Conference Fees	15	16	16
Pennsylvania State University/Hershey Medical Center —			
Elizabethtown Hospital for Children and Youth	4,272	4,705	4,799
Reimbursement from Federal Funds	60	594	566
Payments for Indirect Costs	769	300	300
Payment for Chargebacks	507	550	350
Certificate of Need .....	.....	90	90
TOTAL	<u>\$ 21,920</u>	<u>\$ 25,411</u>	<u>\$ 24,256</u>

Three Mile Island (TMI) — Health Studies	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 299	\$ 340	\$ 547
Other Funds	36	.....	.....
TOTAL	<u>\$ 335</u>	<u>\$ 340</u>	<u>\$ 547</u>

Provides for various health related studies (population, evaluation of pregnancy outcome, congenital neonatal hypothyroidism, health related economic costs, health behavior impacts, radiation dose assessment, radiation cytogenetic, and cancer registry) resulting from the March 28, 1979 accident at the Three Mile Island nuclear generating plant. Budget year includes funding for continued analysis of baseline data and epidemiology surveillance around all nuclear plants in Pennsylvania.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Three Mile Island (TMI) — Health Studies	\$ 299	\$ 340	\$ 547
Other Funds:			
TMI Studies — Electric Power Research Institute	36	.....	.....
TOTAL	<u>\$ 335</u>	<u>\$ 340</u>	<u>\$ 547</u>

GENERAL FUND

HEALTH

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Quality Assurance			
State Funds	\$ 3,222	\$ 3,520	\$ 3,638
Federal Funds	3,247	4,147	4,147
Other Funds	3,214	3,776	4,276
TOTAL	<u>\$ 9,683</u>	<u>\$ 11,443</u>	<u>\$ 12,061</u>

Provides programmatic control over the regulatory programs for health care facilities, conducts surveys for State licensure and Medicare and Medicaid certifications in nursing homes, other long-term care facilities, acute care facilities, surgical clinics, abortion clinics, out-patient clinics and renal dialysis clinics, insures all facilities comply with Title VI Civil Rights Act and State Human Relations Act; develops quality standards for all health care providers regulated by the Health Department.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Quality Assurance	\$ 3,222	\$ 3,520	\$ 3,638
Federal Funds:			
Medicare — Health Service Agency Certification	1,695	2,100	2,100
Medicaid Certification	1,518	2,012	2,012
Inpatient Psychiatric Unit Surveys	34	35	35
Other Funds:			
Publication Fees .....	.....	26	26
Reimbursement from Federal Funds	3,214	3,647	4,147
Reimbursement for Intermediate Care Facility/Mentally Retarded Facilities Reviews .....	.....	103	103
TOTAL	<u>\$ 9,683</u>	<u>\$ 11,443</u>	<u>\$ 12,061</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Vital Statistics			
State Funds	\$ 3,861	\$ 3,953	\$ 4,586
Other Funds	59	60	60
TOTAL	<u>\$ 3,920</u>	<u>\$ 4,013</u>	<u>\$ 4,646</u>

Assures the proper collection, registration and preservation of information on all births, deaths, fetal deaths, marriages, divorces and annulments occurring in Pennsylvania.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Vital Statistics	\$ 3,861	\$ 3,953	\$ 4,586
Other Funds:			
Reimbursement for Microfilming	59	60	60
TOTAL	<u>\$ 3,920</u>	<u>\$ 4,013</u>	<u>\$ 4,646</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Laboratory			
State Funds	\$ 2,537	\$ 2,840	\$ 2,933
Federal Funds	158	127	129
Other Funds	691	645	646
TOTAL	<u>\$ 3,386</u>	<u>\$ 3,612</u>	<u>\$ 3,708</u>

Develops and administers a comprehensive program involving the setting of clinical laboratory standards, licensing of all clinical laboratories, determining proficiency levels in all clinical laboratories, providing training and specialized testing, and direct laboratory support to certain department programs. Contains divisions for bacteriology, virology, immunology, clinical chemistry, hematology, laboratory licensure and training.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
State Laboratory	\$ 2,537	\$ 2,840	\$ 2,933
Federal Funds:			
Medicare — Health Services Agency Certification — State			
Laboratory	129	127	129
FHWA — Breath Device Testing	29	.....	.....
Other Funds:			
Licensure of Clinical Laboratories	190	190	190
Reimbursement from Federal Funds	473	435	437
Blood Lead Testing — Chester	5	3	3
Low Volume Proficiency Testing	9	9	9
Training Fees	6	7	7
Laboratory Personnel Registry	2	1	.....
Symposium Fees	6	.....	.....
TOTAL	<u>\$ 3,386</u>	<u>\$ 3,612</u>	<u>\$ 3,708</u>

GENERAL FUND **HEALTH**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Health Care Centers			
State Funds	\$ 12,965	\$ 13,557	\$ 14,024
Other Funds	3,462	3,847	3,832
TOTAL	<u>\$ 16,427</u>	<u>\$ 17,404</u>	<u>\$ 17,856</u>

Provides for the management of staff in the district offices and State Health Centers and provides for public health programs that can be categorized as: communicable diseases, chronic diseases, chronic respiratory diseases, maternal and child health, and crippled children.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
State Health Care Centers	\$ 12,965	\$ 13,557	\$ 14,024
Other Funds:			
Early Periodic Screening Diagnosis and Treatment	16	41	41
Payments — Departmental Services	3	.....	.....
Reimbursement from Federal Funds	3,443	3,806	3,791
TOTAL	<u>\$ 16,427</u>	<u>\$ 17,404</u>	<u>\$ 17,856</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Information Programs and Registries			
State Funds	\$ 806	\$ 917	\$ 1,181

Provides for the administration and operations of specific informational programs and continued maintenance of mandated health registries.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Vietnam Herbicides Information Commission	\$ 134	\$ 150	\$ 230
Diabetes Task Force	201	217	301
Cancer Registry	471	500	600
Arthritis Task Force .....	.....	50	50
TOTAL	<u>\$ 806</u>	<u>\$ 917</u>	<u>\$ 1,181</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
School Health Examinations			
State Funds	\$ 18,500	\$ 18,700	\$ 18,700

Provides for reimbursement to school districts for providing certain health services to school children that will ensure that the children will develop their maximum potential. The funds are used to pay for school nurses, dental hygiene, examination services, and periodic vision and hearing tests.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
School Health Examinations	<u>\$ 18,500</u>	<u>\$ 18,700</u>	<u>\$ 18,700</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Local Health Departments			
State Funds	\$ 21,456	\$ 21,311	\$ 21,635

Provides health services reimbursement to those counties having an organized and locally funded county health department. The current rate of reimbursement for county health departments is \$4.50 per person or fifty percent of the operating budget, whichever is lower. Currently reimbursement is provided to five full-time county health departments (Philadelphia, Allegheny, Erie, Bucks, Chester) and city health departments in Allentown and Bethlehem. Also provides environmental health service reimbursement based on a per capita grant of \$.75 per resident population.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Local Health Departments	\$ 18,165	\$ 18,020	\$ 18,380
Local Health Departments — Environmental	3,291	3,291	3,255
TOTAL	<u>\$ 21,456</u>	<u>\$ 21,311</u>	<u>\$ 21,635</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Maternal and Child Health			
State Funds	\$ 772	\$ 803	\$ 819
Federal Funds	69,796	79,857	77,095
TOTAL	<u>\$ 70,568</u>	<u>\$ 80,660</u>	<u>\$ 77,914</u>

Establishes maternal care and child health care services in areas the Commonwealth deems most in need. Program is directed towards reducing mortality and improving developmental disabilities in children. Includes all funding for the maternal and child health programs under the Federal Maternal and Child Health Services Block Grant.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Maternal and Child Health	\$ 772	\$ 803	\$ 819
Federal Funds:			
Special Supplemental Food Program for Women, Infants, and Children (WIC)	45,739	55,700	55,500
Jobs Bill — Special Supplemental Food Service Program for Women, Infants and Children (WIC)	5,787	.....	.....
Maternal and Child Health — Improved Pregnancy Outcome ..	118	6	.....
Genetic Disease Testing and Counseling	45	.....	.....
Genetic Screening, Education .....	.....	155	311
Genetic Screening .....	.....	15	3
Crippled Children's Services — Projects	530	331	331
Maternal and Child Health Services Block Grant — Crippled Children Programs	3,780	6,000	7,000
Maternal and Child Health Services Block Grant — Maternal and Child Health Services	8,477	16,000	13,000
Maternal and Child Health Services Block Grant — Supplemental Security Income	948	950	950
Jobs Bill — Maternal and Child Health Services	4,372	700	.....
TOTAL	<u>\$ 70,568</u>	<u>\$ 80,660</u>	<u>\$ 77,914</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Prevention and Treatment Services			
State Funds	\$ 11,974	\$ 14,569	\$ 16,683
Federal Funds	5,471	6,966	6,781
Other Funds	19	.....	.....
TOTAL	<u>\$ 17,464</u>	<u>\$ 21,535</u>	<u>\$ 23,464</u>

Provides for the prevention and treatment of diseases (hemophilia, sickle cell anemia, cooley's anemia, renal, spina bifida, black lung, and others). Also provides assistance through grants and contracts for development of comprehensive area emergency medical care. Includes all funding for the preventive health programs under the Federal Preventive Health and Health Services Block Grant.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Emergency Health Services	\$ 1,704	\$ 1,844	\$ 1,881
Hemophilia Services	1,384	1,384	1,412
Sickle Cell Anemia	700	728	743
Sickle Cell Anemia — Summer Camp .....	.....	25	.....
Cooley's Anemia	194	212	216
Renal Disease	5,166	6,216	9,295
Renal Disease — Recommended Supplemental .....	.....	1,084	.....
Home Ventilators	371	386	394
Coalworkers's Pneumoconiosis Services	534	632	645
Spina Bifida	750	750	765
Keystone State Games	50	100	100
Adult Cystic Fibrosis	172	194	198
Screening and Treatment — Venereal Disease	378	394	402
Screening and Treatment — Tuberculosis	571	620	632
Federal Funds:			
Black Lung Clinic Program	1,011	1,145	1,011
Migrant Health Services	528	700	740
Disease Control — Immunization Program	208	302	302
Surveys and Follow-up Venereal Disease	589	630	560
Diabetes Control	226	342	342
Tuberculosis Control	46	104	104
ARC Communications System	359	342	.....
Preventive Health and Health Services Block Grant — Emergency Medical Services	758	905	905
Preventive Health and Health Services Block Grant — Health Education and Prevention	340	432	475
Preventive Health and Health Services Block Grant — Tuber- culosis Programs	549	569	569
Preventive Health and Health Services Block Grant — Hypertension Services	681	940	940
Preventive Health and Health Services Block Grant — Diabetes Task Force	132	218	218
Preventive Health and Health Services Block Grant — Fluoridation Services	3	20	80
Preventive Health and Health Services Block Grant — Arthritis Medical Assistance — Home Ventilators	41	82	300
Adult Cystic Fibrosis .....	.....	115	115
Pediatric Rheumatology .....	.....	120	120
Other Funds:			
Bequest of Marie Gabler	19	.....	.....
TOTAL	<u>\$ 17,464</u>	<u>\$ 21,535</u>	<u>\$ 23,464</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Assistance to Drug and Alcohol Abuse Programs			
State Funds	\$ 24,414	\$ 26,918	\$ 28,918
Federal Funds	13,979	12,175	11,463
TOTAL	\$ 38,393	\$ 39,093	\$ 40,381

Provides grants to counties and to private facilities to finance drug and alcohol abuse treatment and prevention programs. Includes all funding for the drug and alcohol abuse programs under the Federal Alcohol, Drug Abuse and Mental Health Block Grant.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Assistance to Drug and Alcohol Abuse Programs	\$ 24,414	\$ 26,918	\$ 28,918
Federal Funds:			
Alcohol, Drug Abuse and Mental Health Block Grant — Alcohol Problem	4,977	4,888	4,617
Alcohol, Drug Abuse and Mental Health Block Grant — Drug Problems	8,232	6,975	6,741
Jobs Bill — Alcohol, Drug Abuse and Mental Health Block Grant	770	35	. . . .
Juvenile Treatment Alternatives to Street Crime .....	. . . .	150	105
Drug and Alcohol Support Services to YDCs and YFCs .....	. . . .	127	. . . .
TOTAL	\$ 38,393	\$ 39,093	\$ 40,381

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Health Research and Support Activities			
State Funds	\$ 1,836	\$ 3,537	\$ 4,112

Provides funds for supporting research and efforts relative to special health conditions with special emphasis on cancer.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Cancer Control, Prevention and Research	\$ 538	\$ 2,000	\$ 3,000
The Institute for Cancer Research, Fox Chase, Philadelphia ..	418	435	435
Pittsburgh Cancer Institute .....	. . . .	250	. . . .
The Wistar Institute — Research, Philadelphia	200	208	208
Lupus Disease — Research	80	80	80
Cardiovascular Studies — University of Pennsylvania	60	62	62
Cardiovascular Studies — St. Francis Hospital, Pittsburgh ..	60	62	62
Central Pennsylvania Oncology Group	100	104	104
Burn Foundation of Greater Delaware Valley	155	161	161
Sunshine Foundation	75	25	. . . .
United Neighborhood Facilities Health Care — Erie	150	150	. . . .
TOTAL	\$ 1,836	\$ 3,537	\$ 4,112

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Chronic, Catastrophic and Degenerative Diseases			
State Funds	\$ 725	\$ 754	\$ 754

Provides funds for the detection and treatment of various chronic, catastrophic and degenerative diseases including cerebral palsy, cleft palate, and Tay-Sachs disease.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Cerebral Palsy — St. Christopher's Hospital, Philadelphia	\$ 575	\$ 598	\$ 598
Cleft Palate Clinic — Lancaster	50	52	52
Cleft Palate Clinic — Pittsburgh	50	52	52
Tay Sachs Disease — Jefferson Medical College	50	52	52
TOTAL	<u>\$ 725</u>	<u>\$ 754</u>	<u>\$ 754</u>

DEPARTMENT OF HEALTH

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 7,705	\$ 7,908	\$ 8,183	\$ 8,510	\$ 8,850	\$ 9,204	\$ 9,573
Comprehensive Health Systems							
Development	\$ 15,078	\$ 16,037	\$ 17,123	\$ 17,734	\$ 18,369	\$ 19,029	\$ 19,714
Medical Research and Health							
Information	8,061	8,539	9,394	9,733	10,087	10,454	10,836
Medical Facilities Review	3,908	4,239	4,382	4,558	4,740	4,929	5,126
Health Services Development	3,109	3,259	3,347	3,443	3,542	3,646	3,752
Health Maintenance	\$ 51,097	\$ 53,339	\$ 55,073	\$ 56,000	\$ 56,951	\$ 57,931	\$ 58,941
Health Maintenance and Disease							
Prevention	43,214	45,237	46,774	47,557	48,359	49,184	50,030
Detection and Diagnosis	7,883	8,102	8,299	8,443	8,592	8,747	8,911
Patient Care	\$ 40,298	\$ 45,321	\$ 49,422	\$ 51,441	\$ 53,529	\$ 55,684	\$ 57,912
Outpatient Treatment	14,972	17,486	19,572	20,997	22,478	24,016	25,614
Inpatient Treatment	912	917	932	947	964	980	996
Prevention/Intervention of Drug and							
Alcohol Abuse	4,883	5,384	5,784	5,900	6,018	6,138	6,261
Treatment of Drug and Alcohol Abuse ..	19,531	21,534	23,134	23,597	24,069	24,550	25,041
DEPARTMENT TOTAL	<u>\$ 114,178</u>	<u>\$ 122,605</u>	<u>\$ 129,801</u>	<u>\$ 133,685</u>	<u>\$ 137,699</u>	<u>\$ 141,848</u>	<u>\$ 146,140</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,705	\$ 7,908	\$ 8,183	\$ 8,510	\$ 8,850	\$ 9,204	\$ 9,573
Federal Funds	3,226	3,973	3,777	3,853	3,853	3,853	3,853
Other Funds	3,329	3,880	3,648	3,648	3,648	3,648	3,648
TOTAL	\$ 14,260	\$ 15,761	\$ 15,608	\$ 16,011	\$ 16,351	\$ 16,705	\$ 17,074

Program Analysis:

General Administration and Support Services develop, coordinate and provide management systems which support the operations of health programs and are essential to the achievement of objectives. The success or failure of these support services have an impact on the effectiveness of the Department's programs.

During 1984-85, the department will utilize Integrated Central Systems (ICS) terminals at the executive bureau and field level offices to assist the agency in the development of a comprehensive fiscal management program. The department also has in place a personnel management system and an automated inventory program.

User information needs have been steadily increasing in the past several years, with the particularly rapid development of data user sophistication and user oriented personal computing. Currently the Health Data Center's computer, telecommunications network, peripherals and related software support 41 major systems, encompassing 81 sub-systems, utilizing approximately 2,900 programs.

The administrative costs associated with the State Public Health Laboratory and the State Health Care Centers are also included in this subcategory. The State Public Health Laboratory, with facilities at Lionville, is responsible for the provision, coordination, counseling, and consultation concerning the laboratory support needs of all Department programs as well as maintaining a liaison and a working relationship with: the State Public Health Laboratory in each of the other states; Federal government and university-based laboratories; and the clinical laboratory community of the Commonwealth.

The State Health Care Centers provide public health services to citizens of the Commonwealth through a network of 6 District Offices and 70 Health Care Centers covering all counties except Allegheny, Bucks, Chester, Erie and Philadelphia, and two municipalities, Allentown and Bethlehem. The counties and municipalities have local health departments partially funded through grants by the Department.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 3,893	\$ 3,919	\$ 4,058	\$ 4,220	\$ 4,389	\$ 4,565	\$ 4,748
State Laboratory	52	57	58	60	62	64	67
State Health Care Centers	3,760	3,932	4,067	4,230	4,399	4,575	4,758
TOTAL	\$ 7,705	\$ 7,908	\$ 8,183	\$ 8,510	\$ 8,850	\$ 9,204	\$ 9,573

Medical Research and Health Information

OBJECTIVE: To improve the utilization of existing health resources, to develop more effective methods of gathering and utilizing health information, and to develop basic scientific knowledge about the nature of disease and illness including the effect of biological, social and environmental processes.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 8,061	\$ 8,539	\$ 9,394	\$ 9,733	\$ 10,087	\$ 10,454	\$ 10,836
Federal Funds	491	883	783	783	783	783	783
Other Funds	1,549	1,788	1,649	1,649	1,649	1,649	1,649
TOTAL	\$ 10,101	\$ 11,210	\$ 11,826	\$ 12,165	\$ 12,519	\$ 12,886	\$ 13,268

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Vital events (births, deaths, fetal deaths, marriages and divorces):							
Registered and processed	416,500	417,100	417,700	418,500	418,900	419,500	420,000
Percent registered and processed within 30 days	36%	36%	37%	37%	37%	37%	37%
Applications for certified copies of birth and death records:							
Filled	446,600	465,000	461,500	458,000	454,500	451,000	447,500
Percent filled within 10 days	75%	76%	92%	99%	99%	99%	99%
Epidemiological studies and research projects conducted	32	30	30	30	30	30	30
Cancer Registry:							
Pennsylvania general hospitals reporting to the Pennsylvania Cancer Registry ..	209	261	261	261	261	261	261
Percent of Pennsylvania general hospitals reporting	76%	100%	100%	100%	100%	100%	100%
Abstracts received on a yearly basis	25,000	48,000	70,000	70,000	70,000	70,000	70,000

Program Analysis:

Timely and accurate health information is essential to the effective functioning of the Department of Health, other State agencies and the public community. Reliable health information is needed to contain the outbreak of communicable diseases; identify the existence and extent of health problems; evaluate the adequacy of health facilities, services and manpower; and evaluate alternative methods for the delivery of health care services. In addition, dissemination of health data to Pennsylvanians, as well as to Federal, State and local agencies is of major importance to the department.

One focus of this subcategory is collection and dissemination of health data. The State Health Data Center, as a designated State center for health statistics under P.L. 95-623, serves as the focal point in Pennsylvania for coordinating the collection, analysis and dissemination of health

statistics and information. The center maintains statistical information on the health status of the population, (including leading causes of death, life expectancy, and infant mortality). Data sets are also maintained on selected groups relating to occupational health, developmental disabilities and on the health care delivery services and health facilities. The center handles about 3,000 requests for service each year.

The State Health Data Center's Vital Records Division is the repository for all records of births, deaths, fetal deaths, marriages and divorces which occurred to Pennsylvania residents. In 1985-86, approximately 155,000 births, 122,600 deaths, 3,600 fetal deaths, 92,400 marriages, 44,100 divorces are projected to be registered. These vital records are the primary source for much important medical and health information such as: life expectancy, mortality statistics on

Medical Research and Health Information (continued)

Program Analysis: (continued)

causes of death and birth or fertility rates. In 1985-86, it is estimated that approximately 312,000 birth certificates will be issued by the department for a fee, with approximately 76,000 free birth certificates issued to veterans, and 155,000 issued free to new parents. The department anticipates issuing approximately 228,000 death certificates for a fee, and issuing 76,000 free to veterans or their next of kin. The division utilizes a state-wide network of 320 local registrars to collect original birth and death records. The Vital Statistics Law allows these local registrars to issue certified copies of death records while the original records are in their possession. In fiscal year 1985-86, it is estimated that over 670,000 certified copies of deaths will be issued by local registrars.

In 1985-86, the Division of Vital Records will receive additional funds for a Productivity Improvement Initiative-Vital Statistics Automation. Approximately 7,000,000 birth records from 1924-1958 will be data entered to create a totally automated retrieval system, thereby reducing costs and eliminating excessive response time needed in order to retrieve hard copy records manually. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

The second focus of this subcategory is medical and public health research designed to determine the existence and extent of health problems and to evaluate alternative methods for the delivery of health care services. To accomplish this, the Department of Health administers diverse activities, research projects and studies related to the etiology, distribution, and trend of major diseases. The department also provides epidemiologic assessment of health problems that include environmental-occupational hazards, health risk behavior and life style of the general public or selected populations, and provides professional consultation and technical support for other agencies, county health departments and local municipalities. Examples of the department's health research activities follow.

Under Act 99-1982 known as the Vietnam Herbicides Information Act, the Department of Health is responsible for the establishment and maintenance of a registry of Pennsylvania's Vietnam Veterans who were possibly exposed to herbicides used in Vietnam; the initiation of programs to educate health professionals regarding current detection, diagnosis and treatment of symptoms associated with herbicide exposure; and promotion and maintenance of public

information on Vietnam herbicides.

A Registry of veterans exposed to herbicides in Vietnam was implemented effective October 1, 1984. In 1985-86 responses from questionnaires sent to 45,000 Vietnam veterans will be data entered and analyzed. Additional funding is provided in the Governor's Budget to enable the Department of Health to complete this task. The Department of Health has distributed a physicians' manual to over 9,400 doctors to provide an overview of problems due to exposure to herbicides in Vietnam. Audio cassettes have been sent to teaching hospitals as an additional means of educating health professionals. A toll free telephone number, 300,000 informational brochures, public service announcements, advertisements and the news media have been utilized to promote public awareness and increase contacts.

In March 1983, the Pennsylvania Cancer Advisory Board published the Pennsylvania Cancer Plan, which provides guidelines for implementing the 1980 Pennsylvania Cancer Control, Prevention and Research Act in four areas: a Pennsylvania cancer registry; prevention, screening and detection; cancer rehabilitation; and epidemiology. The Pennsylvania Cancer Registry was established in fiscal year 1982-83 in south central and southeastern Pennsylvania and is now operational statewide. The registry data will be used to develop programs, assess programs and conduct epidemiological and research activities. Approximately 48,000 entries are expected during 1984-85 and 70,000 entries in 1985-86. Additional funding is provided in the Governor's Budget to allow the registry to process and code cancer patient abstracts, maintain the abstract data base and produce an annual incidence report.

The TMI Health Related Studies Program continues to assess health effects (associated with the low-level radiation incident of March 1979) upon the local population. In 1985-86, additional funding is provided so that the TMI Health Related Studies Program may complete the first five years morbidity sample survey.

As part of its overall program in Environmental Health, the department continues to conduct appropriate medical and public health investigations of toxic hazardous waste sites, the underground mine fire in Centralia and other specific areas as they arise.

Medical Research and Health Information (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,378	\$ 2,395	\$ 2,480	\$ 2,579	\$ 2,682	\$ 2,789	\$ 2,901
Three Mile Island—Health Related							
Studies	299	340	547	569	592	616	641
Vital Statistics	3,861	3,953	4,586	4,769	4,960	5,158	5,364
Vietnam Herbicides Information							
Commission	134	150	230	239	249	259	269
Institute for Cancer Research, Fox							
Chase, Philadelphia	418	435	435	435	435	435	435
The Wistar Institute—Research	200	208	208	208	208	208	208
Lupus Disease—Research	80	80	80	82	84	86	88
Cardiovascular Studies—Philadelphia....	60	62	62	62	62	62	62
Cardiovascular Studies—St. Francis							
Hospital, Pittsburgh.....	60	62	62	62	62	62	62
Central Penn Oncology Group	100	104	104	104	104	104	104
Cancer Registry.....	471	500	600	624	649	675	702
Pittsburgh Cancer Institute.....		250					
GENERAL FUND TOTAL	\$ 8,061	\$ 8,539	\$ 9,394	\$ 9,733	\$ 10,087	\$ 10,454	\$ 10,836

Medical Facilities Review

OBJECTIVE: To insure that health facilities meet minimum standards for health and safety and to insure that adequate and accessible health care can be provided to the citizens of Pennsylvania

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,908	\$ 4,239	\$ 4,382	\$ 4,558	\$ 4,740	\$ 4,929	\$ 5,126
Federal Funds	3,412	4,374	4,376	4,459	4,459	4,459	4,459
Other Funds	3,547	4,154	4,630	4,716	4,716	4,716	4,716
TOTAL	\$ 10,867	\$ 12,767	\$ 13,388	\$ 13,733	\$ 13,915	\$ 14,104	\$ 14,301

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Health care facilities in Pennsylvania surveyed and licensed:							
Hospitals (biennially)	256	261	261	261	261	261	261
Skilled and intermediate care nursing homes	654	656	676	686	696	706	716
Intermediate care facilities/MR	90	90	95	100	105	110	115
Freestanding birth centers	10	12	14	16	18	20	20
Home health agencies	200	300	330	360	390	420	450
Ambulatory surgical centers	5	10	20	25	35	40	40
Clinical laboratories	943	1,200	1,500	1,800	2,100	2,400	2,700
Psychiatric units	115	115	120	125	125	130	130
Product violations issued on misbranded and/or adulterated merchandise	182	185	185	185	190	190	190

Program Analysis:

The Department of Health is responsible for assuring that the citizens of the Commonwealth have access to a high standard of health care. The department is responsible for the enforcement of compliance with regulations pertaining to hospitals, nursing homes, home health agencies, primary care providers, and intermediate care facilities for the mentally retarded. The quality assurance effort emphasizes providing assistance to health care providers in upgrading facilities and service through the provision of education and consultation services.

Survey teams periodically conduct program surveys of these facilities for compliance with standards of sanitation, fire safety, health and level of care required for Medicare and Medicaid certification and a State license. Survey deficiencies are indicated and requests for an acceptable plan of correction within a specific time period are presented to the health care facilities' administration.

In the Commonwealth of Pennsylvania, there are approximately 83,000 citizens residing in 656 nursing care facilities

and 9,500 in 90 Intermediate Care Facilities for the Mentally Retarded (ICF/MRs). These facilities must have a State license in order to operate and, in addition, must be certified by the department that they comply with Federal standards if they choose to receive Medicare and Medicaid reimbursement. To meet State and Federal regulations, the department must inspect each nursing home and ICF/MR annually and, in addition, monitor those institutions that have demonstrated serious deficiencies. The program measure for the number of ICF/MR facilities surveyed and licensed in Pennsylvania has been updated from the previous year projections because the Department of Health had expected an increase in the number of ICF/MR facilities which did not occur.

The department also insures compliance with State and Federal regulations for 261 acute care general hospitals and 31 psychiatric hospitals (the latter for Federal purposes only) in its implementation of the licensure and Federal certification programs.

Medical Facilities Review (continued)

Program Analysis: (continued)

With the enactment of the Health Care Facilities Act (1980-136) in November 1980, additional statutory requirements for licensing three new categories of Health Care providers became effective. These three new categories are (1) birth centers which provide an alternative to the traditional hospital setting for uncomplicated obstetrical deliveries, (2) home health agencies and (3) ambulatory surgical centers now operating in the Commonwealth. Regulations for birthing centers are expected to be promulgated early in 1985. Regulations for Home Health Agencies and ambulatory surgical centers are still under development. The introduction of Diagnostic Related Groups (DRGs) at the federal and state levels could explain the unusually rapid growth of Home Health Agencies in the Commonwealth.

Act 136 also requires the department to eliminate, to the extent possible, duplication of inspections of health care facilities by various state agencies. Procedures have been implemented to conduct survey activities by the hospital surveyors during regular licensure visits to preclude the necessity for separate surveys by other agencies.

The department has the responsibility for supervising the manufacture, distribution, storage and sale of drugs, devices, cosmetics and hearing aids within the Commonwealth. Defective drugs, devices and cosmetics are routinely cited and destroyed under staff supervision to pro-

tect consumers. The department prepares and distributes a Generic Drug Formulary so that the public may have the benefits of lower-cost prescription drugs; copies are distributed to all pharmacies across the State and to physicians on request. Regulations are prepared and finalized in order to provide enforcement over controlled substances, drugs, devices and cosmetics, sales of hearing aids and drugs permitted for interchange or substitution.

The Department of Health is mandated to develop a program assuring that all clinical laboratory services provided in the Commonwealth meet or exceed standards of performance which are technically feasible and clinically useful. The activities and services incorporated in this program include (1) an on site inspection used for evaluation and an annual licensure of each clinical laboratory, (2) refresher and updated training and education of clinical laboratory personnel, (3) confirmation testing of certain samples from licensed clinical laboratories, or special testing as a means of developing and maintaining confidence and reliable clinical laboratory service at the community level.

The incorporation of physician's office laboratories under the Clinical Laboratory Act has increased the number of annual inspections, revisits, training requests and reference needed, so that 1,200 clinical laboratories are currently being licensed. A portion of these costs will be recovered through the annual licensing fee.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 432	\$ 435	\$ 450	\$ 468	\$ 487	\$ 506	\$ 526
Quality Assurance	3,222	3,520	3,638	3,784	3,935	4,092	4,256
State Laboratory	254	284	294	306	318	331	344
GENERAL FUND TOTAL	\$ 3,908	\$ 4,239	\$ 4,382	\$ 4,558	\$ 4,740	\$ 4,929	\$ 5,126

Health Services Development

OBJECTIVE: To develop a coordinated health care delivery system.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,109	\$ 3,259	\$ 3,347	\$ 3,443	\$ 3,542	\$ 3,646	\$ 3,752
Federal Funds	1,504	2,165	1,813	1,813	1,813	1,813	1,813
Other Funds	859	1,021	939	939	939	939	939
TOTAL	\$ 5,472	\$ 6,445	\$ 6,099	\$ 6,195	\$ 6,294	\$ 6,398	\$ 6,504

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Short-term hospital beds:							
Needed	48,938	46,491	44,166	41,958	41,958	41,958	41,958
Available	51,774	51,474	51,204	50,961	50,741	50,545	50,292
Long-term care beds:							
Needed	83,383	85,880	87,673	89,466	91,259	93,052	94,845
Available	82,327	83,150	83,982	84,822	85,669	86,527	87,392
Applications reviewed and processed by the State Health Planning and Development Agency:							
Approved	261	311	270	257	245	234	225
Disapproved	9	13	16	18	19	20	21
Withdrawn	10	24	36	45	48	51	53
Emergency medical technicians certified annually:							
Initial certification	4,258	4,200	4,200	4,200	4,200	4,200	4,200
Recertification	2,183	2,200	2,300	2,400	2,500	2,750	3,000
Ambulance services in State	1,047	1,025	1,025	1,025	1,025	1,025	1,025
Health maintenance organizations reviewed for quality of care	13	13	13	14	15	16	16

Program Analysis:

The emphasis of the Department of Health's efforts in health service development is to work with health care providers and local communities in the State to develop a more effective health care system capable of providing quality health care services at an affordable cost.

The problems of rapidly increasing health care costs, unneeded hospital beds and the geographic maldistribution of health resources are widely recognized. The department's approaches in dealing with these problems are: health planning, certificate of need, development of health resources, and health financing and program development.

The health planning efforts, mandated by the National Health Planning and Resources Development Act of 1974. (P.L. 93-641) established three major types of health planning organizations: eight local health systems agencies (HSAs); the State Health Planning and Development Agency (SHPDA); and the Statewide Health Coordinating Council (SHCC). The department coordinates planning activities with these entities.

Local HSAs have the basic responsibility to: improve the health of residents in the health service area; increase accessibility, acceptability, continuity and quality of services;

Health Services Development (continued)

Program Analysis: (continued)

restrain increases in cost of providing services; and prevent unnecessary duplication of health resources. The local HSAs incorporate these ideals into a health system plan which is followed by an annual implementation plan.

The Department of Health was designated the State Health Planning and Development Agency with the responsibility for preparing the State Health Plan and providing support services to the Statewide Health Coordinating Council and the policy board created under the Certificate of Need legislation.

The third organization, the Statewide Health Coordinating Council (SHCC) is composed of representatives of the provider organizations and consumers appointed by the Governor. Council functions include: review and coordination of HSA plans; preparation and annual revision of the State Health Plan; annual review of HSA budgets and Federal grant applications; and examination of any State plan or application submitted to the federal Department of Health and Human Services (HHS) for funds allotted for health programs in Pennsylvania.

The Department of Health is also responsible for the administration of a State certificate of need program. In 1979, a Certificate Of Need (CON) Law (Act 48, The Health Care Facilities Act of 1979 as amended) was enacted in an effort to comply with the Federal law and reduce the rate of health costs inflation due to unnecessary capital expenditures in health facilities. This act requires the department to determine the need for hospitals and nursing homes to make major capital investments in physical plants or acquisition of expensive equipment. The process for issuing a certificate of need begins with the local Health Systems Agencies reviewing the proposed capital expenditure and recommending either approval or disapproval to the Secretary of Health, who makes the final decision (subject to appeal) based on need. Reductions in the number of short-term hospital beds needed and available are due to the impact of Diagnostic Related Groups (DRGs). Hospitals are likely to dedicate the use of short-term bed space to other purposes. The number of long term beds needed and available are estimated to increase because of the increasing elderly population, which will require long term care.

Based on recent trends, it is assumed that the number of applications approved by the State Health Planning and Development Agency will reach its peak in 1984-85 and start declining in later years. However, the number of applications withdrawn should increase based on the anticipated impact of DRGs and other cost containment efforts.

In recognition of the important relationship between the payment and the delivery of services, the department seeks to influence the health financing system so as to positively impact health services using two program strategies: regulatory and developmental. The department oversees a broad range of health plans, including health maintenance organizations (HMOs) and non-profit medical-surgical, optometric and dental service plans, as well as Pennsylvania Blue Shield's health plans.

The department promotes the development of alternative delivery systems such as health maintenance organizations, capitated health care delivery systems and primary care centers. The goal is that the marketplace, increased competition, and consumer choice will control costs while providing adequate access and quality to consumers and at the same time permitting a reduction in government regulation and control of the health financing and delivery systems. So far in the 1984-85 fiscal year, there are 454,695 persons enrolled in 13 HMOs.

In addition to the above, the department takes an active role in exploring and participating in the development of health care cost containment proposals and projects, in developing demonstration projects and monitoring the impact of Federal health financing and insurance policy on the Pennsylvania health financing and delivery systems.

The Emergency Medical Service Systems Act (1976) encourages the planned development of coordinated emergency medical services by authorizing the department to negotiate and provide grants and contracts for these purposes. The Act requires that planned and implemented emergency medical services systems address the following issues: manpower, training, transportation, communications, hospital facilities, critical care units, involvement of public safety agencies and consumers, inter-hospital transfer and disaster planning.

The Emergency Medical Technician (EMT) Paramedic Act authorizes the department to develop and promulgate training standards for emergency medical technicians and paramedics. There were 4,258 emergency medical technicians and 943 paramedics certified in fiscal year 1983-84. Continued training is necessary to replace attrition losses each year. The number of emergency medical technicians certified and recertified has decreased from the original projection based on actual data available. It is difficult to accurately project this measure, since certification and recertification is voluntary.

Health Services Development (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,405	\$ 1,415	\$ 1,466	\$ 1,525	\$ 1,586	\$ 1,651	\$ 1,717
Emergency Health Services	1,704	1,844	1,881	1,918	1,956	1,995	2,035
GENERAL FUND TOTAL	<u>\$ 3,109</u>	<u>\$ 3,259</u>	<u>\$ 3,347</u>	<u>\$ 3,443</u>	<u>\$ 3,542</u>	<u>\$ 3,646</u>	<u>\$ 3,752</u>

Health Maintenance and Disease Prevention

OBJECTIVE: To promote sound health practices in the population; to reduce the need for remedial health care; and to reduce morbidity and mortality due to health defects and disease.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 43,214	\$ 45,237	\$ 46,774	\$ 47,557	\$ 48,359	\$ 49,184	\$ 50,030
Federal Funds	60,708	63,390	62,272	63,499	63,499	63,499	63,499
Other Funds	1,839	1,980	1,944	1,944	1,944	1,944	1,944
TOTAL	\$ 105,761	\$ 110,607	\$ 110,990	\$ 113,000	\$ 113,802	\$ 114,627	\$ 115,473

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Resident live births	158,810	157,000	156,000	156,000	155,000	155,000	155,000
Percent low birth weight live births	6.7%	6.6%	6.5%	6.4%	6.3%	6.2%	6.1%
Death rate of children under one year of age per 1,000 births	11.2	11.0	10.8	10.6	10.4	10.2	10.0
High risk pregnant women in maternity care programs	18,556	23,286	22,971	22,971	22,971	22,971	23,000
Infants and preschool children under health supervision	89,471	89,471	90,096	90,096	90,096	90,100	90,100
Children immunized against diphtheria, pertussis, tetanus, measles, polio and rubella	175,000	135,000	135,000	135,000	135,000	135,000	135,000
Reported incidences of vaccine preventable diseases in children	250	40	30	30	30	30	30
Communicable disease cases investigated	10,846	10,700	10,500	10,500	10,500	10,500	10,500
Communicable disease incidences reported:							
Venereal disease	12,253	12,150	12,130	12,120	12,120	12,120	12,120
AIDS	50	50	50	50	50	50	50
Others (less animal bites)	14,488	14,500	14,500	14,500	14,500	14,500	14,500
Patient visits by migrant workers and their dependents	24,255	25,500	26,000	26,000	26,000	26,000	26,000
Persons participating in the Special Supplemental Food Program for Women, Infants and Children (WIC) (monthly average)	138,201	146,500	146,500	146,500	146,500	146,500	146,500
Average monthly WIC nutrition education contacts	46,066	48,832	48,832	48,832	48,832	48,832	48,832
Persons completing a standard diabetes patient education program	146	350	400	400	400	400	400
Persons screened for hypertension	153,300	153,300	153,300	153,300	153,300	153,300	153,300
Hypertension cases discovered by screening	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Hypertension cases diagnosed and referred for treatment	20,000	20,000	20,000	20,000	20,000	20,000	20,000

Health Maintenance and Disease Prevention (continued)

Program Analysis:

The prevention of disease has always been the primary mission of the Department of Health. It has been learned through experience that although it is possible to control or almost eradicate the most common communicable diseases by mass immunizations of the population, there are continued threats to public health that require ongoing prevention efforts. The prevention of disease encompasses three areas: the environment, health services, and lifestyle.

The department provides programs of health supervision for infants and preschoolers in State Health Centers and other Child Health Service projects. During fiscal year 1984-85, data for the number of infants and preschool children under health supervision reflects a decrease from estimates because more accurate counts of individual children are now available, from a new automated data system. In each setting, infants and preschoolers receive health assessments which include: physical examinations, growth and development assessments and screening for health problems (hearing, vision, anemias, tuberculosis and dental). An aggressive immunization program targeted at children is clearly reflected in the 175,000 children immunized against diphtheria, pertussis, tetanus, measles, mumps, rubella, and polio during 1983-84. Vaccine preventable illnesses increased during 1983-84 due to children with whooping cough, mainly among the Amish, a religious sect. The reduction in the vaccine given reflects a cessation of school based immunization activities and the continuation of preschool activities at State Health Centers and primary health centers.

Additional services to high risk infants and preschool-aged children are also provided in State Health Centers. Low birth weight infants and children with congenital anomalies or handicapping conditions are specially targeted for these additional services. Detecting health problems and early referrals leads to more desirable health outcome for these high risk children.

Lack of early prenatal care, coupled with economic and social disadvantage, results in greater risk for maternal complications and poor pregnancy outcomes for low income women. The department provides comprehensive maternity services, with emphasis on outreach and early enrollment into care; education to promote healthy maternal behavior; screening, early detection, and appropriate timely medical intervention for preventable maternal/fetal complications and psychosocial support services for the childbearing women.

In 1984-85, the Maternity Program is expected to provide 23,286 high risk pregnant women with intensive prenatal and maternity care services. The increase in the number of high risk pregnant women in maternity care programs is due to the availability of Jobs Bill funding in the Maternal and

Child Health (MCH) Block Grant. In 1985-86 this number should remain high, since there is an increase in MCH block grant funds. In 1985-86, the department will use \$748,000 from the MCH block grant to expand prenatal and maternity services to teenagers in the State and to establish an information and referral hotline for pregnant teenagers and teen parents. The department is supporting the development of regional perinatal networks in the Commonwealth which encourage appropriate referral and efficient inter-hospital transport systems for high risk mothers and newborns. The networks would provide education to evaluate and improve the quality of care based on standard data.

The Department of Health administers the Federally funded Special Supplemental Food Program for Women, Infants and Children (WIC). This program provides food supplements and nutrition education to pregnant or nursing women and children who are at nutritional risk due to poor health, inadequate diet and low income. WIC services are provided through 26 local agencies covering 67 counties. The number of persons participating in WIC Program increased from 138,201 in fiscal year 1983-84 to 146,500 in fiscal year 1984-85 because the department received additional Federal funds. The participant is supplied with vouchers stating the kinds and amounts of foods to be purchased. These are used at authorized grocery, drug stores and dairies to purchase milk, cheese, infant formula, cereals, juices, eggs, etc. The average food cost is currently \$24.74 per participant per month. Nutrition education and counseling are made available on a regular basis to program participants.

The High Risk Infant Follow-Up System focuses special support for follow-up of high risk infants, born weighing less than 1,500 grams. As a group, these very low birth weight infants experience more vision, hearing and developmental problems. The goal of this system is to ensure that each low birth weight infant receives timely assessments and interventions for vision, hearing and development that can contribute to his or her optimal development. Among the department's services to high risk infants and their families is the Sudden Infant Death Syndrome (SIDS) Program which has as its primary purpose the provision of supportive services to families following a sudden infant death. The program identifies infants considered at risk for SIDS, refers them for evaluation and follows them at home as warranted. Education regarding SIDS is provided to health professionals and others who normally impact on families following such a death. Early and appropriate intervention is seen as a first and important step towards assisting these families to resolve grief in a healthy manner and to prevent possible psychological and physiological dysfunction.

Disabled and blind children receiving Supplemental

Health Maintenance and Disease Prevention (continued)

Program Analysis: (continued)

Security Income (SSI) are referred by the Social Security Administration to the Department of Health. Funds from the Maternal and Child Health Block Grant are used to provide rehabilitation services for blind and disabled individuals under the age of 16 receiving SSI benefits.

Approximately four percent of the babies born in this country have a serious genetic condition. The genetic program seeks to improve public knowledge about genetic disease and public access to genetic services by supporting educational programs for both health professionals and citizens groups and by providing selected genetic services for low-income patients. To achieve its goals, this program has worked through several comprehensive human genetic centers and community-based sickle cell anemia testing and counseling programs.

Family planning services help women who seek, but have difficulty achieving pregnancy and help others delay pregnancy until there is the best chance for having a healthy baby born to a healthy mother. The department participates with the Department of Public Welfare in an integrated multi-agency health service delivery system serving more than 235,000 high risk, low income women throughout the Commonwealth.

The control of communicable diseases is fundamental to the prevention of illness. Reported cases of communicable diseases are investigated by the department to determine the source of infection, mode of transmission and control measures to prevent additional cases. A few of the diseases investigated include Acquired Immune Deficiency Syndrome (AIDS), giardiasis, hepatitis, salmonellosis, shigellosis, toxic shock syndrome, and trichinosis. Improved diagnosis techniques and an increased awareness of AIDS have resulted in an increase in the number of reported cases from previous years.

The complex process of educating Pennsylvanians to engage in sound health practices to enhance the prevention of disease and early death and disability continues as a major challenge to the Department of Health, other public and private organizations and agencies which share in the responsibility. The leading causes of premature death and disability in Pennsylvania are heart disease, stroke, cancer, accidents, influenza, arthritis, diabetes, and cirrhosis. Contributing to these conditions are demographic characteristics, the environmental and behavioral risk factors such as smoking, alcohol abuse, high-fat diets, physical inactivity and stress. Public health experts estimate that as much as half of all premature deaths are attributed to the major modifiable health risks.

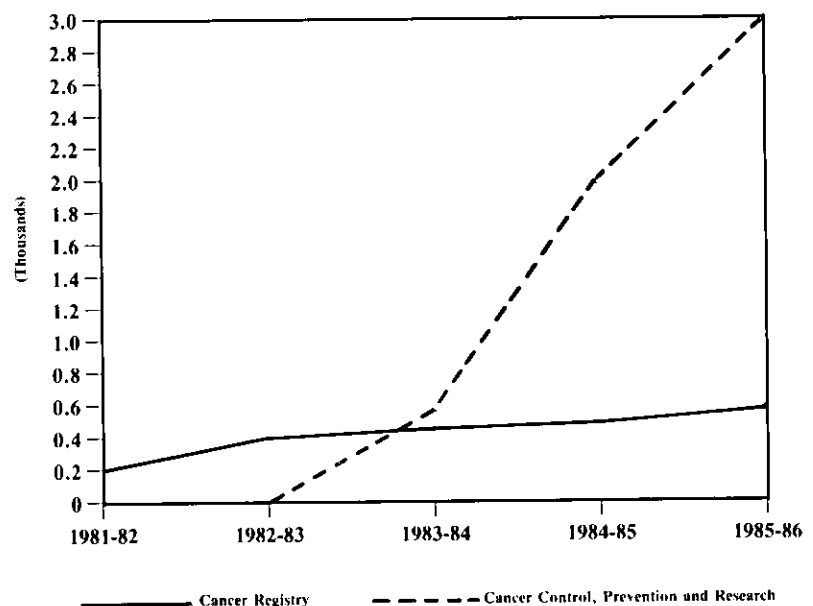
The department has implemented several risk reduction projects and conducts other statewide activities to help health professionals and educators develop similar programs. These

statewide activities include: developing smoking control programs, incorporating comprehensive school health education programs in the elementary and middle schools and conducting workshops for health educators and for business and industry personnel managers. Risk reduction programs use methods such as incentives, health risk appraisals, risk factor screening, self-help kits, group discussion, and individual counseling to help people stop smoking, eat properly, exercise, adhere to hypertensive regimens and reduce other chronic disease risks.

The Governor's Advisory Board on Arthritis, within the Department of Health, has responsibility for assessing programs and resources for arthritis, and making recommendations relating to programs involving this population. The board developed a program plan which was implemented during the fall of 1984. Initial efforts have been concentrated on self-help arthritis courses, and in-service education programs for public health workers and a professional educational program for physicians. In 1983-84, 1,306 individuals participated in the Arthritis Self-Help courses.

The Pennsylvania Cancer Advisory Board published the Pennsylvania Cancer Plan in 1983. Under this plan the Department of Health implemented the Cancer Control, Prevention and Research program, as well as the Cancer Registry. In 1985-86, the budget recommends an additional \$3,000,000 for the Cancer Control, Prevention and Research program to expand activities in these areas. The following graph illustrates the increases in funding of this program since its inception in 1982-83.

Total Combined Funding
Cancer Registry & Cancer Control, Prevention and Research



Health Maintenance and Disease Prevention (continued)

Program Analysis: (continued)

In 1985-86, the Diabetes Control Program will be involved in the following: Pennsylvania Diabetes Task Force activities; working with local diabetes patient education services to improve quality and availability; assisting the Pennsylvania Diabetes Academy to develop and deliver professional education materials and programs for health care providers in local areas; pilot testing national diabetes patient education standards among twenty sample hospitals and other health care settings; and cooperating with other programs in mutually beneficial linkage activities. In 1985-86, the budget recommends additional funds to support a hypertension linkage program and projects on utilizing third party reimbursement for patient education for the Pennsylvania Diabetes Task Force.

Hypertension (high blood pressure) has long been known as the "silent killer" because it often goes undetected for years until serious damage to the body's organ systems has occurred. In Pennsylvania there are approximately 3 million persons with elevated blood pressure. The department will screen about 153,000 persons in 1985-86. As a result 20,000 cases of previously undetected or uncontrolled hypertension will be found and referred for proper treatment.

The Migrant Health Program provides pregnant and seasonal farm workers and their dependents with comprehensive, accessible medical care. In 1983-84 program

statistics totalled 4,500 individuals seen for a total of 24,255 encounters for medical services including dental and vision care.

Public health programs are administered in part through a field structure consisting of six district offices and a network of 70 Health Centers which serve all but five counties within the State. The remaining five counties and two municipalities are served by local health departments receiving grants from the department. The District Offices and State Health Centers also provide health maintenance services, including health teaching and supervision of patients, diagnosed with chronic illnesses, or disabled persons.

The State Public Health Laboratory at Lionville provides special laboratory services which are essential to the epidemiologic investigation of communicable disease outbreaks in the Commonwealth. The laboratory maintains a state of readiness to provide essential laboratory services not available elsewhere on a timely basis; administers a clinical laboratory improvement program; and supports department programs in the areas of infectious disease, chronic disease, metabolic disease and toxicology. The State Public Health Laboratory provides statewide rabies testing seven days a week for critical animal species when a person has been placed at risk through a bite or other close contact with an animal.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 541	\$ 544	\$ 563	\$ 586	\$ 609	\$ 633	\$ 658
State Laboratory	1,852	2,073	2,141	2,227	2,316	2,409	2,505
State Health Care Centers	3,760	3,932	4,067	4,230	4,399	4,575	4,758
School Health Examinations	14,245	14,399	14,399	14,399	14,399	14,399	14,399
Local Health Departments	18,165	18,020	18,380	18,748	19,123	19,506	19,896
Local Health Departments —							
Environmental	3,291	3,291	3,255	3,320	3,386	3,454	3,523
Maternal and Child Health	772	803	819	835	852	869	886
Cancer and Research Control							
Prevention	538	2,000	3,000	3,060	3,121	3,183	3,247
Arthritis Task Force		50	50	52	54	56	58
Sickle Cell Anemia-Summer Camps		25					
Keystone State Games	50	100	100	100	100	100	100
GENERAL FUND TOTAL	\$ 43,214	\$ 45,237	\$ 46,774	\$ 47,557	\$ 48,359	\$ 49,184	\$ 50,030

Detection and Diagnosis

OBJECTIVE: To detect disease and health defects in the population at the earliest possible stage of development, to ensure that disease and defects are properly diagnosed, and to place those individuals in need of treatment and/or rehabilitation in the most appropriate program.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,883	\$ 8,102	\$ 8,299	\$ 8,443	\$ 8,592	\$ 8,747	\$ 8,911
Federal Funds	3,499	4,849	4,470	4,472	4,472	4,472	4,472
Other Funds	1,130	1,268	1,201	1,201	1,201	1,201	1,201
TOTAL	\$ 12,512	\$ 14,219	\$ 13,970	\$ 14,116	\$ 14,265	\$ 14,420	\$ 14,584

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons screened for:							
Venereal diseases	195,000	182,000	182,000	182,000	182,000	182,000	182,000
Tuberculosis	227,460	230,000	230,000	227,000	226,000	226,000	226,000
Black lung	6,744	6,700	5,700	5,700	5,700	5,700	5,700
Lead poisoning	20,047	23,000	23,000	23,000	23,000	23,000	23,000
Phenylketonuria and hypothyroidism	160,806	164,000	164,100	164,200	164,300	164,500	164,500
Abnormalities discovered by screening:							
Venereal diseases	3,524	3,500	3,500	3,500	3,500	3,500	3,500
Tuberculosis	4,602	4,600	4,600	4,600	4,600	4,600	4,600
Black lung	6,312	6,300	5,300	5,300	5,300	5,300	5,300
Lead poisoning	699	750	800	900	950	950	950
Phenylketonuria and hypothyroidism	44	51	51	51	51	51	51
Cases diagnosed and referred for treatment:							
Venereal diseases	3,524	3,500	3,500	3,500	3,500	3,500	3,500
Tuberculosis	4,454	4,500	4,500	4,500	4,500	4,500	4,500
Black lung	3,092	3,000	3,000	3,000	3,000	3,000	2,500
Lead poisoning	600	650	700	750	800	800	800
Phenylketonuria and hypothyroidism	44	51	51	51	51	51	51

Program Analysis:

Early detection and diagnosis can often limit the severity of diseases and, in many cases, prevent the development of more serious pathological conditions. The department's programs provide screening for circulatory disorders; black lung, tuberculosis and other respiratory disorders; diabetes; dental problems; venereal disease; cervical cancer; anemias; developmental disorders; neuro-sensory disorders; and certain neonatal metabolic disorders.

Primary detection and diagnostic services under the Sexually Transmissible Disease program are provided through interviewing patients with syphilis and gonorrhea, then ex-

amining and treating recent sexual partners. Health Department personnel confirm therapy on all patients found with disease, and then conduct interviews and investigations. The department screened 10,000 more persons in 1983-84 due to the procurement of less expensive culture tests. However, due to an increased cost of tests, the number of persons screened for Venereal disease will decrease in 1984-85 and subsequent years.

The department, under the Tuberculosis Control program, operates 66 chest clinics for the detection and diagnosis of tuberculosis disease and tuberculosis infection.

Detection and Diagnosis (continued)**Program Analysis: (continued)**

The clinics are assisted by the six health districts of the department and the seven independent health departments. In fiscal year 1983-84 a total of 227,460 were screened for tuberculosis with 972 patients diagnosed as having tuberculosis disease and 3,482 patients diagnosed as tuberculosis infectious. All of those diagnosed were referred for treatment.

The department's Coalworkers' Respiratory Disease program provides screening, diagnosis, treatment, rehabilitation, counseling/education, referral and follow-up care to all miners ill with pulmonary disease. The services which are provided to patients numbered 105,920 for the 1983-84 fiscal year. The department's program, which is both State and Federally funded, has used Federal funds to support expansion of services in treatment centers and home care activities while State supported activities handle seven full care centers housed in hospitals throughout the anthracite and bituminous coal regions. The measure, persons screened for black lung, is projected to decrease after 1984-85 since it is anticipated Federal categorical grant funds will decline. Because of the extensive physical evaluation, not only are pulmonary disorders found, but 1,915 conditions such as hypertension, arthritis, diabetes and cancer have been diagnosed and have been referred for care. Under the Federal program, non-miner participants such as individuals ill with pulmonary disease as a result of dusty occupations are also enrolled.

Data from the Childhood Lead Poisoning Needs Assessment has identified fifteen communities of 25,000 or more population with children having a greater degree of risk. The department's program (in Philadelphia, Chester and Wilkes-Barre area) screens more than 20,000 children to detect blood lead symptoms.

State law mandates that all infants born in Pennsylvania be screened for phenylketonuria (PKU) and neonatal hypothyroidism. Pennsylvania's incidence of PKU is ap-

proximately one in 10,000 births, and of neonatal hypothyroidism approximately one in 4,500 births. Without early detection and prompt treatment, there is permanent brain damage and subsequent severe mental retardation. These diseases are estimated to account for 2 to 3 percent of residents in institutions for the mentally retarded. Additional affected individuals are living in the community as life-long dependent citizens. The cost-benefit analysis reported by the American Medical Association in the May, 1979 issue of its Journal, projects a net benefit to society of more than \$105,000 for each case of congenital hypothyroidism detected and properly treated. Some 35 cases of congenital hypothyroidism and 16 of PKU are expected to be detected and referred for treatment in 1985-86. Without considering inflated costs since 1979, the net benefit to society projects to \$5.3 million in 1984-85 and annually thereafter. The State Public Health Laboratory oversees the screening method for these diseases and is responsible for the performance of confirmatory tests.

The Pennsylvania Public School Code requires that all children of school age attending or who should be attending public and non-public schools receive a program of health services as specified by State law and department regulations. The School Health Examination program reimburses school districts for providing medical, dental and nursing services on the basis of compliance with Code and professional standards. The goal of the program is to improve the health status of the school age population in the Commonwealth. Its focus is health maintenance and some of the services provided are fluoridation of water supplies, reduction of environmental hazards, screening and testing procedures to detect pre-clinical disease and problems such as vision, hearing, scoliosis and skin tests for tuberculosis, as well as emergency and first aid care. School immunization law requires that all children are immunized against diphtheria, tetanus, mumps, measles and rubella.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Government Operations	\$ 1,081	\$ 1,089	\$ 1,127	\$ 1,172	\$ 1,219	\$ 1,268	\$ 1,319
State Laboratory	380	426	440	458	476	495	515
State Health Care Centers	1,297	1,356	1,403	1,459	1,517	1,578	1,641
Diabetes Task Force	201	217	301	313	326	339	353
School Health Examinations	4,255	4,301	4,301	4,301	4,301	4,301	4,301
Coalworker's Pneumoconiosis Services ..	21	25	26	26	27	27	28
Screening and Treatment—							
Venereal Disease	377	394	402	410	418	426	435
Screening and Treatment—							
Tuberculosis	221	242	247	252	256	261	267
Tay Sachs Disease—Jefferson Medical College, Philadelphia	50	52	52	52	52	52	52
GENERAL FUND TOTAL	\$ 7,883	\$ 8,102	\$ 8,299	\$ 8,443	\$ 8,592	\$ 8,747	\$ 8,911

Outpatient Treatment

OBJECTIVE: To reduce mortality and morbidity due to disease and health defects and to restore ill persons to the highest possible level of health with minimum involvement with the health care system.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 14,972	\$ 17,486	\$ 19,572	\$ 20,997	\$ 22,478	\$ 24,016	\$ 25,614
Federal Funds	7,746	13,143	12,061	12,061	12,061	12,061	12,061
Other Funds	1,838	2,092	2,024	2,024	2,024	2,024	2,024
TOTAL	\$ 24,556	\$ 32,721	\$ 33,657	\$ 35,082	\$ 36,563	\$ 38,101	\$ 39,699

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Children receiving outpatient treatment through department supported programs:							
Cardiac	3,452	3,500	3,550	3,600	3,650	3,700	3,750
Cleft palate	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Cystic fibrosis	566	570	575	580	590	600	610
Hemophilia	443	450	458	465	473	480	488
Speech and hearing	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Orthopedic	5,545	5,700	5,750	5,800	5,850	5,900	5,950
Phenylketonuria	225	241	257	273	289	305	321
Epilepsy	355	360	365	370	375	380	385
Renal Disease	210	234	258	282	306	330	354
Cooley's Anemia	24	22	20	20	19	19	19
Sickle Cell Anemia	690	750	775	800	825	850	875
Spina Bifida	1,019	1,240	1,310	1,390	1,440	1,490	1,540
Home Ventilators	16	16	16	16	16	16	16
Adults receiving outpatient treatment and/or services through department supported programs for:							
Renal Disease	5,030	5,606	6,182	6,758	7,334	7,910	8,486
Black Lung	6,744	6,700	5,700	5,700	5,700	5,700	5,500
Tuberculosis	18,500	18,500	18,500	18,500	18,500	18,500	18,500
Venereal Disease	30,000	30,000	30,000	29,000	29,000	29,000	29,000
Hemophilia	489	500	510	520	525	530	530
Cystic Fibrosis	150	155	160	165	170	175	180
Cooley's Anemia	13	15	17	19	21	23	25
Sickle Cell Anemia	521	650	700	800	900	900	900

Program Analysis:

Outpatient treatment services are more economical and cost-effective than inpatient care and are utilized whenever possible to provide needed treatment services for chronic respiratory diseases, physical rehabilitation and reconstruction, chronic diseases other than respiratory, catastrophic blood disorders and acute conditions.

The department provides extensive outpatient support services to victims of chronic respiratory diseases. The Coal Workers' Respiratory Disease Program provides screening,

diagnosis, treatment, rehabilitation, counseling/education, referral and follow-up care to all miners ill with pulmonary disease within the Commonwealth. In 1984-85 nineteen sites will provide services to miner patients. The main thrust of these services is prevention, education, self-help and rehabilitation which is the state-of-the-art in pulmonary care. The measure, Adults receiving outpatient services for Black Lung, is projected to decline after 1983-84. It appears that the incidence of severe pulmonary disease is decreasing due

Outpatient Treatment (continued)

Program Analysis:

to more surface mining, mining of soft coal and cleaner working environments.

The Tuberculosis Control Program has 66 chest clinics that provide for the total management of persons with tuberculosis disease. This consists of bacteriological studies, periodic x-ray examinations, physician and nursing evaluations, and the renewal of drug issues. For 18,500 patients, a shortened program of chemotherapy has been implemented which results in greater patient compliance and lower costs. Additionally, a twice weekly observed ingestion program for noncompliant patients has been started which will lead to greater patient compliance and fewer tuberculosis infectious persons in the general population.

In 1979 the General Assembly provided funds to establish a Home Ventilator Program for children with chronic respiratory failure. Services are provided by The Children's Hospital of Philadelphia through their associated anesthesia service. This program permits 16 children with chronic respiratory problems to have life support equipment and nursing care in their homes at about one-third the cost of in-hospital care.

The Orthopedic Program provides outpatient care to children suffering from orthopedic conditions, amputations, and other related conditions. Services now include: prosthetics, orthotics, orthopedic shoes, therapeutic and support services. These services are provided to over 5,545 patients at 40 orthopedic clinics throughout the state.

The Cleft Palate Program provides comprehensive services which include pediatrics, plastic surgery, general dentistry, orthodontia, prosthodontics, etc. to children under 21 years of age. The program serves over 3,200 cleft palate and 114 related plastic surgery patients annually.

The department operates programs for patients suffering from certain blood diseases, including Hemophilia, Sickle Cell Anemia and Cooley's Anemia.

Hemophilia is a genetically transmitted disease where affected individuals have a genetic deficiency of critical blood clotting factors. Affected individuals develop chronic diseases due to frequent hemorrhages, particularly in joints and muscles. Of the estimated 1,200 hemophiliacs in Pennsylvania, over 900 are enrolled under this program. It is estimated the actual number of patients will not reach the

maximum because some individuals prefer to obtain treatment from private physicians. The Hemophilia Program consists of eight specialized centers which offer comprehensive evaluation, rehabilitation services and blood products for hospital outpatients or home use. Patients must be registered with a program to receive these benefits and insure their third party resources are used before State program funds are expended.

Sickle Cell Anemia is a genetically determined red blood cell disorder which affects approximately 2,000 persons of the black population in Pennsylvania. There are 1,400 patients currently receiving medical and psycho-social services at six Sickle Cell centers.

Cooley's Anemia is found predominantly in individuals of Mediterranean ancestry. While the incidence of Cooley's Anemia cannot be estimated, currently there are 37 patients receiving care under this program.

The Renal Disease program provides dialysis, drugs, medical supplies and transportation services to persons having chronic renal failure. New admissions average 1,060 per year with discharges (due mostly to death) averaging 460 per year. Thus, the patient census increases at the average rate of 580-600 per year. By June, 1986, the case load is expected to increase to 6,440 living patients. The program also supports an organ donor program that promotes transplantation which is less expensive than dialysis and improves the quality of life of kidney patients. The program reimburses the balance of cost which is not satisfied by third party resources.

The Sexually Transmissible Disease Program provides clinical services for the diagnosis and treatment of sexually transmitted disease. These services are provided to insure that patients with suspected disease have access to free diagnostic and treatment services, and also provide diagnosis and treatment to those who have been exposed to a sexually transmitted infection. Prompt treatment of infectious patients and their partners contributes to disease prevention.

Clinical services are offered in a variety of settings, including State and community health centers, family planning clinics and practicing physicians offices. This also allows for minors to seek and receive care under the Commonwealth's Minor Treatment Law.

Outpatient Treatment (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,081	\$ 1,089	\$ 1,127	\$ 1,172	\$ 1,219	\$ 1,268	\$ 1,319
State Health Centers	4,148	4,337	4,487	4,666	4,853	5,047	5,249
Hemophilia Treatment	1,384	1,384	1,412	1,440	1,469	1,498	1,528
Sickle Cell Anemia	700	728	743	758	773	788	804
Cooley's Anemia	194	212	216	220	224	229	234
Renal Disease	5,166	7,300	9,295	10,417	11,584	12,797	14,059
Home Ventilators	371	386	394	401	409	417	425
Coalworker's Pneumoconiosis	513	607	619	632	644	657	670
Adult Cystic Fibrosis	172	194	198	202	206	210	214
Screening and Treatment — Tuberculosis	343	372	379	387	395	403	410
Sunshine Foundation	75	25	.....	.....	.....	.....	.....
United Neighborhood Facilities							
Health Care—Erie	150	150	.....	.....	.....	.....	.....
Cerebral Palsy — St. Christopher's							
Hospital	575	598	598	598	598	598	598
Cleft Palate Clinic — Lancaster	50	52	52	52	52	52	52
Cleft Palate Clinic — Pittsburgh	50	52	52	52	52	52	52
GENERAL FUND TOTAL	<u>\$ 14,972</u>	<u>\$ 17,486</u>	<u>\$ 19,572</u>	<u>\$ 20,997</u>	<u>\$ 22,478</u>	<u>\$ 24,016</u>	<u>\$ 25,614</u>

Inpatient Treatment

OBJECTIVE: To reduce mortality and morbidity due to disease and health defects and to minimize time, resources and intensity in restoring ill persons to the highest possible level of health.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 912	\$ 917	\$ 932	\$ 947	\$ 964	\$ 980	\$ 996
Federal Funds	2,475	4,410	4,284	4,284	4,284	4,284	4,284
TOTAL	\$ 3,387	\$ 5,327	\$ 5,216	\$ 5,231	\$ 5,248	\$ 5,264	\$ 5,280

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons receiving inpatient hospital care from department programs	1,171	2,629	953	976	995	1,018	1,041
Children treated under the cardiac inpatient program	185	190	195	200	200	200	200

Program Analysis:

One of the principal concerns of patient management is to provide treatment services at the least expensive level of care that is consistent with standards of good medical practice. The emphasis in all of the department's programs is to utilize outpatient treatment whenever possible. Inpatient hospital and nursing care is provided for only the most complex medical conditions that require the facilities and services available in an inpatient setting. Because inpatient care is very expensive, programs providing this type of care have imposed strict controls on admissions and, where possible are using outpatient services to avoid hospital admissions.

Some of the programs operated by the department which provide inpatient care are tuberculosis control, children's cardiac surgery, cleft palate, cystic fibrosis, orthopedic, speech, hearing, spina bifida, and other disabling conditions of children.

The department's children's cardiac inpatient program provides intensive diagnostic procedures such as cardiac

catheterization and echocardiograms.

It is estimated that during fiscal year 1985-86, these programs will show a decrease in the number of persons receiving inpatient hospital care from department programs due to the department's efforts to collect increased medical assistance payments and third party payments. Since the birth rate has decreased in recent years, the number of children receiving inpatient hospital services from the department's programs has also decreased.

The increase in the number of persons receiving inpatient hospital care in 1984-85 was due to the availability of Federal funds under the Maternal and Child Health Block Grant-Supplemental Appropriations Act (Jobs Bill). This appropriation was utilized to fund the maternity delivery costs of unemployed and indigent women, under the Family Support Services Program, which will not continue after 1984-85.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Spina Bifida	\$ 750	\$ 750	\$ 765	\$ 780	\$ 796	\$ 812	\$ 828
Screening and Treatment — Tuberculosis	7	6	6	6	7	7	7
Burn Foundation — Greater Delaware Valley	155	161	161	161	161	161	161
GENERAL FUND TOTAL	\$ 912	\$ 917	\$ 932	\$ 947	\$ 964	\$ 980	\$ 996

Prevention/Intervention of Drug and Alcohol Abuse

OBJECTIVE: To provide community and school educational services to the citizens of Pennsylvania alerting them to the varied dangers of drug and/or alcohol abuse.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4,883	\$ 5,384	\$ 5,784	\$ 5,900	\$ 6,018	\$ 6,138	\$ 6,261
Federal Funds	3,185	3,475	2,684	2,632	2,632	2,632	2,632
TOTAL	\$ 8,068	\$ 8,859	\$ 8,468	\$ 8,532	\$ 8,650	\$ 8,770	\$ 8,893

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Prevention:							
Persons viewing films	307,138	248,000	248,000	248,000	248,000	248,000	248,000
General information materials distributed							
- ENCORE	603,993	498,000	498,000	498,000	498,000	498,000	498,000
Teachers and parents trained	2,300	525	525	525	525	525	525
Educational contacts	193,000	193,000	205,000	205,000	205,000	205,000	205,000
Providers approved annually:							
Prevention providers	97	100	100	100	100	100	100
Intervention providers	110	110	112	112	112	112	112
Schools for Driving Under the Influence (DUI) offenders	67	67	67	70	70	70	70
DUI instructors certified annually	300	300	300	275	275	275	275
Enrollments in DUI schools	28,798	30,000	30,000	30,000	30,000	30,000	30,000
Percent of enrollments who completed DUI schools	95%	95%	95%	95%	95%	95%	95%

Program Analysis:

Prevention activities are services that preclude or reduce substance use. Prevention projects offer services and training to assist individuals, families, schools and the community to enhance life skills through extended educational sessions, workshops, media presentations and public information.

School education remains a priority of the department and this is apparent by the continuation of the cooperative agreement with the Department of Education. The number of teachers and parents trained reached its peak in 1983-84. This number will decrease because parents are no longer trained as part of the agreement with the Department of Education and curriculum materials, provided by the Department of Transportation, will be reduced. In 1984-85, the department will comply with the revised requirements of the Alcohol, Drug Abuse and Mental Health block grant, which places more emphasis on services to women, adolescents and severely disturbed children. The 1985-86

budget also includes \$200,000 for the prevention of fetal alcohol syndrome and fetal alcohol effects targeted for teenage parents.

Intervention programs focus on assisting in decision-making and supporting clients until they can cope with the situation independently. Referral is provided if the need for a structured treatment regimen or other service is indicated. Intervention services in Pennsylvania include: a statewide network of hotlines and drop-in centers; alcohol highway safety programs (DUI); occupational alcohol programs; and Treatment Alternatives to Street Crime (TASC) programs.

In 1985-86, there will be an initiative to provide group intervention to DUI graduates, who require more intensive services. The department will implement 10-15 model sites, using client fees and State funds. It is anticipated that 1,000 adolescent offenders will be served in these programs.

The Court Reporting Network (CRN) Evaluation system

Prevention/Intervention of Drug and Alcohol Abuse (continued)

Program Analysis: (continued)

mandated by the law to be used to evaluate all DUI offenders is available to all 67 of Pennsylvania's counties. During the 1983-84 fiscal year, 28,798 DUI offenders were processed through CRN. Of those, 78 percent were identified as severe problem drinkers.

The Drug and Alcohol Program is continuing to work with the Governor's Office and coordinators in each department on the operation of the State Employee Assistance Program (SEAP). Effective fiscal year 1984-85, a three-year contract was awarded establishing a Central Coordinating Office (CCO) to provide evaluation and referral services for all Commonwealth employees and their families. With SEAP services expanded Statewide, confidential referrals and evaluations have grown from 139 to 528 over the past two years.

The Educational Needs Clearinghouse for Outreach, Research and Emergency (ENCORE) provides education and information services to the drug and alcohol field, other human service entities, and the public with quality medical and health information on which to base decisions on substance use. One of the clearinghouse's responsibilities is to respond to informational requests from alcohol and/or drug service providers, public/private schools, criminal justice personnel, the Legislature and the public.

The second function of ENCORE is the collection and

distribution of audiovisual materials. ENCORE's free-loan audiovisual library affords drug and alcohol professionals, educators, trainers and community groups an opportunity to use films and video materials to reinforce their messages about substance abuse, use and misuse. ENCORE maintains a twenty-four hour toll-free number. ENCORE publishes an audiovisual and literature guide to assist requestors in making the appropriate material selection.

During the 1983-84 fiscal year, ENCORE distributed 603,993 pieces of educational/information materials, an increase of over 106 percent from the 1982-83 distribution level. In addition, the measure persons viewing films increased 113 percent during the same period. These increases are due to Jobs Bill funding and the involvement of drug and alcohol field staff in motivating professional and community participation in projects such as Chemical People (an unprecedented community wide effort to attack increasing school-age drug and alcohol use and abuse, a problem of epidemic proportions nationwide), Employee Assistance Programs, parent and youth groups, teacher training and community-based prevention. Cohesive interrelations with other health care systems has focused attention and resources on at risk populations, such as women, senior citizens, minorities and youth.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)					1988-89	1989-90
	1983-84	1984-85	1985-86	1986-87	1987-88		
GENERAL FUND							
Assistance to Drug and Alcohol Abuse							
Program	\$ 4,883	\$ 5,384	\$ 5,784	\$ 5,900	\$ 6,018	\$ 6,138	\$ 6,261

Treatment of Drug and Alcohol Abuse

OBJECTIVE: To provide treatment and rehabilitative programs for those who have reached a dysfunctional level of drug and/or alcohol abuse.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 19,531	\$ 21,534	\$ 23,134	\$ 23,597	\$ 24,069	\$ 24,550	\$ 25,041
Federal Funds	10,904	9,280	8,859	8,682	8,682	8,682	8,682
TOTAL	\$ 30,435	\$ 30,814	\$ 31,993	\$ 32,279	\$ 32,751	\$ 33,232	\$ 33,723

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Inpatient programs licensed/approved:							
Hospitals	73	85	90	92	96	98	100
Non-hospitals	93	96	100	103	105	108	110
Outpatient programs licensed/approved....	247	254	258	262	268	276	282
Total beds available	4,080	4,200	4,500	4,700	4,900	5,100	5,300
Patients enrolled in treatment:							
Men	49,760	50,250	52,780	53,270	53,880	54,400	54,900
Women	14,036	14,180	16,370	16,670	16,980	17,230	24,700
Patients who completed treatment	18,600	19,880	22,100	22,900	23,800	24,700	25,700
Admissions with primary diagnosis:							
Drug abuse	18,500	18,680	20,005	20,325	20,645	20,965	21,265
Alcohol abuse	42,100	42,530	45,825	46,265	46,995	47,500	47,900

Program Analysis:

The abuse of drugs and alcohol is one of the factors greatly affecting the health of Pennsylvania citizens. The responsibility of the Commonwealth to provide for the treatment of drugs and alcohol abuse was established by the Pennsylvania Drug and Alcohol Abuse Control Act of 1972. The program measures summarized in this analysis indicate the impact of publicly funded treatment programs throughout the Commonwealth.

Services are provided to residents of the Commonwealth through a contract process to local governmental units in each county or groups of counties. The local governmental bodies, called Single County Authorities (SCAs), plan and implement community-based services in line with the department's decentralized planning and treatment philosophy. Most SCAs contract with independent providers for treatment, prevention and intervention services, although some SCAs administer their own direct services through functional units.

Treatment programs for substance abusers are provided in hospitals, prisons, shelters, residential units, day care and outpatient programs. Treatment often consists of a combination of short-term treatment, or detoxification, and long-term treatment, or rehabilitation. Some facilities have also developed after-care procedures which extend support after formal treatment had ended.

It is estimated that there will be 19,880 clients completing treatment, which is 31 percent of total client admissions, during the 1984-85 fiscal year. Total anticipated admissions to treatment for fiscal year 1985-86 should be approximately 69,150 due to the infusion of additional State funds. In 1985-86 the number of patients enrolled in treatment is expected to increase by seven percent because of additional State funding for the expansion of treatment services. This funding will be targeted for programs to meet the needs of adolescents, pregnant teenagers, women and the handicapped. Additionally, several demonstration programs will

Treatment of Drug and Alcohol Abuse (continued)

Program Analysis: (continued)

be funded so that more pregnant and parent teenagers can be treated and the treatment regimen for them amplified. Total client admissions may fluctuate due to: changes in the combined State and Federal treatment support for services and the effect of Driving Under the Influence (DUI) arrests. Projected increases will be a result of innovative approaches

to care. Long-term admissions are giving way to shorter-term approaches and outpatient services are being reinforced, since inpatient resources are limited. Utilization review efforts at the State and local level will insure that the maximum numbers of persons will be served.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Assistance to Drug and Alcohol							
Programs	<u>\$ 19,531</u>	<u>\$ 21,534</u>	<u>\$ 23,134</u>	<u>\$ 23,597</u>	<u>\$ 24,069</u>	<u>\$ 24,550</u>	<u>\$ 25,041</u>

Higher Education Assistance Agency

The Higher Education Assistance 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 grant program and administers the Information Technology Education program.

HIGHER EDUCATION ASSISTANCE AGENCY

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
Grants to Part Time Students	Excellence in Higher Education	\$ 8,000 ^a

This Program Revision will provide a new grant program for the growing number of students attending Pennsylvania institutions on a less than full time basis.

Merit Scholarships	Excellence in Higher Education	\$ 1,000 ^a
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This program will provide for scholarships in each school district for academically excellent students planning to attend Pennsylvania institutions.

DEPARTMENT TOTAL	<u>\$ 9,000^a</u>
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^aThe total Program Revision for Excellence in Higher Education is \$12,500,000. Details are presented in the appendix to the Higher Education subcategory in the Department of Education.

HIGHER EDUCATION ASSISTANCE AGENCY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Grants and Subsidies			
Grants to Full Time Students.....	\$ 80,147	\$ 85,757	\$ 92,000
Grants to Part Time Students .....	. . . .	. . . .	8,000
Merit Scholarships .....	. . . .	. . . .	1,000
Student Aid Funds Matching	2,120	2,268	3,090
Administration	250	225	230
Institutional Assistance Grants	16,016	17,137	17,822
Computer Training.....	. . . .	1,800	1,872
Computer Purchases .....	. . . .	3,200	3,328
GENERAL FUND TOTAL	\$ 98,533	\$ 110,387	\$ 127,342

GRANTS AND SUBSIDIES

Higher Education Assistance	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 98,533	\$ 105,387	\$ 122,142

The Commonwealth's scholarship and loan program is administered through the Pennsylvania Higher Education Assistance Agency. It provides scholarships to qualified students of the Commonwealth who need financial assistance to attend postsecondary institutions of higher learning, and guarantees loans made for the purpose of assisting residents in meeting their expenses of higher education. Matching funds are provided to assist students in securing grants and loans from the Federal Government.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Grants to Full-Time Students	\$ 80,147	\$ 85,757	\$ 92,000
Grants to Part-Time Students .....	.....	.....	8,000
Merit Scholarships .....	.....	.....	1,000
Student Aid Funds—Matching	2,120	2,268	3,090
Administration	250	225	230
Institutional Assistance Grants	16,016	17,137	17,822
TOTAL	<u>\$ 98,533</u>	<u>\$ 105,387</u>	<u>\$ 122,142</u>

General Elementary and Secondary Education	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 5,000	\$ 5,200
Federal Funds	2,807	.....
TOTAL	<u>.....</u>	<u>\$ 7,807</u>	<u>\$ 5,200</u>

Funds the training of teachers in computer education and provides grants for acquisition of computers for school districts.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Computer Training	\$ 1,800	\$ 1,872
Computer Purchases	3,200	3,328
Federal Funds:			
Education Block Grant—Computer Knowledge Enhancement	2,807	.....
TOTAL	<u>.....</u>	<u>\$ 7,807</u>	<u>\$ 5,200</u>

HIGHER EDUCATION ASSISTANCE AGENCY

Summary of Agency Program by Category and Subcategory

General Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Higher Education	\$ 98,533	\$ 105,387	\$ 122,142	\$ 128,645	\$ 142,058	\$ 151,648	\$ 161,861
Financial Assistance to Students	\$ 82,517	\$ 88,250	\$ 104,320	\$ 110,110	\$ 122,782	\$ 131,601	\$ 141,012
Financial Assistance to Institutions	16,016	17,137	17,822	18,535	19,276	20,047	20,849
General Instruction .....	.....	\$ 5,000	\$ 5,200	\$ 5,408	\$ 5,625	\$ 5,850	\$ 6,083
General Elementary and Secondary Education .....	.....	\$ 5,000	\$ 5,200	\$ 5,408	\$ 5,625	\$ 5,850	\$ 6,083
DEPARTMENT TOTAL	<u>\$ 98,533</u>	<u>\$ 110,387</u>	<u>\$ 127,342</u>	<u>\$ 134,053</u>	<u>\$ 147,683</u>	<u>\$ 157,498</u>	<u>\$ 167,944</u>

HIGHER EDUCATION ASSISTANCE AGENCY

Financial Assistance to Students

OBJECTIVE: To supplement post-secondary education programs for the development of the Commonwealth's personnel resources by providing financial assistance to Commonwealth residents attending institutions of higher education.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 82,517</u>	<u>\$ 88,250</u>	<u>\$ 104,320</u>	<u>\$ 110,110</u>	<u>\$ 122,782</u>	<u>\$ 131,601</u>	<u>\$ 141,012</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Applications for grants	231,011	227,500	238,880	246,050	249,740	253,409	257,290
Applications for grants processed	154,656	158,080	159,770	161,370	162,980	164,610	166,260
Applicants enrolled full time eligible for and receiving grants	107,744	112,660	119,470	120,710	121,910	123,130	124,360
Percent of applicants aided	69.7	71.3	74.8	74.8	74.8	74.8	74.8
Students assisted by Federal college based student aid (matching fund) programs ..	111,491	113,675	114,000	117,806	121,604	125,407	129,206
Students receiving Guaranteed Loans	243,478	250,000	275,000	275,000	275,000	275,000	275,000
Applicants enrolled part time eligible for and receiving grants .....	.....	.....	30,120	33,132	36,445	40,089	44,098
Merit scholarships .....	.....	.....	501	501	501	501	501

Program Analysis:

Financial assistance to students in post secondary education is supported through the programs of the Pennsylvania Higher Education Assistance Agency (PHEAA).

PHEAA currently provides direct financial assistance to students through three programs; the Higher Education Scholarship (Grant) Program, the Guaranteed Loan Program, and the Matching Fund Program. All funds for the various financial assistance programs administered by PHEAA flow through the Higher Education Assistance Fund. A cash flow statement for the Higher Education Assistance Fund appears in the Special Fund Appendix at the end of Volume 1 of this Budget.

Two new programs to aid students are included in the budget: grants for students enrolled part-time and merit scholarships for academically excellent students. Both of these programs are discussed in the program revisions presentation which follows the Higher Education subcategory in the Department of Education.

The largest component of PHEAA's financial assistance program is the grant program which covers both basic financial assistance and assistance to veterans. Since its inception in 1966, the State Higher Education Grant Program has been particularly sensitive to the needs of low income families, large families, veterans of military service and those who have suffered special hardship due to the death, disability, retirement, or unemployment of the family's major wage earner. Spiraling educational costs, however, combined with inflation, have eroded the dollar over the past several years, intensifying these needs and creating demands to provide aid for middle income families. It has been the objective of the program to help remove the financial barriers and thereby provide access to higher education for all needy Commonwealth residents and, within the limits of the resources available, help to provide freedom of choice between subsidized public colleges and the full-charge private colleges and other postsecondary schools so as to ensure

Financial Assistance to Students (continued)

Program Analysis: (continued)

utilization of all facilities and access to all types of instruction.

PHEAA grants are distributed on a formula basis which considers parental contributions and educational costs. The size of the grant thus varies by parental income, the tuition and fees charged by the institution the student attends and the financial assistance received by the student from other sources.

The budgeted amount for grants includes funds to increase the maximum grant to make it more tuition sensitive and thereby provide access to a wider range of institutions.

It is estimated that in 1984-85 roughly 71 percent of the students who received PHEAA grants also received Federal Pell Grants. This compares to the 75 percent who received both types of financial aid in 1980-81. The average full-year Pell grant to Pennsylvania students in 1981-82 was roughly \$1,071; in 1984-85 it is \$1,293.

Students used this combination of State and Federal financial aid to meet educational costs at a variety of types of institutions of higher education. In 1984-85, between PHEAA and Pell grants, an average of approximately 38 percent of a student's educational costs are covered. The average recipient of these grants attending a four-year college has the highest percent of educational costs funded at a State System of Higher Education institution and the lowest percent of educational costs is met at private institutions of higher education. The table below illustrates the percent of educational costs covered for an average recipient of PHEAA and Pell at different types of institutions in the 1984-85 academic year.

The second major component of the financial assistance program is the Guaranteed Student Loan Program (GSLP). The Loan Guaranty Program enables Pennsylvania residents enrolled at least half time in undergraduate or graduate pro-

**Proportion of Educational 1984-85 Academic Year Costs of Common Recipients
Funded by State and Federal Grants
(50% of State Grant Applicants are Common Recipients)**

Institutional Type	Educational Cost ^a	Average Full-Year State Grant	(Dollar Amounts in Thousands)				Percent of Educational Costs
			Percent of Educational Costs	Average Full-Year PELL Grant	Percent of Educational Costs	Combined Average Grant	
Independent Four-Year	\$9,547	\$1,297	13.6%	\$1,296	13.6%	\$2,593	27.2%
State System of Higher Education	4,018	595	14.8%	1,215	30.2%	1,810	45.0%
State-Related Universities	5,876	899	15.3%	1,349	23.0%	2,248	38.3%
Junior Colleges	6,492	1,004	15.4%	1,453	22.4%	2,457	37.8%
Community Colleges	2,460	391	15.9%	1,161	47.2%	1,552	63.1%
Nursing Schools	4,358	750	17.2%	1,262	29.0%	2,012	46.2%
Business, Trade, Technical	4,734	974	20.6%	1,474	31.1%	2,448	51.7%

^aEducational costs indicated are those used in the Federal PELL Program.

Financial Assistance to Students (continued)

Program Analysis: (continued)

grams in an eligible post secondary institution to secure long-term educational loans from several types of participating lenders. Participating lenders extend loans to students to fill the gap left between their resources (parental contribution, savings and other financial aid) and educational costs. The Parents Loan for Undergraduate Studies (PLUS) loan program supplements the GSLP and allows graduate students, independent undergraduate students and parents of dependent undergraduate students to borrow funds from participating commercial lenders. PLUS loans are available at 12 percent interest and repayment of the loan begins 60 days after the loan is issued. Student PLUS loans borrowers who are enrolled in school full time may defer the start of principal repayment until after the full-time enrollment period, but the borrower is responsible for paying the interest that accrues during the deferment.

PHEAA anticipates guaranteeing \$575 million in GSLP loans during 1984-85 and \$600 million in 1985-86. In addition, PHEAA anticipates guaranteeing \$40 million in PLUS loans in 1984-85 and \$52 million in 1985-86.

The loan guaranty program remains one of the most cost effective forms of student aid available to the Commonwealth in terms of providing maximum aid and educational opportunity with a small amount of Commonwealth support. More than \$2.9 billion in loans to students have been made by Pennsylvania lenders and guaranteed by the Commonwealth since this program began in 1964.

Congress is considering numerous proposals for the 1985 reauthorization of the Higher Education Act which could significantly change the loan program eligibility levels for 1985-86, however no assumptions on those changes can be made until final action is taken.

PHEAA, as in 1984-85, will not require a State appropriation for the Loan Guaranty Program for the 1985-86 fiscal year. This is possible because the loan program will have sufficient solvency to meet guaranty payoff demands, pay lender participation incentives, maintain a reserve capacity to guarantee outstanding loans and defray costs of program administration.

The Matching Fund program ensures that Pennsylvania students and institutions are afforded maximum access to

the Federal student financial aid programs. It also provides for the delivery of services to State and other public agencies and is used by the State universities and community colleges on campus. The required match for Federal funds which participating institutions dedicate to off-campus employment or internship experiences and funds for professional development workshops for financial aid personnel at participating institutions are also part of the program funds.

The availability of employment near campus has become a major factor in the decision a student makes regarding the choice of schools; the number of students who require earnings from employment in order to finance their education has increased. There is also an increase in the number of students that have found that at least one term of work experience when combined with the associate or baccalaureate degree is helpful in securing full-time employment.

Funds are included in the budgeted amount to expand the college work study program. These additional funds, matched by funds from the institutions and private employers, will provide earning opportunities for students needing financial assistance while providing useful employment experience to those students.

Act 330 of 1982, amended by Act 5 of 1983, authorized issuance of tax-exempt bonds to fund a supplemental student loan program. Undergraduate and graduate students who no longer qualify for existing Federally supported student loan programs or who need financial assistance in addition to the amounts available under existing program parameters will benefit from the new loan programs. Parents are also able to obtain loans to help met the costs of post-secondary education and reduce the debt burden for their children. Programs will be developed to assist the institutions to develop loan programs to meet the unique needs of their students and loans are available to students under the Federal Health Education Assistance Loan Program (HEAL). Financing and loan program implementation took place in sufficient time to disburse almost \$50 million in loans for the 1984-85 school year. This new initiative has improved access and choice to higher education for residents of Pennsylvania.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Grants to Full Time Students	\$ 80,147	\$ 85,757	\$ 92,000	\$ 95,680	\$ 105,922	\$ 113,655	\$ 121,951
Grants to Part Time Students			8,000	9,600	11,520	12,096	12,701
Merit Scholarships			1,000	1,000	1,000	1,000	1,000
Student Aid Funds—Matching	2,120	2,268	3,090	3,590	4,090	4,590	5,090
Administration	250	225	230	240	250	260	270
GENERAL FUND TOTAL	\$ 82,517	\$ 88,250	\$ 104,320	\$ 110,110	\$ 122,782	\$ 131,601	\$ 141,012

HIGHER EDUCATION ASSISTANCE AGENCY

Financial Aid to Institutions

OBJECTIVE: To assist independent postsecondary institutions to maintain enrollments and stabilize their educational costs thereby promoting access to institutions in all sectors for Pennsylvania students.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 16,016</u>	<u>\$ 17,137</u>	<u>\$ 17,822</u>	<u>\$ 18,535</u>	<u>\$ 19,276</u>	<u>\$ 20,047</u>	<u>\$ 20,849</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Grant recipients enrolled at eligible independent institutions	28,390	30,247	30,806	31,143	31,453	31,768	32,085
Per capita grant	562	566	579	595	613	631	650
Eligible institutions	86	86	86	86	86	86	86

Program Analysis:

The Institutional Assistance Grants (IAG) Program, by design of the General Assembly at the time of enactment in July, 1974, serves as an integral part of the Commonwealth's commitment to the development and preservation of a diverse system of postsecondary education encompassing the programs of both the independent and public sector institutions. The objectives of the program are carried out through formula grants to assist independent postsecondary institutions to maintain enrollments and to assist in the effort to stabilize their educational costs so as to facilitate utilization of all postsecondary education resources in the Commonwealth. The IAG Program also serves to promote full access to institutions in all sectors by assisting student attendance at Pennsylvania independent colleges and universities.

Eligible institutions, as specified in the authorizing legislation, are those institutions approved for purposes of the State Higher Education Grant Program that are not a state-owned college or university, a state-related university, or a community college, that are independent and are not

operated for profit, and that are not a seminary or school of theology or a sectarian or denominational institution. The appropriation legislation has also for the last seven years excluded any institution which is the recipient of a direct State appropriation. There are currently 86 eligible institutions participating in the IAG Program.

The IAG payments are based on the number of state student grant recipients certified as enrolled at IAG-eligible institutions during the academic year. The total available resources are divided by the total number of certified recipients to establish a per capita grant to be made to each institution. An advance payment of approximately 90 percent of the projected entitlement is given to the institutions in October in order to allow the State funds to be a meaningful part of the school budget. A final reconciliation payment is made by the following June to complete payment to the colleges. Each institution must execute a participation agreement and must also submit an annual audit report as assurance that the Institutional Assistance Grants monies are used only for non-sectarian educational costs.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Institutional Assistance Grants	<u>\$ 16,016</u>	<u>\$ 17,137</u>	<u>\$ 17,822</u>	<u>\$ 18,535</u>	<u>\$ 19,276</u>	<u>\$ 20,047</u>	<u>\$ 20,849</u>

HIGHER EDUCATION ASSISTANCE AGENCY

General Elementary and Secondary Education

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

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund		\$ 5,000	\$ 5,200	\$ 5,408	\$ 5,625	\$ 5,850	\$ 6,083
Federal Funds		2,807	.....	.....	.....	.....	.....
TOTAL		\$ 7,807	\$ 5,200	\$ 5,408	\$ 5,625	\$ 5,850	\$ 6,083

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Teachers trained in microcomputer education		1,200	1,800	2,160	2,280	2,400	2,520
Teachers trained as instructors in microcomputer education	180	900	1,100	1,300
Regional Resource Centers		14	14	14	14	14	14
Outreach Sites	10	14	21	21	21
New classrooms using microcomputers		45	100	150	200	250	300
Teachers using program hardware and courseware		4,000	5,000	6,000	7,000	8,000	9,000

Program Analysis:

The Information Technology Education Act, (Act 145) which was signed into law on July 9, 1984, provides funding to improve and strengthen the computer skills of students and teachers in the elementary and secondary schools of the Commonwealth through the establishment of Regional Computer Resource Centers. The Regional Centers will (1) provide teacher training in computer information technology, (2) help design computer-oriented elementary and secondary school curricula, (3) assist teachers and school administrators in the evaluation of education computer software, (4) review school proposals to acquire and upgrade computer equipment and implement computer-oriented instruction, (5) assist in the coordination of the purchase of computer hardware and software for Pennsylvania's schools, and (6) loan equipment and computer software to non-public schools. Resource Centers reflecting the Commonwealth's demography have been established at 14 sites (four at intermediate units, eight at colleges and universities, and two in the Philadelphia area). In addition, outreach sites will be established during 1985-86 to accommodate teachers and/or students located in remote areas or

to respond to specific school curriculum needs.

This new program is being coordinated with the Pennsylvania Higher Education Assistance Agency (PHEAA) Science Teacher Education Program (STEP), which provides graduate-level courses for teachers of science and mathematics at some of the same sites. STEP training is heavily though not exclusively weighted to computer use in science and mathematics instructions.

The allocation for teacher training will fund at least three graduate level microcomputer courses at each of the 14 Regional Computer Resource Centers, allow some centers to offer more than one course each semester, and provide for teaching courses at "outreach sites" in areas geographically inconvenient to centers and/or in areas where the high demand level or specialized nature of the courses cannot be handled by the centers. The allocation for establishment and operation of the Regional Computer Resource Centers and "outreach sites" will provide funds for staffing, operational equipment and supplies, maintenance, and other overhead costs as required. Funds are also included for similar operational costs both at the

HIGHER EDUCATION ASSISTANCE AGENCY

General Elementary and Secondary Education (continued)

Program Analysis: (continued)

Clarion STEP/Information Technology Education Act coordinating facility and at PHEAA headquarters. Staff at the centers will coordinate teacher training, including one-day sessions as required on state-of-the-art microcomputer hardware and courseware. They will be responsible for maintaining regularly scheduled times for access to the center and its services by teachers in both public and non-public schools in the regions. RCRC staff will also coordinate activities of the Regional Boards, facilitate the loan of computer equipment to non-public school students, and conduct support services to school districts attempting to establish com-

prehensive plans for the use of microcomputers in the education of kindergarten through 12th grade students.

The appropriation for equipment and software will fund equipment for training at the Centers and outreach sites, equipment and courseware grants for public schools, and equipment loans to non-public school students. The program requires that school districts must develop independently or with the help of the Regional Center staff a comprehensive plan for use of such equipment or courseware. Priority will be given to school districts with minimal amounts of microcomputer equipment and/or with high aid ratios.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Computer Training.....	\$ 1,800	\$ 1,872	\$ 1,947	\$ 2,025	\$ 2,106	\$ 2,190
Computer Purchases.....	3,200	3,328	3,461	3,600	3,744	3,893
GENERAL FUND TOTAL.....	<u>.....</u>	<u>\$ 5,000</u>	<u>\$ 5,200</u>	<u>\$ 5,408</u>	<u>\$ 5,625</u>	<u>\$ 5,850</u>	<u>\$ 6,083</u>

Historical and Museum Commission

The Historical and Museum Commission is the official agency for the conservation and presentation of Pennsylvania's historic heritage. In executing its responsibilities, the Commission provides educational and recreational facilities to the public through historical, archaeological, and museum research, administration of public records, museum exhibition and interpretation, and historic site development.

HISTORICAL AND MUSEUM COMMISSION

PROGRAM REVISIONS

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Government Operations	PII—Micro Acquisition and Linkage	\$ 134 ^a
	This Productivity Improvement Initiative will provide for the acquisition of data processing equipment and the linkage of work and data processing systems.	
Museum Assistance	Museum Assistance	2,200
	This Program Revision will provide grants for assistance to museums in the Commonwealth.	
	DEPARTMENT TOTAL	<u>\$ 2,334</u>

^aThis is only one of numerous productivity initiatives which are being provided one-time funding to achieve long-term savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

HISTORICAL AND MUSEUM COMMISSION

Summary by Fund and Appropriation

		(Dollar Amounts in Thousands)	
	1982-83 Actual	1983-84 Available	1984-85 Budget
General Fund			
General Government			
General Government Operations	\$ 9,050	\$ 9,243	\$ 10,019
Maintenance Program .....	. . . .	500	500
Legislative Oral History .....	. . . .	150	. . . .
Flag Conservation .....	. . . .	100	. . . .
Subtotal	<u>\$ 9,050</u>	<u>\$ 9,993</u>	<u>\$ 10,519</u>
Grants and Subsidies			
Museum Assistance	\$ 1,325	\$ 1,404	\$ 2,200
Local History Grants .....	. . . .	30	. . . .
Subtotal	<u>\$ 1,325</u>	<u>\$ 1,434</u>	<u>\$ 2,200</u>
TOTAL STATE FUNDS	<u><u>\$ 10,375</u></u>	<u><u>\$ 11,427</u></u>	<u><u>\$ 12,719</u></u>
Federal Funds	\$ 473	\$ 674	\$ 450
Other Funds	510	355	357
GENERAL FUND TOTAL	<u><u>\$ 11,358</u></u>	<u><u>\$ 12,456</u></u>	<u><u>\$ 13,526</u></u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 9,050	\$ 9,993	\$ 10,519
Federal Funds	473	674	450
Other Funds	510	355	357
TOTAL	<u>\$ 10,033</u>	<u>\$ 11,022</u>	<u>\$ 11,326</u>

Coordinates and directs the preservation of Pennsylvania's heritage through the collection of public records, natural history specimens, objects of art, historical objects and historic sites; and by promoting acquisition, restoration, and operation of historical sites within the Commonwealth.

Among the major sites are Washington Crossing, Brandywine Battlefield, Old Economy and Pennsbury Manor. Some of the major museums are William Penn Memorial Museum, Landis Valley Farm Museum, Fort Pitt and the Anthracite Museum Complex.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 9,050	\$ 9,243	\$ 10,019
Maintenance Program .....	.....	500	500
Legislative Oral History .....	.....	150	.....
Flag Conservation .....	.....	100	.....
Federal Funds:			
Division of Historic Preservation	412	425	450
National Archives and Records Service Bouquet Papers .....	.....	10	.....
Division of Historical Preservation .....	.....	41	.....
Identification and Classification of Historic and Archaeological Resources .....	.....	.....	.....
Historical Records Program	51	198	.....
Historic Preservation Act Grants	10	.....	.....
Other Funds:			
Hope Lodge Fund	50	.....	.....
Historic Preservation Fund	415	355	357
Land Records	19	.....	.....
Photo Copy Service	26	.....	.....
TOTAL	<u>\$ 10,033</u>	<u>\$ 11,022</u>	<u>\$ 11,326</u>

GENERAL FUND | HISTORICAL AND MUSEUM COMMISSION

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Museum Assistance			
State Funds	\$ 2,200

Provides assistance to qualified museums, through grants to encourage and expand public programs.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Museum Assistance	<u>\$ 1,325^a</u>	<u>\$ 1,404^b</u>	<u>\$ 2,200</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Local History Grants			
State Funds	\$ 30	.....

Provides assistance to history related institutions in the form of mini-grants, to undertake local history research, planning and programming projects.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Local History Grants	<u>.....</u>	<u>\$ 30</u>	<u>.....</u>

^aThis reflects the total amount appropriated for State-Aided Museums. The funds were actually appropriated separately; University of Pennsylvania Museum \$150,000, Carnegie Museum \$150,000, Franklin Institute \$450,000, Academy of Natural Sciences \$275,000, Museum of the Philadelphia Civic Center \$150,000, Buhl Planetarium \$150,000.

^bThis reflects the total amount appropriated for State-Aided Museums. The funds were actually appropriated separately; University of Pennsylvania Museum \$159,000, Carnegie Museum \$159,000, Franklin Institute \$477,000, Academy of Natural Science \$291,000, Museum of the Philadelphia Civic Center \$159,000, Buhl Planetarium \$159,000.

RESTRICTED RECEIPTS HISTORICAL AND MUSEUM COMMISSION

Restricted Receipts Not Included in Department Total

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Preservation of Historic Sites and Properties	\$ 390	\$ 500	\$ 400
Hope Lodge	50	35	35
TOTAL	<u>\$ 440</u>	<u>\$ 535</u> *	<u>\$ 435</u>

HISTORICAL AND MUSEUM COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,665	\$ 889	\$ 1,051	\$ 1,093	\$ 1,137	\$ 1,182	\$ 1,229
Administration of Public Records	\$ 759	\$ 741	\$ 765	\$ 796	\$ 828	\$ 861	\$ 895
Preserving Valuable Records	759	741	765	796	828	861	895
Cultural Enrichment	\$ 7,951	\$ 9,797	\$ 10,903	\$ 11,230	\$ 11,571	\$ 11,926	\$ 11,796
Development and Promotion of Penn- sylvania State and Local History	378	537	504	524	545	567	590
Museum Development and Operations ...	4,267	6,788	7,863	8,089	8,324	8,569	8,824
Development and Preservation of Historic Sites and Properties	3,306	2,472	2,536	2,617	2,702	2,790	2,382
DEPARTMENT TOTAL	<u>\$ 10,375</u>	<u>\$ 11,427</u>	<u>\$ 12,719</u>	<u>\$ 13,119</u>	<u>\$ 13,536</u>	<u>\$ 13,969</u>	<u>\$ 13,920</u>

HISTORICAL AND MUSEUM COMMISSION

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,665	\$ 889	\$ 1,051	\$ 1,093	\$ 1,137	\$ 1,182	\$ 1,229
Other Funds	185	.....	.....	.....	.....	.....	.....
TOTAL	<u>\$ 1,850</u>	<u>\$ 889</u>	<u>\$ 1,051</u>	<u>\$ 1,093</u>	<u>\$ 1,137</u>	<u>\$ 1,182</u>	<u>\$ 1,229</u>

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of the Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs

of provided services.

Also included in this subcategory is a Productivity Improvement Initiative for micro computer acquisition and computer linkage to the Department of Education mainframe in the total amount of \$134,000. This will support the automation of administrative operations through the purchase of computer equipment. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 1,665</u>	<u>\$ 889</u>	<u>\$ 1,051</u>	<u>\$ 1,093</u>	<u>\$ 1,137</u>	<u>\$ 1,182</u>	<u>\$ 1,229</u>

HISTORICAL AND MUSEUM COMMISSION

Preserving Valuable Records

OBJECTIVE: To assure the preservation and availability of the Commonwealth's important public records and to promote the safekeeping of county and municipal records of permanent value.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 759	\$ 741	\$ 765	\$ 796	\$ 828	\$ 861	\$ 895
Federal Funds	58	198	.....	.....	.....	.....	.....
Other Funds	19	20	20	22	25	25	25
TOTAL	\$ 836	\$ 959	\$ 785	\$ 818	\$ 853	\$ 886	\$ 920

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Requests processed involving government records	1,107	1,200	1,500	1,500	1,800	1,800	2,000
Requests processed involving county municipal records	2,613	2,800	3,000	3,500	4,000	4,500	5,000
Responses to service requests—State Archives	22,800	23,500	23,800	24,000	25,000	26,000	27,000
Responses to service requests in Commonwealth Land Office	21,302	21,800	22,500	23,000	24,000	25,000	26,000
Pages of Archives and historical manuscripts	86,300,000	88,400,000	89,600,000	91,800,000	94,000,000	97,000,000	100,000,000
Percent of material on microfilm	7%	8%	9%	10%	12%	14%	16%

Program Analysis:

There are three basic approaches to achieving the objectives of this program. The first is to assure the availability of selected records for examination by students, historians, scholars and other interested persons. This requires the identification, cataloging, preserving and storing of records so they will be available when needed.

The second approach pertains to the need to preserve county and local government records. This is accomplished through advising and guiding government authorities in

planning and preparing retention schedules and in the preservation of these documents.

The third approach involves the preservation and retention of records which by law or administrative directive must be preserved for posterity.

The success of this program is reflected in the measures shown above. These measures indicate the magnitude of materials handled and the amount of material available.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 759</u>	<u>\$ 741</u>	<u>\$ 765</u>	<u>\$ 796</u>	<u>\$ 828</u>	<u>\$ 861</u>	<u>\$ 895</u>

HISTORICAL AND MUSEUM COMMISSION

Development and Promotion of Pennsylvania State and Local History

OBJECTIVE: To extend knowledge of Pennsylvania's historical heritage and promote interest in it.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 378	\$ 537	\$ 504	\$ 524	\$ 545	\$ 567	\$ 590
Federal Funds	1	26	.....	.....	.....	.....	.....
TOTAL	<u>\$ 379</u>	<u>\$ 563</u>	<u>\$ 504</u>	<u>\$ 524</u>	<u>\$ 545</u>	<u>\$ 567</u>	<u>\$ 590</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Pages of historical material published	1,900	2,400	2,500	2,500	2,800	3,000	3,000
Pages of historical material added to the collection	272,500	274,000	278,000	280,000	280,000	290,000	290,000
Responses to service requests	18,640	19,000	19,500	20,000	20,500	21,000	22,000
Historic marker proposals reviewed	72	80	90	90	100	100	110

Program Analysis:

The Commission assures the preservation of historical data through the preparation of advance studies and source publications on Pennsylvania history for scholars and serious students and the development of booklets, pamphlets, leaflets and folders for the general reader. The Commission is charged with the administration of an applied history (internship) program, a historical marker program, a minority studies program and an oral history program.

An up-to-date bibliography of Pennsylvania history is maintained to respond to inquiries from the public and private sector. Technical assistance, advice guidance and information on history and historical events are provided through Commission reference services. These activities result in inquiries from a number of services (in person, mail, telephone) regarding Pennsylvania history. Emphasis is given to working with historical societies as extensions which

supplement the Commissions programs and encourage the interests of young people, through various history programs.

Increases in the public's knowledge and appreciation of Pennsylvania's history cannot be measured but the nature of the demands upon the Commission for services can serve as an indication of the success of this program.

The Commission will continue to promote Pennsylvania history through these and other activities such as the historical markers program and providing for the placement of historical markers in virtually all of the 67 counties in the Commonwealth. Through such other methods as public service announcements, the distribution of literature and information the Commission hopes to promote and further develop interest in Pennsylvania and its contributions to history.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 378	\$ 357	\$ 504	\$ 524	\$ 545	\$ 567	\$ 590
Local History .....	.....	30	.....	.....	.....	.....	.....
Legislative Oral History .....	.....	150	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	<u>\$ 378</u>	<u>\$ 537</u>	<u>\$ 504</u>	<u>\$ 524</u>	<u>\$ 545</u>	<u>\$ 567</u>	<u>\$ 590</u>

HISTORICAL AND MUSEUM COMMISSION

Museum Development and Operations

OBJECTIVE: To assure provision of representative artifacts and specimens of history, art and science for the enlightenment, enjoyment and visual experience of all citizens.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4,267	\$ 6,788	\$ 7,863	\$ 8,089	\$ 8,324	\$ 8,569	\$ 8,824
Federal Funds							
Other Funds	157	290	291	300	310	320	325
TOTAL	\$ 4,424	\$ 7,078	\$ 8,154	\$ 8,389	\$ 8,634	\$ 8,889	\$ 9,149

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State-operated museums and historic sites:							
Annual visits	1,487,385	1,519,800	1,551,800	1,611,000	1,647,000	1,651,000	1,682,000
Exhibits/programs developed and presented	1,100	1,340	1,350	1,370	1,380	1,390	1,400

Program Analysis:

A reorganization plan for the Commission has been approved and is being implemented during the 1984-85 fiscal year. As a result of the reorganization, the activities reflected in this subcategory and the subcategory, Development and Preservation of Historical Sites and Properties have been realigned. Those activities which are administered through the Bureau of Historic Sites and Museums include directing, managing and operating the 27 historic sites and museums and are addressed in this subcategory. Those activities which are the responsibility of the bureau for Historic Preservation and the Bureau of Historical and Museum Services are addressed in the subcategory, Development of Historical Sites and Properties.

Management and support services are provided to the historic sites and museums in the regions through professional and technical assistance, fiscal management and research and development. An initiative undertaken in 1983-1984 which has brought direct improvement is the documentation and compilation of maintenance needs for buildings and grounds. This initiative, which resulted in funding for the Commission's Major Maintenance and Repair Program, provides support for improvements to the Bureau's facilities through a comprehensive maintenance and repair plan.

Regionalized services provide the historic sites and museums, operated by the Commission, with improved capabilities to serve the public. Maintenance, fiscal and operational needs are better coordinated and less costly, and programs are more effectively promoted and sponsored. As a result individuals, families, senior citizens and school children who comprise the visiting public receive a more lasting impression and positive experience.

The State Museum and the twenty-six (26) historic sites and museums serve as resource centers, providing a wide

range of services and programs to the public. Education relating to the material cultural heritage of the Commonwealth is provided. Collections are utilized through a program of exhibition and exhibit interpretation. Objects are preserved and cared for through programs of collections management. Support groups at historic sites and museums continue to perform services such as generating volunteers, co-sponsoring educational and public events, administering sales and gift shops and raising money for acquisitions. Public and educational programs presenting rural and urban life are offered, along with lectures and seminars on curatorial advice and ethnic studies. A Mobile Museum program brings Pennsylvania's history to the people. This program is also responsible for the administration of funds to State-Aided Museums and provides these institutions and other history related organizations with outreach program support, information and assistance.

For 1985-86, \$2,200,000 is recommended to provide assistance to museums in the Commonwealth. A description of the program is included in the Program Revision Request following this subcategory.

The success of Pennsylvania's museum system can best be measured in the interest generated by the general public. Visitation figures are one of the best indicators of the success of this program. They provide the Commission with visitation data necessary to determine utilization of facilities through exhibits and other attractions which stimulate interest in the museum system. Overall Commission historical site and museum visitations are reflected by the economic environment of the state and the Nation. Institutions with similar purposes and functions are affected by the same economic impact. Visitations at Commission historical sites and museums do vary from year to year as a result of changes in special programs and initiatives which effect

HISTORICAL AND MUSEUM COMMISSION

Museum Development and Operations (continued)

Program Analysis: (continued)

public participation. Generally, Commission visitations may increase or decrease marginally from year to year where there is a significant change in the economy.

Within this subcategory the Historical Preservation Fund includes funds from the sale of publications of the Pennsylvania Historical and Museum Commission and all moneys received from fees or other sales by the Commission at the

State historical properties and/or museums. Most of the revenue results from admission fees and sale of publications and souvenirs and is used by the Commission to augment General Government Operations. (See Special Fund Appendix in Volume I for Statement of Cash Receipts and Disbursements.)

VISITATION AT STATE-OWNED MUSEUMS

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
William Penn Memorial Museum	218,000	222,000	228,000	235,000	245,000	250,000	255,000
Pennsylvania Farm Museum	54,300	56,000	58,000	60,000	63,000	66,000	69,000
Fort Pitt Museum	29,000	30,000	31,000	32,000	32,500	33,000	34,000
Pennsylvania Military Museum	68,100	70,000	71,000	72,000	73,000	74,000	75,000
Railroad Museum of Pennsylvania	123,700	125,000	127,000	130,000	133,000	135,000	137,000
Pennsylvania Lumber Museum	24,400	25,000	25,500	26,000	26,500	27,000	28,000
Anthracite Museum Complex:							
Anthracite Museum—Scranton	12,500	14,000	15,000	15,500	16,000	17,000	18,000
Anthracite Museum—Ashland	12,890	13,500	14,000	15,000	16,000	16,500	17,000
Eckley Miners' Village	16,100	16,500	17,500	18,500	19,500	21,000	22,000
Pennsylvania Mobile Museum	56,000	58,000	60,000	85,000	85,000	60,000	60,000
Visitation at State-Owned Museums —							
Subtotal	<u>614,990</u>	<u>630,000</u>	<u>647,000</u>	<u>689,000</u>	<u>709,500</u>	<u>699,500</u>	<u>715,000</u>

VISITATION AT SELECTED STATE HISTORICAL SITES

Property	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Washington Crossing	418,000	420,000	422,000	425,000	428,000	430,000	432,000
Brandywine Battlefield	62,000	65,000	67,000	69,000	70,000	71,000	72,000
Ephrata Cloister	44,900	45,500	46,000	47,000	48,000	49,000	50,000
Old Economy	35,000	36,000	37,000	39,000	40,000	41,000	42,000
Flagship Niagara	14,000	14,500	15,000	15,000	16,000	16,500	17,000
Daniel Boone	37,500	39,000	40,000	41,000	41,500	42,000	43,000
Pennsbury Manor	42,620	43,000	43,500	44,000	45,000	46,000	47,000
Drake Well Museum	32,700	34,000	36,000	37,000	38,000	39,000	40,000
Bushy Run Battlefield	93,000	94,000	94,000	95,000	95,000	95,000	96,000
Conrad Weiser Park	35,100	36,000	36,000	36,500	37,000	37,500	38,000
Cornwall Iron Furnace	12,900	14,000	15,000	16,000	17,000	17,500	18,000
Graeme Park	8,400	10,000	12,000	13,000	14,000	16,000	18,000
Hope Lodge	7,850	9,000	10,000	11,000	12,000	13,000	14,000
Joseph Priestly House	2,000	2,500	3,000	3,500	4,000	4,500	5,000
Morton Homestead	3,100	3,300	3,500	4,000	4,500	5,000	5,500
Old Chester Court House	325	500	800	1,000	1,500	2,000	2,000
Pottsgrove Manor	3,000	3,500	4,000	4,500	5,000	5,500	6,000
Governor Printz Park	20,000	20,000	20,000	20,500	21,000	21,000	21,500
Visitation at Selected State Historical							
Sites — Subtotal	<u>872,395</u>	<u>889,800</u>	<u>904,800</u>	<u>922,000</u>	<u>937,500</u>	<u>951,500</u>	<u>967,000</u>
Historical Property Managed/Leased	64,300	84,000	98,000	123,000	129,000	135,000	150,000
TOTAL — MUSEUMS AND							
HISTORIC SITES	<u><u>1,551,685</u></u>	<u><u>1,603,800</u></u>	<u><u>1,649,800</u></u>	<u><u>1,734,000</u></u>	<u><u>1,776,000</u></u>	<u><u>1,786,000</u></u>	<u><u>1,832,000</u></u>

HISTORICAL AND MUSEUM COMMISSION

Museum Development and Operations (continued)

Program Costs by Appropriation:	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,942	\$ 5,384	\$ 5,663	\$ 5,889	\$ 6,124	\$ 6,369	\$ 6,624
Museum Assistance	1,325	1,404	2,200	2,200	2,200	2,200	2,200
 GENERAL FUND TOTAL	<u>\$ 4,267</u>	<u>\$ 6,788</u>	<u>\$ 7,863</u>	<u>\$ 8,089</u>	<u>\$ 8,324</u>	<u>\$ 8,569</u>	<u>\$ 8,824</u>

HISTORICAL AND MUSEUM COMMISSION

Museum Development and Operations Program Revision: Museum Assistance

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u> </u>	<u> </u>	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 796</u>

Program Analysis:

Pennsylvania's museums are an important part of the fabric of contemporary life in the Commonwealth and have for decades significantly contributed to the preservation and interpretation of Pennsylvania's natural and cultural heritage. They also represent important institutions of commerce and have made substantive contributions to the economic viability of our communities.

These museums provide enjoyment, education, cultural enrichment and varied opportunities for the public to participate in the preservation of our cultural and natural heritage. In 1983, more than 21 million visitors enjoyed the programs offered by these institutions. During this same period more than 276,000 individual memberships were reported.

It has been apparent in recent years that Pennsylvania has a vast number of museums (more than 400 institutions) with varying financial resources and, for the most part, limited access to Commonwealth funding. The dichotomy facing today's museums is: at a time when public interest in their collections and activities is at an all-time high, the pressures of financial stability, funding for current programs and staff, and meeting the daily needs of collection care and conservation have become increasingly difficult. The five principal areas of concern are: collection management, educa-

tion and public programs, institutional development, collaborative programs and initiatives, and promotion and marketing.

To respond to this need, funding is being requested to support museums through the adoption of a Museum Assistance Program. This assistance program has been designed to include two categories (1) general operating support grants incorporating those institutions traditionally receiving non-preferred or line item appropriations, and (2) a matching grant program developed to aid all qualified museums in the five principal areas of need listed above. The program will be administered on a competitive basis through the adoption of professional standards for evaluation. The institutions receiving aid in the past will be assured of receiving at least their 1984-85 funding level.

With a conversion from the nonpreferred funding system of the past and with the infusion of additional funds to establish a project assistance grant program for Pennsylvania's museums, the Pennsylvania Historical and Museum Commission will be able to foster the protection and enhancement of the Commonwealth's museums, their vast collections and extensive educational and public programs.

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Museum Assistance	<u> </u>	<u> </u>	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 796</u>	<u>\$ 796</u>

HISTORICAL AND MUSEUM COMMISSION

Development and Preservation of Historical Sites and Properties

OBJECTIVE: To utilize and interpret historic sites and properties as related to Pennsylvania's history and to promote an understanding and appreciation of the State's historical heritage.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,306	\$ 2,472	\$ 2,536	\$ 2,617	\$ 2,702	\$ 2,790	\$ 2,382
Federal Funds	414	450	450	450	450	450	450
Other Funds	149	45	46	.....	.....	.....	.....
TOTAL	\$ 3,869	\$ 2,967	\$ 3,032	\$ 3,067	\$ 3,202	\$ 3,290	\$ 2,882

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Objects undergoing conservation/preservation	50	200	225	250	300	350	400
Objects maintained under the historic objects inventory	1,140,000	1,145,000	1,151,000	1,156,000	1,165,000	1,175,000	1,185,000
Historic markers placed	1,483	1,485	1,490	1,495	1,498	1,500	1,503
Historic markers refurbished or replaced	210	225	225	225	225	225	225
Historic buildings undergoing conservation/preservation	363	373	380	388	398	409	409
Historic properties surveyed	1,575	1,600	1,600	1,700	1,700	1,800	1,800
Historic properties evaluated for the National Register of Historic Properties	300	325	350	400	400	500	500
Historic properties reviewed for tax benefits	280	325	350	400	450	500	550
State/Federal projects reviewed for impact on historic properties	2,053	2,200	2,500	2,500	2,500	2,500	2,500
Applications reviewed/made for historic preservation grants	72	50	50	60	75	75	75

Program Analysis:

Activities included in this subcategory are administered through the Bureau for Historic Preservation and Bureau of Historical and Museum Services.

The Bureau for Historic Preservation is primarily responsible for the identification, protection and enhancement of buildings, structures, and districts of historic and architectural significance in public and private ownership within the Commonwealth.

The historic preservation program in Pennsylvania has

developed rapidly over the past decade, partly in response to the infusion of Federal funds from the Department of the Interior's (National Park Service) historic preservation program and the growing recognition that the State's rich historic heritage can be recycled and reused to enhance the economic base and the many communities of the Commonwealth. From 1971 to 1980 the level of Federal funds increased with a shift in emphasis from acquisition and development grants to survey and outreach projects. There

Development and Preservation of Historical Sites and Properties (continued)

Program Analysis: (continued)

was also a steady increase in State funding for the Commission's preservation program. Beginning in 1981, the level of Federal funds for state programs was reduced; however, the level of Federal funding has now stabilized allowing for both operational and grant support.

The program operates on a dollar-for-dollar match and is used to support administrative personnel and operating costs as well as continuation of the historic sites survey and National Register nomination projects.

Under the auspices of this program the Commission's preservation effort also provides: better communications between the Pennsylvania Historical and Museum Commission and local preservationists; improved education of the public on preservation issues; assistance to local preservation organizations to improve their ability to provide and carry forward preservation programs; and most importantly maintain standards of historic significance for Pennsylvania's resources. A major initiative has been undertaken in 1984-1985 to establish a program of "certified local governments" which provides assistance and funding for preservation activities of qualified local government programs.

Finally, in 1982-1983 a plan was outlined to assist with start-up and provide capital support for a statewide program to protect and preserve endangered historic public and private buildings, structures and landmarks. Through the establishment of a non-profit statewide revolving fund the a program was implemented for the preservation of historic properties which offers the Commonwealth unlimited benefit. A number of historic properties have now been preserved that might have been lost to demolition or neglect.

Program Services

The program administered by the Bureau of Historical and Museum Services was revised by the reorganization of the Historical and Museum Commission on July 1, 1984. The mission of this program is to plan, direct, coordinate, and implement program services, collection services, exhibition management and marketing-sales-publications services.

Program Services

Another responsibility of this program is to oversee and direct the planning, construction and major maintenance of the buildings and structures administered by the Commission. Periodic surveys identify buildings' needs and major maintenance projects are designed to meet those needs. Special emphasis is placed on the necessity of giving special care and consideration to the historic fabric of heritage buildings. An adjunct of this activity is a new program for major maintenance which was established in 1984-1985 to correct existing problems of buildings' infrastructure. The

proper application of the funds in this program will arrest deteriorating building materials such as roofs and water systems which can cause rapid deterioration if not corrected in a timely fashion. This program will maintain structures on a cyclical basis and will prevent costly replacement programs in years ahead. The recommended budget for 1985-86 includes \$500,000 to continue the correction of these major maintenance problems.

The Commission's Property Management and Lease Program, instituted two years ago, has placed into the private or corporate non-profit sector many historic properties previously maintained by the Commission. Once too costly for the Commonwealth to operate and maintain directly, these properties are now used for historically-related purposes at a much reduced administrative operating cost.

The Historical Marker Program maintains 1,400 roadside markers throughout Pennsylvania.

Collection Services

The second major element of this program is Collection Services which manages and directs the historical objects collections for the agency. This program acquires, registers, and stores the nearly 2,000,000 objects in the Commonwealth's collections. These objects are properly researched and made available for exhibition in 27 museums and historic sites owned by the Commonwealth and are additionally available for research and publication purposes. Another four hundred cultural institutions in Pennsylvania may borrow these objects for research, exhibition and educational purposes. Also included in this program is the responsibility for acquisition and accession of objects (legal title transfer), inventory recording and photographing objects. A new program funded in the 1984-1985 fiscal year has made it possible to create the Commonwealth Conservation Center to provide for better care for collections. Not only through proper temporary storage conditions and bureau handling techniques, but by climate control and sometimes conservation treatments, the Pennsylvania collections will receive better care thereby reducing the cost of overall preservation. Additionally, conservation services will be provided to the General Assembly Flag Project whereby 400 Civil War flags will be conserved for the Capitol building. An additional effort and initiative currently under study is the improvement and expansion of collections storage capability. Currently, collections are stored at 31 locations. The proposed plan is to consolidate the storage stored under proper environmental controls. The 1985-86 recommended budget includes \$100,000 to retrofit the infrastructure of several buildings to ready them for collection storage. Also, to support the effort of collections storage capability \$2,178,000

HISTORICAL AND MUSEUM COMMISSION

Development and Preservation of Historical Sites and Properties (continued)

Program Analysis: (continued)

is being recommended in the Capital Budget for a regional storage facility.

Exhibitions Management

The third major element of this program is Exhibitions Management. A reorganization of this activity will make it possible to manage exhibitions across the State in museums and historic sites. Travelling exhibits will be developed as well. A long range exhibit program is being planned whereby new procedures and standards of operation will provide many more exhibit modules in the same work period.

Marketing, Sales and Publications

The fourth major element of this program is marketing, sales and publications. Coordinating these separate functions has saved administrative costs and caused greater communication among staffs with similar activities. Marketing will prepare the way for sales and publications by better defining the Commission's real audience and market place. Previously unplanned promotional programs will now be coordinated. The Commission will reproduce limited selections from its Pennsylvania collections for sale and create facsimiles of other collection pieces for sale in museum shops. Along with Commission publications at bookstores, sales outlets will now offer reproductions and facsimiles as

well. Publications range from pre-history through each generation of Pennsylvania history to the present. In addition, a quarterly magazine "Pennsylvania Heritage" is published.

Two of the program measures listed show significant changes from the previous year. State/Federal projects reviewed for impact on historic properties shows an increase over the 1983-84 figures shown in last year's budget. This has been brought about by major increases in Federal requirements. Because the Commission now records and maintains all reviews on electronic data processing, the extent of projects reviewed is considerably more accurate and is reflected in the updated figures. A change in the methodology for recording surveys of historic properties eliminated those surveys which did not require full property descriptions. This measure now includes only surveys of an intensive nature which include full descriptions, photographs and other informational requirements. Thus the updated measures reflect a significant decrease over the budgeted measures in the former budget year.

The measures for number of historic objects undergoing conservation/preservation and maintained for inventory were formerly included in the subcategory, Museum Development and Operation. Their inclusion in this subcategory provides for more realistic and practical management control of this program.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 3,306	\$ 1,872	\$ 2,036	\$ 2,117	\$ 2,202	\$ 2,290	\$ 2,382
State Museums Maintenance .....	.....	500	500	500	500	500	.....
Flag Conservation .....	.....	100	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	<u>\$ 3,306</u>	<u>\$ 2,472</u>	<u>\$ 2,536</u>	<u>\$ 2,617</u>	<u>\$ 2,702</u>	<u>\$ 2,790</u>	<u>\$ 2,382</u>

Housing Finance Agency

The Housing Finance Agency provides funding for construction and substantial rehabilitation of multi family housing and purchase, rehabilitation, home improvement and energy conservation for single family homes.

A Homeowner's emergency assistance program also provides assistance through the provision of temporary mortgage assistance payments to those threatened with loss of their home due to financial hardship.

HOUSING FINANCE AGENCY

Summary by Fund and Appropriation

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
General Fund			
Grants and Subsidies			
Transfer to PHFA—Homeowners Emergency Assistance.....	\$ 5,000	\$ 25,750	\$ 25,850
TOTAL STATE FUNDS	<u>\$ 5,000</u>	<u>\$ 25,750</u>	<u>\$ 25,850</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Homeowners Emergency Assistance			
State Funds	\$ 5,000	\$ 25,750	\$ 25,850

Provides funds to the Pennsylvania Housing Finance Agency (PHFA) to provide homeowners with emergency mortgage assistance when they are threatened with the loss of their home due to no fault of their own.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
<i>Source of Funds</i>	Actual	Available	Budget
Appropriation:			
Transfer to PHFA — Homeowners Emergency Assistance	<u>\$ 5,000</u>	<u>\$ 25,750</u>	<u>\$ 25,850</u>

HOUSING FINANCE AGENCY

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 540	\$ 2,000	\$ 2,100	\$ 2,205	\$ 1,257	\$ 902	.....
Housing and Redevelopment	\$ 4,460	\$ 23,750	\$ 23,750	\$ 23,750	.....	.....	.....
Housing and Redevelopment Assistance .	4,460	23,750	23,750	23,750	.....	.....	.....
DEPARTMENT TOTAL	<u>\$ 5,000</u>	<u>\$ 25,750</u>	<u>\$ 25,850</u>	<u>\$ 25,955</u>	<u>\$ 1,257</u>	<u>\$ 902</u>	<u>.....</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						1989-90
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	
General Fund	\$ 540	\$ 2,000	\$ 2,100	\$ 2,205	\$ 1,257	\$ 902	.....

Program Analysis:

General Administration and Support provides the administrative overhead and management systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support.

The administrative funds reflected in this subcategory only reflect the costs of administering the Homeowners Emergency Mortgage Assistance program (HEMA) and not the entire operational costs of the agency. Approximately half of the administrative costs reflected are those of Consumer Credit Counseling agencies who act as an administrative arm of PHFA.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						1989-90
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	
GENERAL FUND							
Transfer to PHFA—Homeowners Emergency Assistance	\$ 540	\$ 2,000	\$ 2,100	\$ 2,205	\$ 1,257	\$ 902	.....

Housing and Redevelopment Assistance

OBJECTIVE: To reduce to an acceptable level the percentage of Pennsylvania families living in substandard housing and blighted neighborhoods.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 4,460	\$ 23,750	\$ 23,750	\$ 23,750	.....	.....	.....

Program Analysis:

In 1983, concern over the length and severity of the recession and its impact on the ability of many Pennsylvanians to meet normal responsibilities provided the impetus to create a program aimed at protecting these individuals from losing their homes to mortgage or tax sale foreclosures as a result of circumstances beyond their control.

The Homeowners Emergency Mortgage Assistance program (HEMA) was established by the General Assembly with the enactment of Act 91 of 1983 and signed into law by the Governor on December 23, 1983. HEMA is administered by the Pennsylvania Housing Finance Agency (PHFA), under the oversight of the Secretary of Community Affairs.

The enabling legislation provided a General Fund appropriation of \$5,000,000 and the provision of a tax credit revenue generating method as a funding source for the program. The mechanism of providing tax credits to corporations who make cash contributions to the program, while not a new method of generating revenue, proved not to be viable funding mechanism for this program.

The Neighborhood Assistance Program under the Department of Community Affairs has been successful in the utilization of this method to generate revenue for programs benefiting low-income individuals. However, the Neighborhood Assistance Program allows donations of goods and services as well as cash and yields readily visible and tangible benefits to the communities in which the potential corporate contributors are physically located. Such was not the case with the HEMA Program.

For this reason, a General Fund appropriation was approved in 1984-85 in the amount of \$25,750,000 to capitalize the program. While the tax credit mechanism remains a part of the Act, no funds have been donated under it.

The most immediate impact of Act 91 was the suspension of foreclosure actions and sheriff sales on eligible residences while guidelines were being developed. Guidelines were adopted by the Board of Directors of the PHFA on February 21, 1984 and published in the Pennsylvania Bulletin on March 3, 1984.

Act 91 provides mortgage assistance payments to eligible recipients in the form of loans sufficient to bring the mortgage current. Additionally, the agency can provide continuing assistance for a period of up to thirty-six months. Although Act 91 calls for repayment of the assistance, the homeowner's obligation to repay does not commence until there is financial ability to do so. In addition, no interest accrues on the assistance loaned until that time.

The agency has implemented this program through the use of consumer credit counseling agencies, who meet with the delinquent homeowner and attempt to resolve the problem between him and the lending institution. If the problem cannot be resolved, the individual may file an application under the HEMA.

To be eligible for assistance, (1) the property must be the primary residence of the homeowner; (2) the homeowner must be suffering financial hardship due to circumstances beyond his/her control; (3) there must be a reasonable prospect of the homeowner resuming full mortgage payments within 36 months; (4) the mortgage must be at least 90 days delinquent and the financial institutions must have indicated its intention to foreclose; and (5) the homeowner must have obtained financial counseling.

Payments under this program are made directly to the financial institution on behalf of the homeowner. These payments are of two types: (1) arrearages including costs, escrowed funds and fees, and (2) monthly mortgage assistance payments in an amount that would not cause the homeowners total housing expense to exceed 35 percent of net effective income.

While there has been a significant improvement in the economy since the enactment of this program, Pennsylvania, because of its traditional manufacturing base has historically lagged behind other states in any economic upturn. Supportive of this fact, the mortgage bankers survey shows that as of the third quarter of 1984, 7.84 percent of all mortgages in the Commonwealth were delinquent while the national average was 5.86 percent. However, it should be noted that only 1.5 percent of all mortgages in the Commonwealth are

Housing and Redevelopment Assistance (continued)

Program Analysis: (continued)

delinquent by 90 days or more.

Early program statistics seemed to indicate a demand in excess of funding provided, depending upon assumptions about the volume of applications, the approval rate, the average loan amount and the duration of the loan. However, with these numbers improving monthly, and refinement of

the approval process the current funding level is anticipated to be sufficient until program experience dictates otherwise.

As the agency has closed only a small number of loans, program measures of any validity are not possible until more experience is gained.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Transfer to PHFA -- Homeowners							
Emergency Assistance	<u>\$ 4,460</u>	<u>\$ 23,750</u>	<u>\$ 23,750</u>	<u>\$ 23,750</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>

Insurance Department

The Insurance Department executes the insurance laws of the Commonwealth, examines and supervises domestic insurance companies, settles complaints and regulates insurance rates. The Department also licenses Pennsylvania and out-of-state companies, makes investigations of alleged violations of the law and supervises the dissolution of companies.

INSURANCE

Summary by Fund and Appropriation

		(Dollar Amounts in Thousands)	
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 7,067	\$ 7,268	\$ 7,598
	<hr/>	<hr/>	<hr/>
TOTAL STATE FUNDS	\$ 7,067	\$ 7,268	\$ 7,598
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 Other Funds	 \$ 335	 \$ 720	 \$ 745
	<hr/>	<hr/>	<hr/>
GENERAL FUND TOTAL	\$ 7,402	\$ 7,988	\$ 8,343
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

GENERAL GOVERNMENT

General Government Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 7,067	\$ 7,268	\$ 7,598
Other Funds	335	720	745
TOTAL	<u>\$ 7,402</u>	<u>\$ 7,988</u>	<u>\$ 8,343</u>

Administers the internal activities of the Department; examines insurance companies for financial stability, compliance with the law, treatment of policyholders, income, disbursements and loss payments; reviews rates, policies and any policyholders' inquiries or complaints; investigates and takes appropriate action on alleged violations of the law or regulations; and supervises the liquidation of insolvent insurance companies.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 7,067	\$ 7,268	\$ 7,598
Other Funds:			
Reimbursement for Companies in Liquidation	180	230	255
Reimbursement — Pennsylvania Bulletin and Code Regulations	112	115	115
Reimbursement — Duplicating and Mailing Services	23	30	30
Reimbursement — Workmen's Compensation Security Fund Services	20	20	20
Reimbursement — Examination Travel .....	.. . .	325	325
TOTAL	<u>\$ 7,402</u>	<u>\$ 7,988</u>	<u>\$ 8,343</u>

INSURANCE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer Protection	\$ 7,067	\$ 7,268	\$ 7,598	\$ 7,902	\$ 8,218	\$ 8,547	\$ 8,889
Regulation of Insurance Industry	7,067	7,268	7,598	7,902	8,218	8,547	8,889
DEPARTMENT TOTAL	<u>\$ 7,067</u>	<u>\$ 7,268</u>	<u>\$ 7,598</u>	<u>\$ 7,902</u>	<u>\$ 8,218</u>	<u>\$ 8,547</u>	<u>\$ 8,889</u>

Regulation of Insurance Industry

OBJECTIVE: To assure the efficiency of the insurance industry and its ability to satisfy contractual obligations and to prevent abuse of the public by illegal or unfair practices.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,067	\$ 7,268	\$ 7,598	\$ 7,902	\$ 8,218	\$ 8,547	\$ 8,889
Other Funds	335	720	745	770	785	790	790
TOTAL	\$ 7,402	\$ 7,988	\$ 8,343	\$ 8,672	\$ 9,003	\$ 9,337	\$ 9,679

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer savings from departmental intervention in insurance claim disputes (in thousands)	\$5,819	\$5,900	\$5,900	\$6,000	\$6,000	\$6,100	\$6,100
Companies examined	119	160	160	160	160	160	160
Companies in liquidation	27	27	25	25	25	25	25
Complaints received and processed	23,848	24,000	24,200	24,400	24,600	24,600	24,700
Rate filings reviewed	8,591	8,800	8,800	8,800	8,800	8,900	8,900
Insurance policy/form filings reviewed	33,840	35,500	40,000	40,000	40,000	40,000	40,000
Insurance companies regulated:							
In-State	338	345	355	360	360	360	370
Out-of-State	997	1,045	1,090	1,095	1,095	1,095	1,095
Foreign	29	31	35	36	36	36	36
Agents and brokers licenses:							
New	142,974	143,000	145,000	147,000	147,000	148,000	150,000
Renewals	143,781	364,000	145,000	367,000	147,000	370,000	150,000

Program Analysis:

The insurance industry is one of the few finance-related areas of the economy that is exempt from direct Federal regulation. At the same time, insurance is a constantly changing industry; new concepts, new forms and vehicles of insurance and new roles for insurance companies seem to emerge daily. It is important that the Commonwealth, through the Insurance Department, maintain an effective regulatory program due to the size, scope and complexity of the industry, while continuing the perception that Pennsylvania is a good place for insurance companies to do business and invest their money.

The Insurance Department is legally mandated to examine and audit the financial condition of approximately 1,400 insurance companies doing business in Pennsylvania, examine and license over 400,000 insurance agents and brokers,

review for approval or disapproval rate and policy form filings, license insurance companies to do business in the State and enforce the insurance laws of Pennsylvania. The department also handles an estimated 100,000 consumer inquiries and complaints annually and prepares and distributes educational material on insurance.

The department emphasizes the needs and concerns of both the consumer and the insurance industry. It insures that the industry is responsive to the needs of the consumer by making available to the consumer reliable insurance coverages at reasonable rates. The Bureau of Policyholder Services processed 24,000 written complaints in 1983-84 through offices located in Harrisburg, Philadelphia, Pittsburgh and Erie. The department places major emphasis on enforcement activities within the Bureau of Policyholder Ser-

Regulation of Insurance Industry (continued)

Program Analysis: (continued)

ices and Enforcement and continues to maintain a close working relationship with various law enforcement agencies in detecting, combating and prosecuting fraudulent insurance activities. Savings to consumers resulting from departmental intervention were \$5.8 million in fiscal year 1983-84.

The department publishes and updates consumers' guides to automobile insurance, homeowners' insurance and life insurance which allows Pennsylvanians to compare rates among the various companies operating in the Commonwealth.

Among the major issues to be addressed by the department during the coming year are: demutualization of mutual insurance companies; insurance company investment law revision; multiple employer trusts; solvency of insurance companies; and investigation of insurance fraud.

Negative economic factors peculiar to the insurance industry impact upon many companies. Increased costs and underwriting losses have severely strained many property and casualty insurers. Life insurers are responding to the adverse climate with the introduction of new products. Continued spiraling health care costs have placed many accident and health carriers under considerable financial pressure. All these factors require the department to closely monitor solvency, adequacy of loss reserves and cash flow.

The difficult economic conditions of the last few years have had the greatest effect on the examination function and on liquidations. New companies must be examined yearly while troubled companies require examination more often than the statutory period of every four years. The number of examinations and liquidations has increased in the past few years of economic fluctuations, but should level off now that a healthier economy has emerged. In fiscal year 1983-84, the number of insurance companies regulated by the department increased from 1,331 to 1,364, and it is expected that

120 additional companies will seek admission into Pennsylvania in both fiscal years 1984-85 and 1985-86. This growth in companies affects not only the company admission function but also agent licensing, company examinations, rate filings, forms filings, audits and enforcement functions.

The department is continuing its "Circuit Rider" program under which department staff travel to various Commonwealth locations to hear consumer complaints and provide general consumer information. This is one of the basic methods of insuring that elderly and other disadvantaged insurance consumers have some recourse in satisfying their concerns.

The continuing Care Provider Registration and Disclosure Act became effective December 18, 1984. This Act requires the Insurance Department to license continuing care providers and to examine them every four years.

As the insurance industry transforms itself, as a necessary response to consumers' needs for "one stop" financial services, to conglomerates of investment, insurance and annuities, its products, pricing mechanisms and marketing methods must also be transformed. Regulation of rates and policies must then be as flexible and as innovative as the products being reviewed.

The Motor Vehicle Financial Responsibility Act which became effective October 1, 1984 replaced the existing No-Fault Automobile Insurance system. In addition to implementing the Catastrophic Loss Trust Fund which was created by the new laws, significant rate and policy form filings will be submitted under the new law.

This budget contains two initiatives for the Insurance Department: \$30,000 for Life Care Facility Examinations and \$38,000 for investigation of fraudulent claims and investment fraud.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 7,067	\$ 7,268	\$ 7,598	\$ 7,902	\$ 8,218	\$ 8,547	\$ 8,889

Department of Labor and Industry

The Department of Labor and Industry serves the labor and industrial interests of the Commonwealth by promoting the health, welfare and safety of employes; maintaining continuous production and employment by acting to reduce industrial strife; rehabilitating the vocationally handicapped; stabilizing the income of employes who become victims of certain occupational diseases or who sustain work related injuries; promoting apprenticeship training programs and assisting displaced workers in retraining and/or relocation.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
Teen Pregnancy and Parenthood	Teen Pregnancy and Parenthood.....	\$ 1,250 ^a
<p style="text-align: center;">This will assist pregnant teenagers and/or teenage parents who have dropped out of school or are beyond school age to obtain a General Education Degree (GED) and/or a skill leading to employment.</p>		
Job Training for Welfare Recipients	Job Training for Welfare Recipients	1,000 ^b
<p style="text-align: center;">This Program Revision will provide funds to assist welfare recipients with special employment and training needs.</p>		
Department Total		<u>\$ 2,250</u>

^aIn addition, \$946,000 is budgeted in the Department of Education and \$200,000 in the Department of Health making the total program revision \$2,396,000. Details are presented in the program revision following the General Elementary and Secondary Education subcategory in the Department of Education.

^bAn additional \$339,000 is budgeted to the Department of Public Welfare in the subcategory for Income Maintenance. Details are provided in the program revision following the Income Maintenance subcategory in the Department of Public Welfare.

DEPARTMENT OF LABOR AND INDUSTRY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 13,171	\$ 16,517	\$ 15,893
Debt Service Requirements			
Unemployment Compensation Interest	\$ 16,141	\$ 17,000	.....
Grants and Subsidies			
Occupational Disease Payments	\$ 9,541	\$ 9,390	\$ 8,374
Transfer to Vocational Rehabilitation Fund	10,400	11,000	14,215
Workmen's Compensation Payments	1,107	1,129	1,033
Transfer to Office of Employment Security	1,100	1,100	1,100
Teenage Pregnancy and Parenthood .....	.....	.....	1,250
Job Training for Welfare Recipients .....	.....	.....	1,000
Job Training Partnership	675	6,088	2,247
Subtotal	\$ 22,823	\$ 28,707	\$ 29,219
TOTAL STATE FUNDS	\$ 52,135	\$ 62,224	\$ 45,112
Federal Funds	\$ 132,515	\$ 205,034	\$ 189,386
GENERAL FUND TOTAL	\$ 184,650	\$ 267,258	\$ 234,498

GENERAL GOVERNMENT

General Government Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 13,171	\$ 16,517	\$ 15,893
Federal Funds	5,581	6,217	5,142
TOTAL	\$ 18,752	\$ 22,734	\$ 21,035

Provides for the overall direction, coordination, establishment of policies and regulations and operation of programs relating to consumer protection, accident prevention, industrial relations, manpower training, income maintenance and other areas relating to labor and industry. Also provides departmental administrative support in the areas of legal services, public relations, personnel, budget, procurement and management methods.

Provides an economic base for individuals unable to sustain a minimally acceptable level of existence because of occupational disease or injury. Also provides a program of public employes' retirement, disability and survivors insurance through the administration of the Federal Social Security Program for employes of the Commonwealth and its political subdivisions.

Insures that minimum and prevailing wages are paid when legally mandated to those persons who are employed, including migrant labor.

Provides for registration of farm labor contractors under the migrant labor program.

Provides for administrative support of the Job Training Partnership Program (JTPA).

Provides for administration of the Right to Know Act (Act 74 of 1984).

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	\$ 13,171	\$ 16,517 ^a	\$ 15,893
Federal Funds:			
Energy Conservation	33	.....	.....
CETA (II-IV) Statewide Administration	951	.....	.....
Balance of State — CETA	1,120	100	.....
Job Training Partnership — Administration	3,477 ^b	6,100 ^c	5,142
National Occupational Information Coordinating Committee .....	.....	17	.....
TOTAL	\$ 18,752	\$ 22,734	\$ 21,035

^aActually appropriated as \$13,617,000 for General Government Operations and \$2,900,000 for Right-to-Know Act.

^bActually expended as follows: Labor and Industry—Administration \$1,359,000; Labor and Industry—Special Barrier Grants \$1,358,000; Office of the Budget \$348,000; Office of Policy Development \$226,000; and Education \$186,000.

^cActually appropriated as follows: Labor and Industry—Administration \$2,625,000; Labor and Industry—Special Barrier Grants \$2,000,000; Office of the Budget \$1,031,000; Office of Policy Development \$394,000; and Aging \$50,000.

DEBT SERVICE REQUIREMENTS

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Unemployment Compensation Interest			
State Funds	\$ 16,141	\$ 17,000	. . . .

Provides funds for the payment of interest on funds borrowed from the Federal government to meet claimant benefit requirements under the unemployment compensation program.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
<i>Source of Funds</i>			
Appropriation:			
Unemployment Compensation Interest	<u>\$ 16,141</u>	<u>\$ 17,000</u>	<u>. . . .</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Occupational Disease Payments			
State Funds	\$ 9,541	\$ 9,390	\$ 8,374

Provides grants to alleviate economic hardships of persons who are disabled due to certain occupational diseases, principally silicosis and silica-related diseases. Also provides cash payments to partially disabled persons who, through subsequent injury, become totally disabled.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
<i>Source of Funds</i>			
Appropriation:			
Occupational Disease Payments	<u>\$ 9,541</u>	<u>\$ 9,390</u>	<u>\$ 8,374</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Employability Development—Physically and Mentally Disadvantaged			
State Funds	\$ 10,400	\$ 11,000	\$ 14,215
Federal Funds	35,262	38,900	39,678
TOTAL	\$ 45,662	\$ 49,900	\$ 53,893

Operates to enable the physically and mentally disadvantaged to prepare for and function as a part of the labor force by providing physical restoration, training, counseling and placement services. Also responsible for making disability determinations for the Federal Social Security Disability Insurance (SSD) program, the Supplemental Security Income (SSI) Program and the Federal Coal Mine Health and Safety Act.

Provides funds to expand and improve services under the Centers for Independent Living (CIL) program.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Transfer to Vocational Rehabilitation Fund	\$ 10,400	\$ 11,000	\$ 14,215
Federal Funds:			
Disability Determination	35,262	38,900	39,678
TOTAL	\$ 45,662	\$ 49,900	\$ 53,893

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Workmen's Compensation Payments			
State Funds	\$ 1,107	\$ 1,129	\$ 1,033

Provides for payments to self-insured employers and insurance carriers to raise the compensation of those employees receiving compensation for injuries prior to January 17, 1968, to \$60 dollars per week.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Workmen's Compensation Payments	\$ 1,107	\$ 1,129	\$ 1,033

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Employability Development—Socially and Economically Disadvantaged			
State Funds	\$ 1,100	\$ 1,100	\$ 3,350

Provides funds for services to the socially and economically disadvantaged, including employable welfare recipients and to pregnant teenagers and teenage parents.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Transfer to Office of Employment Security	\$ 1,100	\$ 1,100	\$ 1,100
Teen Pregnancy and Parenthood .....	.....	.....	1,250
Job Training for Welfare Recipients .....	.....	.....	1,000
TOTAL	<u>\$ 1,100</u>	<u>\$ 1,100</u>	<u>\$ 3,350</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Job Training Partnership			
State Funds	\$ 675	\$ 6,088	\$ 2,247
Federal Funds	91,672	159,917	144,566
TOTAL	<u>\$ 92,347</u>	<u>\$ 166,005</u>	<u>\$ 146,813</u>

Provides grants to Service Delivery Areas (SDA) and other eligible entities to aid the entry and productive participation of unskilled and unemployed youth, adults and dislocated workers in the job market through the provision of training, education and job placement activities.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Job Training Partnership	\$ 675	\$ 6,088	\$ 2,247
Federal Funds:			
Service Delivery Areas	63,102	90,113	80,222
Summer Youth	18,339	42,961	42,961
Incentive Grants	4,448	8,580 ^a	8,000
Dislocated Workers	2,126	15,403	10,823
Emergency Jobs — Dislocated Worker	2,469	.....	.....
Older Workers	888	2,160 ^b	2,160
Veterans Employment	300	700	400
TOTAL	<u>\$ 92,347</u>	<u>\$ 166,005</u>	<u>\$ 146,813</u>

^aActually appropriated as Incentive Grants \$6,580,000 and Technical Assistance \$2,000,000.

^bActually appropriated to the Department of Aging.

DEPARTMENT OF LABOR AND INDUSTRY

Summary of Agency Program by Category and Subcategory

General Fund and Special Fund

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,935	\$ 2,052	\$ 2,091	\$ 2,175	\$ 2,262	\$ 2,352	\$ 2,446
Personal Economic Development	\$ 40,767	\$ 47,569	\$ 31,119	\$ 30,814	\$ 30,530	\$ 30,263	\$ 30,064
Employability Development — Socially and Economically Handicapped	1,775	7,188	5,597	5,597	5,597	5,597	5,597
Employability Development — Physically and Mentally Handicapped	10,400	11,000	14,215	14,215	14,215	14,215	14,215
Income Maintenance	28,592	29,381	11,307	11,002	10,718	10,451	10,252
Labor Management Relations	\$ 2,202	\$ 2,402	\$ 2,450	\$ 2,548	\$ 2,650	\$ 2,756	\$ 2,866
Labor Relations Stability	2,202	2,402	2,450	2,548	2,650	2,756	2,866
Community and Housing Hygiene and Safety	\$ 6,790	\$ 9,766	\$ 9,008	\$ 9,368	\$ 9,743	\$ 10,133	\$ 10,538
Accident Prevention	6,790	9,766	9,008	9,368	9,743	10,133	10,538
Consumer Protection	\$ 441	\$ 435	\$ 444	\$ 462	\$ 480	\$ 499	\$ 519
Regulation of Consumer Products and Promotion of Fair Business Practices	441	435	444	462	480	499	519
DEPARTMENT TOTAL	<u>\$ 52,135</u>	<u>\$ 62,224</u>	<u>\$ 45,112</u>	<u>\$ 45,367</u>	<u>\$ 45,665</u>	<u>\$ 46,003</u>	<u>\$ 46,433</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 1,935</u>	<u>\$ 2,052</u>	<u>\$ 2,091</u>	<u>\$ 2,175</u>	<u>\$ 2,262</u>	<u>\$ 2,352</u>	<u>\$ 2,446</u>

Program Analysis:

This subcategory contains those necessary services which cannot reasonably be charged directly to substantive programs due to their generalized nature. The success or failure of these supportive services can only be indirectly reflected

by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 1,935</u>	<u>\$ 2,052</u>	<u>\$ 2,091</u>	<u>\$ 2,175</u>	<u>\$ 2,262</u>	<u>\$ 2,352</u>	<u>\$ 2,446</u>

Employability Development—Socially and Economically Handicapped

OBJECTIVE: To enhance the ability of the handicapped unemployed and underemployed to function as a part of the labor force and to gain full employment.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,775	\$ 7,188	\$ 5,597	\$ 5,597	\$ 5,597	\$ 5,597	\$ 5,597
Federal Funds	97,221	166,134	149,708	149,708	149,708	149,708	149,708
TOTAL	\$ 98,996	\$ 173,322	\$ 155,305	\$ 155,305	\$ 155,305	\$ 155,305	\$ 155,305

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Job Training Partnership Program:							
Enrollments	77,949	107,731	109,886	112,040	114,195	116,349	118,504
Placements	11,493	21,303	21,729	22,155	22,581	23,007	23,433
Cash welfare recipients served	44,726	53,356	54,423	55,490	56,557	57,624	58,692
AFDC applicants (WIN Program):							
Total registrants	133,000	110,000	110,000	110,000	110,000	110,000	110,000
Participants entering employment	30,813	31,000	31,000	31,000	31,000	31,000	31,000

Program Analysis:

While there are no single, easy, short-term solutions to the problems of joblessness that have resulted from Pennsylvania's transitional economy, it is clear that if dislocated workers and economically disadvantaged individuals are to secure employment they must have access to job training programs that will prepare them for the jobs of today and for the jobs which are likely to exist in the near future.

In the past, the major employment and training program was the Federal Comprehensive Employment and Training Act (CETA), which authorized funding for job training programs and the direct provision of public service jobs for the economically disadvantaged.

Beginning in October of 1983, CETA was replaced by the Job Training Partnership Act (JTPA). This Act strengthens the role of the Commonwealth in job training efforts for the economically disadvantaged and dislocated workers. Under JTPA state governments, local governments and the private sector work in partnership to develop and operate job training programs with an end goal of providing unsubsidized jobs.

Under this act, governors are given increasing responsibilities including redesigning Service Delivery Areas within the state; establishing statewide goals and priorities for job training; coordinating all other job training resources available in the state with the JTPA program; overseeing the programmatic activities of each local Private Industry Council; ensuring fiscal accountability for all funds, in-

cluding auditing of each program at least once every two years; and administering directly the state education coordination program and dislocated workers and older workers programs. Governors carry out their responsibilities in conjunction with a State Job Training Coordinating Council.

JTPA includes three basic programs: (1) Training Services for the Disadvantaged (Title II-A), (2) Summer Youth Programs (Title II-B), and (3) Employment and Training Assistance for Dislocated Workers (Title III). Federal funds to support these three programs are allocated to Pennsylvania by the formula contained in the Act, which is based on the number of persons unemployed and economically disadvantaged.

The law specifies that 78 percent of the basic funding provided in JTPA Title II-A be passed through to Service Delivery Areas by formula, based on unemployment levels and the levels of economically disadvantaged individuals within each Service Delivery Area.

The remaining 22 percent of the Title II-A funds are used for the following purposes: 8 percent for State Education and Coordination Grants, 3 percent for Older Workers programs, 6 percent for Incentive Grants to Service Delivery Areas based on exceptional performance, and 5 percent for administration, auditing and special programs. Separate authorizations are received for summer youth programs (Title II-B) and the Dislocated Workers program (Title III).

The Department of Labor and Industry is the lead agen-

Employability Development—Socially and Economically Handicapped (continued)

Program Analysis:

cy in administering this program. However, the Departments of Aging and Education also share some of this responsibility.

Federal funding was initially provided for the nine month period from October 1, 1983 through June 30, 1984, to allow for a transition in the grant period from a Federal fiscal year (October 1—September 30) to a program year which now coincides with the State fiscal year (July 1—June 30).

The major portion of the Title II-A funds is subgranted by the Department of Labor and Industry to the Service Delivery Areas (SDAs) based on their approved spending plans. The allowable program activities include: pre-entry level training in job readiness and basic educational skills, entry level training in basic occupations skills, upgrade skills training, retraining, counseling, job search assistance, and job development and employment generating activities.

The budget provides a Program Revision of \$1,250,000 in State funds to be distributed among the Private Industry Councils (PICs) on a competitive basis for programs to help pregnant teenagers or teenage parents who have dropped out of school or are beyond school age to obtain a GED and/or a skill leading to employment. The programs will include child day care, job training, and case management services. Additional information on new programs to assist this group can be found in the Department of Education's Program Revision Request entitled Teen Pregnancy and Parenthood following the General Elementary and Secondary Education Subcategory.

The budget also provides \$1,000,000 in State funds to be distributed to Private Industry Councils (PICs) on a competitive basis to serve additional welfare recipients. The PICs, working in coordination with local County Assistance Offices, will develop programs to serve welfare recipients with multiple employment and training needs and those with special needs. Additional information on the welfare training program can be found in the Program Revision Request following the Income Maintenance subcategory in the Department of Public Welfare.

The educational and training component of JTPA is carried out by the Department of Education through three major program efforts: adult literacy training, State corrections training and entry level training, retraining and training in advanced technologies.

In total, these programs are directed at assisting Pennsylvania's economically disadvantaged citizens to enter or reenter the workforce equipped with the basic educational and occupational skills necessary to meet the needs of employers. At the same time these efforts assist in reducing dependency on public assistance. Based on the agency's efforts to prioritize service to the most needy members of the community in the first 9 months, 44,726 or 57 percent of

all JTPA enrollments across Pennsylvania were recipients of Public Assistance in one form or another.

The final major component of Title II of JTPA is the Summer Youth Program, also administered by the Department of Labor and Industry through the SDAs. It provides disadvantaged youth, including 14 and 15 year olds, with on-the-job training and work experience programs during the summer months.

The Job Training Partnership Act has been successfully implemented during the past year. This success is best illustrated through a few of the program achievements attained during the first program year.

The Commonwealth was one of four states reviewed by the U.S. Department of Labor, Office of Inspector General, that was considered ready to effectively begin JTPA as of October 1, 1983. Pennsylvania was also one of six states which met the intent of Congress by reducing the number of administering agencies from that which existed under the Comprehensive Employment and Training Act (CETA) from 32 Prime Sponsors to 27 Service Delivery Areas, and was one of eight states to submit the Governor's Coordination and Special Services Plan to the U.S. Department of Labor by the June 1, 1983 deadline.

Statistical evidence also shows that the program has been effectively implemented. Under Title II-A, programs for economically disadvantaged adults and youth, a total of 26,929 individuals were trained. While the U.S. Department of Labor standard for the adult entered employment rate was 58 percent, actual performance during the nine month transition year was 66 percent. A total of 4,856 individuals received assistance under Title III, employment and training assistance for dislocated workers. Of these, 2,100 completed training and 1,333 or 64 percent gained unsubsidized employment.

The regular Work Incentive (WIN) Program terminated September 29, 1982 and its successor, the WIN Demonstration Program is being operated by the Department of Public Welfare. The Department of Labor and Industry's Office of Employment Security (OES) provides services for this program under contract to the Department of Public Welfare. Services are provided to recipients under the Aid to Families with Dependent Children program, a Federal category of public assistance.

The WIN Program, which is operated Statewide, emphasizes the targeting of resources toward immediate job placement rather than training or work experience. The Department of Public Welfare reimburses OES for the following services: work registration for all applicants for cash public assistance who are directed to the OES office as a part of the welfare application process; appraisal of each applicant to match needs to become job ready with available

Employability Development—Socially and Economically Handicapped (continued)

Program Analysis:

services; job search workshops to provide guidance in the most successful methods for seeking jobs; referral to open jobs listed by employers; and job development services.

Registrations under the WIN Demonstration Program exceed the original 1983-1984 estimates because the figures, in keeping with the current OES/DPW contract, include applicants for cash assistance as well as recipients of cash assistance. It is anticipated, however, that a program redesign limiting referrals to OES to recipients exclusively will be implemented during the next Federal Fiscal Year and that will reduce the number of registrations annually.

Therefore, registrations for years beyond 1983-1984 have been reduced to 110,000. The proposed redesign will not effect the number of General Assistance recipients who are registered.

As a continuing component of the Welfare Reform Program, a State amount of \$1.1 million is again recommended for Labor and Industry's Office of Employment Security (OES) to continue special employment and training services for General Assistance recipients. These services include in-depth appraisal interviews and job readiness training to enhance entry into gainful employment.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Transfer to Office of Employment							
Security.....	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100
Job Training Partnership	675	6,088	2,247	2,247	2,247	2,247	2,247
Teen Pregnancy and Parenthood.....	.....	.....	1,250	1,250	1,250	1,250	1,250
Job Training for Welfare Recipients .....	.....	.....	1,000	1,000	1,000	1,000	1,000
GENERAL FUND TOTAL	\$ 1,775	\$ 7,188	\$ 5,597	\$ 5,597	\$ 5,597	\$ 5,597	\$ 5,597

Employability Development—Physically and Mentally Handicapped

OBJECTIVE: To enhance the ability of the handicapped unemployed and underemployed to function as a part of the labor force and to gain full employment.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 10,400</u>	<u>\$ 11,000</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Handicapped persons of employable age ...	654,073	656,901	659,729	662,557	665,385	668,213	668,213
Caseload:							
Carry-over from previous years	46,791	45,742	45,709	46,923	49,408	53,247	58,524
New referrals	35,574	37,352	39,220	41,181	43,240	45,400	47,670
Total caseload	<u>82,365</u>	<u>83,094</u>	<u>84,929</u>	<u>88,104</u>	<u>92,648</u>	<u>98,647</u>	<u>106,194</u>
Cases closed:							
Ineligible	15,362	15,823	16,298	16,787	17,290	17,809	18,343
Rehabilitated	11,352	11,554	11,600	11,700	11,800	11,900	12,000
Competitive	8,355	8,500	8,580	8,658	8,732	8,800	8,880
Noncompetitive	2,997	3,054	3,020	3,042	3,068	3,100	3,120
Nonrehabilitated	9,909	10,008	10,108	10,209	10,311	10,414	10,518
Total cases closed	<u>36,623</u>	<u>37,385</u>	<u>38,006</u>	<u>38,696</u>	<u>39,401</u>	<u>40,123</u>	<u>40,861</u>
Cases carried over	45,742	45,709	46,923	49,408	53,247	58,524	65,333
Severely disabled rehabilitated	10,144	10,400	10,440	10,530	10,620	10,710	10,800

Program Analysis:

This public service program, provided by the Commonwealth in cooperation with the Federal Government, has as its target group the estimated 657,000 citizens of the Commonwealth who have a physical or mental disability which results in a handicap to employment.

Eligibility criteria for vocational rehabilitation programs require that there be a reasonable expectation that services will enable the individual to perform some work activity, whether competitive or noncompetitive. The program's services are directed toward the client's attaining a vocational objective, with results evaluated in terms of improvement in work status.

Primary emphasis, as mandated by the Federal Rehabilitation Act of 1973 as amended in 1978, continues to be placed on serving and rehabilitating severely handicapped individuals. These clients require more extensive and varied services and, in general, this client population requires multiple services over an extended period of time.

Statistics presented are based on the Federal fiscal year which runs October 1 to September 30 of each year. Although this yearly time frame does not coincide with the Pennsylvania fiscal year, the figures nonetheless represent an entire year and are, therefore, valid for purposes of comparison.

The program measures shown for 1983-84 indicate the total caseload was 82,365, of which 36,623 were processed and closed. The caseload total is a combination of the total active caseload at the end of the previous year as well as new referrals received throughout the year.

Of the 36,623 active cases closed in 1983-84, 15,362 were closed because they were ineligible for services. This determination is made after a thorough evaluation for which the results indicate: it could not be determined that a disability existed; the disability was not a vocational handicap; or disability was too severe to permit a reasonable expectation that the client could go to work. For measurement purposes

Employability Development—Physically and Mentally Handicapped (continued)**Program Analysis: (continued)**

here, reasons for ineligibility also include clients who are no longer interested in services, cannot be located, or have died. Of the remaining 21,261 cases closed who did receive services, 11,352 or 53 percent were rehabilitated and 9,909 or 47 percent could not be rehabilitated. Of significant importance regarding rehabilitated cases is the fact that 89 percent of these cases are classified severely handicapped compared with 83 percent the previous year. Approximately 17 percent more cases were closed last year than the estimated amount. This figure is particularly difficult to forecast because of the many dynamic factors contributing to the measure.

Of the 11,352 cases closed as rehabilitated, 74 percent of those individuals were placed in competitive employment; the remaining 26 percent were employed in sheltered and protected employment and as homemakers. It should be noted that statewide, 22 percent of the rehabilitants were public assistance recipients. A most significant factor in rehabilitating the disabled public assistance recipient is that after being placed back into competitive employment, the need for public assistance is reduced or eliminated. Findings indicate the average earnings for the rehabilitated public assistance recipient amount to \$163 per week.

The accompanying table indicates the varying degrees of success accomplished with difference categories of disability. Certain handicaps have a higher probability for successful rehabilitation than others. Cases shown as closed in Column 1 are all clients either successfully rehabilitated, or closed as not rehabilitated after they have been accepted for services. Successful rehabilitants are those clients who complete a vocational rehabilitation plan and become suitably employed.

Compared to last year's data, the information indicates a 16 percent increase in the cost per rehabilitated case and in the number and percent of the non-competitive placements. Weekly earnings of clients rehabilitated in com-

petitive employment increased an average of \$161 per week from time of referral to successful rehabilitation. The percent of clients unemployed upon acceptance to the program increased from 68 percent in fiscal year 1983 to 71 percent in fiscal year 1984. The program also placed a slightly higher percentage of individuals into competitive employment; 74 percent in 1983-84 versus 73 percent in 1982-83.

In an effort to address the needs of those severely handicapped who are judged ineligible for vocational rehabilitation services due to the severity of their disabilities, \$1,070,000 in State funds has been provided to expand and improve the Centers for Independent Living (CILs) program begun with Federal Vocational Rehabilitation funds, and to provide independent living and employment-related services through the Office of Vocational Rehabilitation's district office.

The State funding will allow for expansion of services at the three existing CILs and the establishment of a new CIL. Approximately fifty percent of the funds will be used by four district offices to provide employment-related services for severely handicapped persons who are not eligible for the existing vocational rehabilitation program. A broad range of services will be provided through this combined effort of the CILs and the district offices, including referral and counseling services, education and training, adaptive appliances, home modification, independent living skills training, transportation, housing assistance and referral, medical evaluation and treatment, and any other services necessary to prepare an individual for employment or living independently in the community.

The goal of this joint effort is to improve the ability of a severely handicapped person to enter the vocational rehabilitation program; to live more independently in the community; and eventually to secure and maintain employment.

Employability Development—Physically and Mentally Handicapped (continued)

Program Analysis: (continued)

**OFFICE OF VOCATIONAL REHABILITATION
CASELOAD DATA BY DISABLING CONDITION
October 1, 1983 to September 30, 1984**

Disabilities	(1) Closed After Acceptance For Service	(2) Cases Rehabilitated		(3) Clients Unemployed at Acceptance		(4) Rehabilitations Placed in Competitive Employment		(5) Rehabilitations Placed in Sheltered and Protected Employment and as Homemakers and Unpaid Family Workers		(6) Average Change Weekly Income Rehab. Com- petitive Employ- ment	(7) Average Cost Rehab.
	Total	Number	% of Col.1	Number	% of Col.2	Number	% of Col.2	Number	% of Col.2	Amount	Amount
Visual	572	341	60%	276	81%	279	82%	62	18%	\$177.00	\$1,477.00
Hearing	1,875	1,492	80%	615	41%	819	55%	673	45%	\$120.00	\$ 882.00
Orthopedic Deformities	5,835	3,239	56%	2,352	73%	2,369	73%	870	27%	\$180.00	\$1,738.00
Amputee or Loss of Limb	997	736	74%	334	45%	404	55%	332	45%	\$121.00	\$1,717.00
Mental Disorders	5,692	2,289	40%	1,946	85%	2,025	88%	264	12%	\$168.00	\$1,143.00
Mental Retardation	2,301	1,020	44%	913	90%	773	76%	247	24%	\$128.00	\$2,064.00
Other Disabling conditions	3,989	2,235	56%	1,620	72%	1,686	75%	549	25%	\$169.00	\$1,601.00
Total	21,261	11,352	53%	8,056	71%	8,355	74%	2,997	26%	\$161.00	\$1,499.00
Drug and Alcohol	1,331	639	46%	548	86%	621	97%	18	3%	\$192.00	\$1,123.00
Public Assistance	6,368	2,476	39%	1,978	80%	1,533	62%	943	38%	\$163.00	\$1,470.00
Severely Disabled	18,867	10,144	54%	7,021	69%	7,209	71%	2,926	29%	\$157.00	\$1,500.00
Social Security Disability Insurance Beneficiaries	2,199	960	44%	617	64%	312	33%	648	68%	\$183.00	\$2,026.00
Substantially Disabled	2,394	1,208	50%	1,035	86%	1,146	95%	62	5%	\$186.00	\$1,487.00

Program Costs by Appropriation:

(Dollar Amounts in Thousands)

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Transfer to Vocational Rehabilitation Fund	<u>\$ 10,400</u>	<u>\$ 11,000</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>	<u>\$ 14,215</u>

Income Maintenance

OBJECTIVE: To increase the economic stability of citizens of the Commonwealth by protecting and insuring the earnings of employes from factors over which they have no control.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 28,592	\$ 29,381	\$ 11,307	\$ 11,002	\$ 10,718	\$ 10,451	\$ 10,252
Federal Funds	35,261	38,900	39,678	40,472	41,281	42,107	42,949
Other Funds	10,125	11,206	11,213	11,661	12,127	12,613	13,117
TOTAL	\$ 73,978	\$ 79,487	\$ 62,198	\$ 63,135	\$ 64,126	\$ 65,171	\$ 66,318

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Minimum wage violations cited	1,146	1,275	1,300	1,300	1,300	1,300	1,300
Persons receiving subminimum rates	2,529	2,593	2,600	2,600	2,600	2,600	2,600
Claims for nonpayment of wages	1,912	1,975	2,000	2,000	2,000	2,000	2,000
Nonpayment of wage claims settled	1,106	1,140	1,250	1,250	1,250	1,250	1,250
Inspections made to insure prevailing rates used and paid on public works projects.	4,975	5,000	5,000	5,000	5,000	5,000	5,000
Claimants qualifying for occupational disease payments out of Commonwealth funds.....	4,477	4,357	4,143	3,900	3,659	3,500	3,500
New claimants eligible for workmen's compensation payments	89,911	94,026	99,103	104,454	110,095	116,040	116,040
Individuals filing for unemployment compensation.....	726,552	740,000	740,000	730,000	730,000	730,000	730,000

Program Analysis:

The Department of Labor and Industry administers a number of programs to increase the economic stability of citizens in the Commonwealth. These programs fall generally into two categories: those which provide income protection for the person who is employed, and those which provide cash assistance to the individual and his dependents when he becomes unemployed.

The first category includes the State's programs of minimum wage, wage payment and collection, and prevailing wage enforcement. Pennsylvania is responsible for enforcing the minimum wage law for all enterprises with annual gross sales of less than \$362,500. Enforcement of minimum wage laws for enterprises with gross sales in ex-

cess of this amount falls under the jurisdiction of the Federal Government. In addition, when the limitation was increased from \$325,000 to the current level of \$362,500 on January 1, 1982, the Federal Government continued to maintain jurisdiction over those enterprises they previously covered provided the annual gross dollar volume did not fall below \$325,000.

The number of persons receiving sub-minimum wages decreased from 2,934 in 1982-83 to 2,529 in 1983-84 due to upgraded enforcement and routine educational inspection programs. Fiscal years 1979-80 through 1982-83 saw a 45 percent violation reduction through aggressive enforcement and education programs. Since fiscal year 1979-80, 16,064

Income Maintenance (continued)

Program Analysis: (continued)

individuals received over \$1,954,856 in wages owed. A 50 percent increase in violations during fiscal year 1983-84 reflects a concentrated effort in the area of recordkeeping.

The increase in claims for unpaid wages in fiscal year 1983-84 is attributable to claims for fringe benefits/wage supplements. The percentage of these claims which are collectible is far below claims for straight wages as the employer determines policy for payment of fringe benefits; the law determines payment of wages. In fiscal year 1983-84, \$305,055 was collected for 1,106 claimants.

The income of employes is also protected by the State's Prevailing Wage Law, which requires the establishment of minimum wages to be paid workers on projects valued at \$25,000 or more which are funded in whole or in part by State Government and public agencies of its political subdivisions within the Commonwealth. Payment of prevailing wage rates is ensured by field inspections conducted by Prevailing Wage inspectors. Last year 4,975 inspections were performed, representing an increase of 6 percent over the previous year.

The second category includes unemployment compensation, worker's compensation, occupational disease payments, and Social Security disability payments.

Worker's compensation is a system of payments made through private insurance companies, the State Workmen's Insurance Fund and self-insured employers to employes who sustain injuries or diseases during the course of their employment. Act 2 of 1976 established the Worker's Compensation Administration Fund to cover State administrative expenses for regulation of the system, and provides for legislative approval of the level of expenditure each year.

The impact of worker's compensation is reflected in the dollar value of income replaced by payments and the number of awards for payment. The maximum level of compensation for new claimants is tied to the statewide average weekly wage. New claimants eligible for Worker's Compensation decreased significantly in 1982-83 due to the high rate of unemployment during that period and consequently less filings under the Workmen's Compensation Act. Anticipated improvement in the economy over the next few years shows figures returning to near normal levels.

Act 263 of 1974 provided for the Commonwealth to make payments to insurers and self-insured companies in order to raise the rate of compensation payable to employes injured prior to March 17, 1968 to \$60 per week. It is estimated that payments in 1985-86 will be \$1,033,000.

Occupational disease payments are made primarily to victims of silicosis and related diseases, commonly referred to as "black lung". Victims of these diseases are covered by

three different programs, depending on their date of last exposure and disability: the bi-weekly program and monthly program (both Commonwealth-supported under the Occupational Disease Law) and the Workmen's Compensation Act as amended in 1973 which primarily shifts responsibility to industry for claimants exposed after July 1, 1973, although the Commonwealth shares partial responsibility for cases through June 30, 1976.

Both the bi-weekly and the monthly programs reflect marginal decreases in claimant levels due to the Federal Black Lung Act assuming payments for some claimants currently on State roles, and to attrition. The Federal Black Lung program has significantly leveled off due to more stringent medical standards and the elimination of certain "presumptions of disability" previously provided for by the United States Department of labor.

The number of claimants qualifying for occupational disease payments out of Commonwealth Funds is estimated to decrease in 1985-86 to 4,143 claimants.

The unemployment compensation program is also an integral part of this subcategory. As a result of the 1983 amendments to the UC system, beginning in January 1984 the State regular benefit durations are either 16 or 26 weeks. These can be extended to 24 or 39 weeks respectively if certain unemployment levels, as specified in the Federal Law, are equaled or exceeded. In addition, the 100 percent Federally-funded Federal Supplemental Compensation (FSC) program permits up to 14 additional weeks of FSC benefits depending on the State's insured unemployment rate and/or total unemployment rate. FSC benefits will be paid to claimants who exhaust their entitlement to regular State and extended unemployment benefits. The FSC program will be in effect until March 31, 1985.

The rate of compensation generally varies between 52 to 57 percent of the worker's average weekly earnings, up to a maximum for 1985 of \$224 per week. Claimants may also receive up to a maximum of \$8.00 per week in dependent's allowance for two or more dependents. Claimants who are entitled to a weekly benefit rate of \$75 or more have their weekly check reduced by 5 percent. However, the maximum weekly benefit rate will continue to be calculated at sixty-six and two-thirds percent of the Statewide average weekly wage.

Pennsylvania's unemployment compensation system has been out of balance since the early 1970's. In recent years, the fund has been paying out approximately two dollars for every one dollar taken in. The first temporary corrective action was taken in 1980. However, due to the severe impact of the recent international and national recession additional

Income Maintenance (continued)

Program Analysis: (continued)

permanent changes to the system became necessary. On July 21, 1983 revisions to the UC system that restructured both the tax and benefits sides to restore equity into the program became effective.

The 1983 amendments will increase employer contributions to the fund by an estimated \$1.67 billion and decrease benefit expenditures by an estimated \$440 million over the period 1983-1986. Beginning January 1, 1984, workers began contributing to the unemployment fund at the rate of 0.1 percent of their gross wages. This will increase deposits in the trust fund by an estimated \$219 million during the period of 1984-1986. A separate tax was also assessed on contributory employers to generate revenue to pay the interest accruing on the outstanding interest bearing Federal loans. Employers will pay an estimated \$467 million into the Interest Fund during the period 1984-1986.

The October 1984 Chase Econometric forecast for the 1984-1986 period is for continued gradual improvement in the economy. The combined effect of the improving economy and the 1983 amendments resulted in a positive cash flow in 1984, the first year since 1973 that the State's Trust Fund will take in more than it pays out. In addition, 1984 was the first year since the Trust Fund began borrowing in 1975 that the outstanding federal unemployment loan balance was reduced.

In addition, the 1983 amendments enable Pennsylvania to meet the Federal incentive solvency standards and qualify for: an increase of 0.1 rather than 0.3 percent in the Federal

Unemployment Tax Act tax rate for 1984 and 1985; and a deferral of 80 percent of the interest obligations due in 1984 and 1985.

The actual number of individuals filing for unemployment benefits during the fiscal year 1983-1984 and estimates of the number of individuals filing beginning in 1984-1985 reflect an adjustment over last year's estimates. The key factor responsible for this adjustment is the continued improvement in economic conditions.

Another activity relating to this subcategory is the work of the Bureau of Disability Determination, which is agent for the Federal Social Security Administration (SSA). This office receives applications for disability benefits from the SSA. It is the responsibility of the Bureau of Disability Determination to gather the medical evidence for each claim, and to recommend payment of benefits under the guidelines established by the SSA. All final decisions regarding eligibility for benefits are made by the SSA.

The SSA also sends to the Bureau claims of program beneficiaries to be reviewed for continuing disability. Some claims are sent because the disabling condition is expected to improve and others are sent for periodic review as mandated by Congress in the 1980 Disability Amendments. Both Houses of Congress have passed legislation regarding the standards of review for these claims. When finally enacted, these changes are expected to make the review process more equitable.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,803	\$ 1,862	\$ 1,900	\$ 1,976	\$ 2,055	\$ 2,137	\$ 2,223
Occupational Disease Payments	9,541	9,390	8,374	8,034	7,711	7,400	7,152
Worker's Compensation Payments	1,107	1,129	1,033	992	952	914	877
Unemployment Compensation Interest	16,141	17,000	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 28,592	\$ 29,381	\$ 11,307	\$ 11,002	\$ 10,718	\$ 10,451	\$ 10,252

Labor Relations Stability

OBJECTIVE: To achieve a minimum level of economic loss resulting from a breakdown in collective bargaining procedures.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,202	\$ 2,402	\$ 2,450	\$ 2,548	\$ 2,650	\$ 2,756	\$ 2,866

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Public bargaining units:							
Mediation notices assigned	955	950	975	975	1,000	1,000	1,000
Cases mediated	560	620	635	635	650	650	650
Percent of cases mediated	59%	65%	65%	65%	65%	65%	65%
Percent of notices involving work stoppages	2.4%	7%	7%	7%	7%	7%	7%
Private bargaining units:							
Dispute notices received	2,973	3,250	3,250	3,250	3,250	3,250	3,250
Cases mediated and closed by Bureau ...	204	170	170	170	170	170	170
Percent of cases mediated	7%	5%	5%	5%	5%	5%	5%
Percent of cases mediated by Bureau involving work stoppage	7%	15%	15%	15%	15%	15%	15%
Unfair practice cases concluded:							
Public Employe Relations Act	499	420	425	430	430	430	430
Police and Firemen (Act 111)	47	60	65	70	70	70	70
Pennsylvania Labor Relations Act	20	10	15	20	20	20	20
Representation cases concluded:							
Public Employes Relation Act	270	285	285	285	285	285	285
Police and Firemen (Act 111)	45	45	45	45	45	45	45
Pennsylvania Labor Relations Act	11	10	10	10	10	10	10

Program Analysis:

The Bureau of Mediation promotes labor relations stability by providing mediation services to the public and private sectors.

Under the Public Employe Relations Act, parties to a contract in the public sector must notify the Bureau of the possible need for mediation services when no agreement is reached between the parties within twenty-one days after negotiations have commenced, but no later than one hundred fifty days prior to the end of the contract.

While the 955 mediation notices received from the public sector in 1983 is up from 1982's 896 notices, only 58.6 percent of the 1983 notices actually required the active participation of a state mediator compared to the 1979-82 average of 66.5 percent. This decrease is attributable to changing economic conditions.

In 1984 and future years it is estimated that the percent

of public sector cases mediated will hold steady at approximately 65 percent of those initially flagged as possibly needing services. However, the number of notices received is anticipated to increase since approximately 25 new bargaining units are being certified every year, including county and local government units and support units of school districts which include cafeteria staffs, janitorial staffs and bus drivers.

In the private sector, dispute notices are governed by the National Labor Relations Act and Pennsylvania Act 177 of 1937. Although a copy of the dispute notice must be filed with the Bureau of Mediation when the Federal Mediation and Conciliation Service is notified, the law does not require that professional mediator services be used.

The average private sector caseload for 1971-1982 was 113 cases per year. During 1983 the Bureau mediated 204 private

Labor Relations Stability(continued)

Program Analysis: (continued)

sector cases.

The percent of private sector cases mediated during 1983 was 6.9 percent. This compares with the 1979-1982 average of 3.6 percent. This increase is due to changes in the Federal Mediation and Conciliation Service's system of entering private sector disputes. The Bureau has entered some of the cases which the Federal Service usually handled, due to the Department's concern that cases be resolved as quickly as possible to minimize any negative effects on the State's economy.

The average private sector cases involving work stoppages in the same time frame (1971-1982) was 34. In 1983 an unusually low number of cases mediated resulted in work stoppages, therefore, the percent of private sector cases involving work stoppages fell from the 1971-1982 average of 31.2 percent to 6.9 percent in 1983. This decline was apparently a result of unfavorable economic conditions during 1983, and it is felt that work stoppages will increase to a rate of approximately 15 percent in future years.

The Pennsylvania Labor Relations Board has administrative and adjudicative responsibility for labor-management relations in both the private and public sectors in the Commonwealth.

The Labor Relations Board was created in 1937 to administer the policies and provisions of the Pennsylvania Labor Relations Act (PLRA), which guarantees collective bargaining rights to the State's private sector employes not covered by the National Labor Relations Act. Under the PLRA, the Board has the responsibility to resolve questions of representation and to prevent and discourage unfair labor

practices. The PLRA covers only those private sector employers who activities do not impact on interstate commerce or which have a relatively low dollar volume of business.

With enactment of the Public Employe Relations Act of 1970, collective bargaining rights were granted to most of the State's public employes. The purpose of this act is to promote orderly constructive relationships between public employes and their employers subject to the right of the citizens to maintain their health, safety and welfare. The Board is delegated the responsibility of carrying out this policy directive through the exercise of its responsibilities for representation cases, unfair labor practice adjudication and impasse resolution. In 1977, the Board's public sector jurisdiction was made all encompassing by virtue of a Pennsylvania Supreme Court decision which gave the Board authority over police and firefighting collective bargaining issues arising from Act 111 of 1968.

The Board's program measures include specific data in relationship to the three acts it administers: The Public Employe Relations Act (PERA), Act 111 of 1968 and the Pennsylvania Labor Relations Act (PLRA).

Based upon the current labor-management climate in the Commonwealth, it is estimated that approximately 340 representation cases and 490 unfair labor practice cases will be concluded by the Board under the three statutes in 1985-86. As a neutral forum in which to resolve issues disputed in these cases, the Board serves to promote a stable labor relations climate in the Commonwealth.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 2,202</u>	<u>\$ 2,402</u>	<u>\$ 2,450</u>	<u>\$ 2,548</u>	<u>\$ 2,650</u>	<u>\$ 2,756</u>	<u>\$ 2,866</u>

Accident Prevention

OBJECTIVE: To eliminate fire and other hazards in multiple dwelling units, workplaces and other places of public habitation and assembly.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,790	\$ 9,766	\$ 9,008	\$ 9,368	\$ 9,743	\$ 10,133	\$ 10,538
Federal Funds	33	.....	.....	.....	.....	.....	.....
TOTAL	\$ 6,823	\$ 9,766	\$ 9,008	\$ 9,368	\$ 9,743	\$ 10,133	\$ 10,538

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Fire and Panic Act activities:							
Building plans reviewed	12,993	12,500	12,750	12,877	13,005	13,135	13,267
Building plans approved	9,398	9,450	9,544	9,639	9,735	9,832	9,930
Inspections performed	62,134	62,755	63,383	64,250	64,893	65,542	66,198
Violation orders issued	439	452	455	460	463	468	475
Violation orders closed	687	450	450	455	458	463	475
Violation orders remaining open	173	175	180	185	190	195	195
Equipment inspections under:							
Boiler Law	17,764	18,500	19,000	19,500	20,500	21,500	22,500
Liquified Petroleum Law	4,497	5,000	5,100	5,200	5,200	5,300	5,400
Elevator Law	17,697	18,000	18,200	18,400	18,600	18,800	19,000

Program Analysis:

An important new addition to this subcategory is the recently-enacted Worker and Community Right to Know Act (Act 159 of 1984), which will ensure that employers inform their employees about the hazardous substances in the workplace with which they may come into contact. Employers must identify and label all hazardous substances and provide employee education programs. Responsibility for the administration and the implementation of the Act has been given to the Department of Labor and Industry. The department is mandated to develop a list of hazardous substances, maintain files of information on these hazardous substances, assist employers with the educational programs for employees, implement a public information program, and provide requested information on hazardous substances to the general public. In addition, the department has been given the responsibility for complaint procedures, investigations, compliance orders and their enforcement, and assessing penalties for employer non-compliance.

The Department of Labor and Industry continues to have the responsibility for enforcing a variety of other safety regulations that apply to buildings and various types of machinery and equipment. The majority of the regulations require a basic process of plan review and approval follow-

ed by a field inspection to confirm that the construction or installation was done in accordance with approved plans. Final occupancy permits or certificates are then issued.

Under the provisions of the State's Fire and Panic Act (Act 299 of 1927), the Department of Labor and Industry has the responsibility for enforcing the fire safety regulations that apply to a wide variety of buildings, including office buildings, apartment buildings, hotels and schools. Plans for all new construction and additions to all existing construction for these buildings are examined and approved.

The cities of Philadelphia, Pittsburgh and Scranton were exempted from the Fire and Panic Act at the time of its enactment since they already had fire safety laws and regulations in effect. Each of these cities continues to be responsible for enforcement of their own fire safety laws and regulations.

At the State level, in 1981 the department began rewriting and updating the Fire and Panic Regulations which had not been updated since 1956. This project was completed with the adoption of the new Fire and Panic Regulations on May 19, 1984.

The department also maintains responsibility for inspection of personal care boarding homes. Following identifica-

Accident Prevention (continued)

Program Analysis: (continued)

tion by the Department of Public Welfare, the department conducts inspections to ensure compliance with State regulations.

The Department is further involved in the enforcement of Act 222 of 1980, the Building Energy Conservation Law. This law is designed to improve the energy efficiency of new buildings. Approximately 80 percent of all buildings submitted for Fire and Panic approval must also comply with the Energy Conservation Law.

A number of program measures under Fire and Panic Act activities show changed levels of activities compared to last year's budget. The 1983-84 totals for building plans reviewed and building plans approved are 20.4 percent above the 1982-83 totals. Increases in building construction during 1983-84 are a result of the improved economic conditions and lower interest rates.

Violation orders issued decreased from last year because inspections of new construction and alterations seldom involve orders, since compliance is required prior to occupancy. Once violation orders are issued, the length of time necessary to correct and close the order may vary. Violation orders closed exceeded violation orders opened by more than 200 due to a continuing clean-up of a backlog of open orders from previous years.

It is anticipated the department will be working with a caseload level of approximately 450 orders including 175 orders carried over each year due to insufficient time to correct violations and close orders issued in the latter part of

the year.

Also included in this subcategory are three equipment inspection programs. Act 451 of 1929 requires boilers and pressure vessels to be inspected. Boilers are required to be inspected annually, and pressure vessels require biannual inspections. The Act permits inspection by insurance carriers, however, the commonwealth must inspect in instances where the insurance carrier does not perform the inspection. There has been a gradual increase over the last few years in the number of inspections conducted by Commonwealth inspectors. This is due to increased costs for insurance carriers to maintain an inspection staff.

Act 475 of 1951, the Liquefied Petroleum Gas Law, requires the Department to license suppliers of liquefied petroleum gas. Random inspections are conducted at supply locations and customers of bulk dealers. The gradual increase in the number of random inspections conducted will continue because of computerization and other program improvements.

Act 452 of 1929, the Elevator Law, requires the Department to inspect passenger and freight elevators. Approximately 80 percent of the inspections required by the State law are conducted by insurance companies or fee companies.

The impact of accident prevention programs is difficult to measure. It is impossible to confidently estimate how many people were not injured or killed because of accidents that were prevented by the enforcement of these laws.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 6,790</u>	<u>\$ 9,766</u>	<u>\$ 9,008</u>	<u>\$ 9,368</u>	<u>\$ 9,743</u>	<u>\$ 10,133</u>	<u>\$ 10,538</u>

Regulation of Consumer Products and Promotion of Fair Business Practices.

OBJECTIVE: To minimize the availability of misrepresented or adulterated products and services.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 441	\$ 435	\$ 444	\$ 462	\$ 480	\$ 499	\$ 519

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Activities under the Bedding and Upholstery and the Stuffed Toy Laws:							
Manufacturers, importers and dealers ...	5,190	5,200	5,200	5,200	5,200	5,200	5,200
Registrations, licenses and certificates ...	7,891	7,950	7,950	7,950	7,950	7,950	7,950
Inspections performed	7,104	7,100	7,100	7,100	7,100	7,100	7,100
Violation Orders Issued	1,004	1,000	1,000	1,000	1,000	1,000	1,000
Percent of total	14.1%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
Laboratory Analyses	1,898	1,900	1,900	1,900	1,900	1,900	1,900
Private employment agencies:							
Agency representatives registered	862	870	870	870	870	870	870
Complaints resulting in refunds	22	25	25	25	25	25	25
Dollars refunded	\$15,581	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Prosecutions initiated	3	5	5	5	5	5	5
Prosecutions closed	2	5	5	5	5	5	5
Agency licenses issued	323	325	325	325	325	325	325

Program Analysis:

This program involves two activities: prevention of the use of unsafe, unclean or misrepresented materials in bedding, upholstery and stuffed toys; and regulation of employment agencies to prevent unfair business practices.

The department is required under the Bedding and Upholstery Law (Act 249 of 1937) to adopt rules and regulations and provide penalties relating to the manufacture, repair, renovating, cleansing, sterilizing and disinfecting of mattresses, pillows, bolsters, featherbeds and other filled bedding, cushions, upholstered furniture and bulk materials intended for sale or lease. Also, the department is responsible for enforcing the Stuffed Toy Law (Act 372 of 1961) regulating the manufacture of stuffed toys intended for sale or use in Pennsylvania and for the registration of such manufacturers.

Activity under these two acts has been and is expected to remain quite constant, although laboratory analyses have

increased by about 20 percent over previous levels due to increased public awareness resulting in an increased number of samples submitted for analysis.

Under the provisions of the State's Employment Agency Law (Act 261 of 1941) the Department is responsible for defining, regulating and providing for the licensing and registration of employment agents and their representatives, including private employment agents, theatrical employment agencies and nurse registries.

The number of complaints against private employment agencies resulting in refunds is expected to remain relatively constant. This, along with the fact that agency fees charged to prospective employees have stabilized over the past year, will mean that the dollar amount of refunds paid by the agencies to prospective employees should also remain reasonably constant.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 441	\$ 435	\$ 444	\$ 462	\$ 480	\$ 499	\$ 519

Liquor Control Board

The Pennsylvania Liquor Control Board controls the manufacture, possession, sale, consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in the Commonwealth.

The Board consists of three members appointed by the Governor with Senate confirmation.

The dollar amounts shown are from the State Stores Fund, a special enterprise fund, and are reflected herein as "Other Funds."

LIQUOR CONTROL BOARD

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Other Funds ^a	\$ 195,551	\$ 212,174	\$ 213,221
DEPARTMENT TOTAL	<u>\$ 195,551</u>	<u>\$ 212,174</u>	<u>\$ 213,221</u>

^aAll funds are other than General Fund or Special Funds.

Other Funds

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Pennsylvania Liquor Stores			
State Funds	\$ 155,048	\$ 168,451	\$ 174,455

Operates the Pennsylvania Liquor Stores system. Licenses alcoholic beverage dealers. Enforces the Commonwealth's alcoholic beverage laws and regulations.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Other Funds:			
General Operations	<u>\$ 155,048</u>	<u>\$ 168,451</u>	<u>\$ 174,455</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Transfer to the General Fund			
State Funds	\$ 35,000	\$ 38,000	\$ 33,000

Provides for the statutory transfer to the General Fund of surpluses in the State Stores Fund.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Other Funds:			
Transfer of State Stores Fund Surplus	<u>\$ 35,000</u>	<u>\$ 38,000</u>	<u>\$ 33,000</u>

OTHER FUNDS LIQUOR CONTROL BOARD

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Comptroller			
Other Funds	\$ 5,503	\$ 5,723	\$ 5,766

Provides comptroller services for the maintenance and management of all agency accounts of the various substantive programs of the Liquor Control Board.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Other Funds:			
Comptroller	<u>\$ 5,503</u>	<u>\$ 5,723</u>	<u>\$ 5,766</u>

LIQUOR CONTROL BOARD

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer Protection
Liquor Control*

*All funds are other than General or Special Funds.

Liquor Control

OBJECTIVE: To protect the public welfare, health, peace, and morals of the people of the Commonwealth by controlling the manufacture of and transactions in liquor, alcohol and malt or brewed beverages.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Other Funds	\$ 195,551	\$ 212,174	\$ 213,221	\$ 216,106	\$ 218,307	\$ 219,795	\$ 221,583
Subtotal	<u>\$ 195,551</u>	<u>\$ 212,174</u>	<u>\$ 213,221</u>	<u>\$ 216,106</u>	<u>\$ 218,307</u>	<u>\$ 219,795</u>	<u>\$ 221,583</u>
Transfer of Sales Tax to General Fund ^a	\$ 41,546	\$ 43,923	\$ 46,247	\$ 47,383	\$ 48,069	\$ 48,711	\$ 49,488
Transfer of Emergency Tax to General Fund ^a	106,680	111,634	117,541	120,428	122,172	123,955	125,778
TOTAL	<u>\$ 343,777</u>	<u>\$ 367,731</u>	<u>\$ 377,009</u>	<u>\$ 383,917</u>	<u>\$ 388,548</u>	<u>\$ 392,461</u>	<u>\$ 396,849</u>

^aExcluded from summary presentations.

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Pennsylvania State Liquor Stores	714	713	723	730	730	730	730
Gross sales (includes taxes) (in thousands) .	\$ 742,296	\$ 777,395	\$ 818,533	\$ 838,634	\$ 850,780	\$ 863,197	\$ 875,891
Licenses and permits issued (all types)	54,066	54,283	54,500	54,718	54,937	55,157	55,378
Enforcement investigations	24,943	27,000	27,500	28,000	28,500	29,000	29,500

Program Analysis:

In Pennsylvania, all bottle sales (with a few exceptions) of both wines and spirits are made through State Liquor Stores. Private establishments may be licensed to sell by the drink only, and they must purchase their bottle stock from the State. Malt and brewed beverages are not handled through State Stores but dealers must be licensed. Pennsylvania law also embodies the principle of local option whereby citizens of any municipality have the right to decide by referendum whether they shall live in a "wet" or "dry" community.

In implementing such a control policy, the Liquor Control Board operates approximately 713 retail and/or wholesale stores supported by a regional warehouse system. With annual purchases of approximately \$450 million, Pennsylvania is the largest single buyer of wines and spirits in the United States.

Licenses and/or permits are required for nearly everyone handling alcoholic beverages in Pennsylvania except retail

customers. The Board is instrumental in the enforcement of Commonwealth alcoholic beverage laws and regulations.

The liquor control system also provides revenue to the General Fund from the sales and use tax, the emergency tax and the surplus from the State Stores Fund, the Board's general operating fund. Total revenue from these three sources totalled \$183.2 million in 1983-84.

The existing system of Pennsylvania Liquor Stores faces severe strain in the coming years. While Pennsylvania is by far the largest control state in terms of state store sales, it is also the least efficient of the large control states. Operating costs consistently represent a substantially higher percentage of gross sales than in comparable states. Coupled with a mark-up that is consistent with other states this results in relatively low net profits in Pennsylvania.

Changes in social attitudes concerning alcoholic beverage consumption as well as other factors such as the increase in the Federal Excise Tax can do nothing but aggravate this

Liquor Control (continued)**Program Analysis: (continued)**

situation and heighten the justification for transition to a private liquor system in Pennsylvania.

Privatization would not only provide a system of liquor control which would be responsive to economic and social changes but it would ameliorate the variety of other problems plaguing the current system such as poor service and limited product selection while maintaining the revenue contributions to the Commonwealth.

Transition to a private liquor system in Pennsylvania has

been proposed by the Governor.

Due to the uncertainty and complexity of the transition proposal the projections shown here represent a reflection of the current system. However, the major one-time revenue from the initial sale of the state store system is discussed in the Program Revision entitled Science and Engineering Equipment which is shown in the Department of Education where it will be used.

Department of Military Affairs

The Department of Military Affairs provides organized combat-ready units, both Army and Air National Guard, for call to Federal duty in the event of national emergency and to State duty in time of disaster or civil disorder. Their duties are to protect the lives and property of the people of Pennsylvania; preserve peace, order and public safety; and administer the laws that provide for the well-being of Pennsylvania veterans and their dependents.

The Department of Military Affairs consists of the Adjutant General and the State Armory Board, the State Veterans' Commission, the Soldiers and Sailors Home at Erie, and the Veterans Home at Hollidaysburg.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1985-86 State Funds (in thousands)
..... ^a	Third Veterans Home .....	.....^a

This Program Revision provides for conversion of the Pennhurst Center for the Mentally Retarded into a domiciliary and nursing care facility for veterans.

DEPARTMENT TOTAL

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^aA total of \$6,170,000 is included in 1985-86 Capital Budget.

DEPARTMENT OF MILITARY AFFAIRS

Summary by Fund and Appropriation

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 10,780	\$ 10,598	\$ 11,112
Feasibility Study — Third Veterans Home	75	. . . .	. . . .
American Battle Monuments	3	33	3
Armory Maintenance and Repair	497	500	750
Subtotal	<u>\$ 11,355</u>	<u>\$ 11,131</u>	<u>\$ 11,865</u>
Institutional			
Erie Soldiers and Sailors Home	\$ 2,360	\$ 2,632	\$ 2,935
Hollidaysburg Veterans Home	6,846	8,184	8,474
Subtotal	<u>\$ 9,206</u>	<u>\$ 10,816</u>	<u>\$ 11,409</u>
Grants and Subsidies			
Education of Veterans Children	\$ 39	\$ 75	\$ 75
Education — National Guard	305	295	305
Veterans Assistance	1,150	1,265	1,328
Blind Veterans Pension	186	186	186
National Guard Pension	20	20	20
Subtotal	<u>\$ 1,700</u>	<u>\$ 1,841</u>	<u>\$ 1,914</u>
TOTAL STATE FUNDS	<u>\$ 22,261</u>	<u>\$ 23,788</u>	<u>\$ 25,188</u>
Federal Funds	\$ 2,051	\$ 3,165	\$ 2,740
Other Funds	3,435	3,402	3,604
GENERAL FUND TOTAL	<u>\$ 27,747</u>	<u>\$ 30,355</u>	<u>\$ 31,532</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 10,855	\$ 10,598	\$ 11,112
Federal Funds	445	420	420
Other Funds	156	160	160
TOTAL	\$ 11,456	\$ 11,178	\$ 11,692

Provides the administrative and overhead systems for the various substantive National Guard and veterans' programs. Maintains a statewide warning communications network, an armory system, and training program for National Guardsmen. Assists veterans and their dependents in obtaining benefits due them under State and Federal laws by coordinating all matters relating to veterans' affairs. Distributes the grants described in the "Grants and Subsidies" section.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	\$ 10,780	\$ 10,598	\$ 11,112
Feasibility Study — Third Veterans Home	75	.....	.....
Federal Funds:			
National Guard — Maintenance Facilities and Training Sites ...	175	420	420
Communications System	270	.....	.....
Other Funds:			
Rental of Armories and Other Facilities	142	145	145
Reimbursement Services Provided Lt. Governor's Mansion	14	15	15
TOTAL	\$ 11,456	\$ 11,178	\$ 11,692

American Battle Monuments	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 3	\$ 33	\$ 3

Provides for routine maintenance and caretaking of grounds in foreign lands where American battle monuments are located.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
American Battle Monuments	\$ 3	\$ 33	\$ 3

GENERAL FUND	MILITARY AFFAIRS
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	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Armory Maintenance and Repair			
State Funds	\$ 497	\$ 500	\$ 750

Provides for maintenance and repair work within the statewide armory system.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Armory Maintenance and Repair	<u>\$ 497</u>	<u>\$ 500</u>	<u>\$ 750</u>

INSTITUTIONAL

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
State Veterans Homes			
State Funds	\$ 9,206	\$ 10,816	\$ 11,409
Federal Funds	1,606	2,745	2,320
Other Funds	3,279	3,242	3,444
TOTAL	<u>\$ 14,091</u>	<u>\$ 16,803</u>	<u>\$ 17,173</u>

Provides for the operation of the Soldiers and Sailors Home at Erie and the Veterans Home at Hollidaysburg, including domiciliary and nursing care for indigent, invalid or disabled Pennsylvania veterans. Skilled nursing care and related medical services, supportive personal care and individual services are provided for residents.

The institutional populations for the prior, current and upcoming years are:

Institution	Projected Oct. 1985 Capacity	Population Oct. 1983	Population Oct. 1984	Projected Population Oct. 1985	Projected Percent of Capacity ^a
Erie Soldiers and Sailors Home	175	126	145	155	89%
Hollidaysburg Veterans Home	381	329	375	377	99%
Pennhurst Veterans Home					99%

^aSee subcategory Domiciliary and Nursing Home Care for discussion of capacity changes after October 1985.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Institution			
Erie Soldiers and Sailors Home			
State Funds	\$ 2,360	\$ 2,632	\$ 2,935
Federal Funds	441	780	655
Other Funds	1,018	1,013	1,044
TOTAL	\$ 3,819	\$ 4,425	\$ 4,634

Hollidaysburg Veterans Home			
State Funds	\$ 6,846	\$ 8,184	\$ 8,474
Federal Funds	1,165	1,965	1,665
Other Funds	2,261	2,229	2,400
TOTAL	\$ 10,272	\$ 12,378	\$ 12,539

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Erie Soldiers and Sailors Home	\$ 2,360	\$ 2,632	\$ 2,935
Hollidaysburg Veterans Home	6,846	8,184	8,474
Federal Funds:			
Domiciliary and Nursing Home Care Reimbursements	1,606	2,745	2,320
Other Funds:			
Aid and Attendance Payments for Nursing Care Patients	1,043	894	930
Residents Fees	2,226	2,332	2,499
Building and Office Space Rent	10	16	15
TOTAL	\$ 14,091	\$ 16,803	\$ 17,173

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Education Benefits			
State Funds	\$ 344	\$ 370	\$ 380

Provides a maximum grant of \$40 per credit to qualified Pennsylvania National Guard enrolled in an approved Pennsylvania institution of higher learning, in accordance with Act 152 of 1980. Also provides grants of \$200 per semester to children of deceased or disabled veterans to attend institutions of higher learning within the Commonwealth which are approved by the State Veterans Commission.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Education of Veterans Children	\$ 39	\$ 75	\$ 75
Education — National Guard	305	295	305
TOTAL	<u>\$ 344</u>	<u>\$ 370</u>	<u>\$ 380</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Veterans Compensation and Assistance			
State Funds	\$ 1,336	\$ 1,451	\$ 1,514

Provides temporary assistance to veterans who are in need of financial support. Funds for food, clothing, fuel and shelter are made available for a period of up to three months. Grants pensions of \$100 a month to Pennsylvania veterans, who while performing active military service, suffered disease or injury which resulted in functional blindness.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Veterans Assistance	\$ 1,150	\$ 1,265	\$ 1,328
Blind Veterans Pension	186	186	186
TOTAL	<u>\$ 1,336</u>	<u>\$ 1,451</u>	<u>\$ 1,514</u>

DEPARTMENT OF MILITARY AFFAIRS

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,662	\$ 1,818	\$ 1,781	\$ 1,852	\$ 1,926	\$ 2,003	\$ 2,083
Physical Health Treatment	\$ 9,281	\$ 10,816	\$ 11,409	\$ 11,865	\$ 12,339	\$ 12,833	\$ 13,347
Domiciliary and Nursing Home Care	9,281	10,816	11,409	11,865	12,339	12,833	13,347
Maintenance of Public Order	\$ 9,111	\$ 8,801	\$ 9,528	\$ 9,879	\$ 10,244	\$ 10,874	\$ 11,269
Disaster Assistance	9,111	8,801	9,528	9,879	10,244	10,874	11,269
Compensation	\$ 2,207	\$ 2,353	\$ 2,470	\$ 2,557	\$ 2,648	\$ 2,743	\$ 2,842
Compensation and Assistance	2,207	2,353	2,470	2,557	2,648	2,743	2,842
DEPARTMENT TOTAL	<u>\$ 22,261</u>	<u>\$ 23,788</u>	<u>\$ 25,188</u>	<u>\$ 26,153</u>	<u>\$ 27,157</u>	<u>\$ 28,543</u>	<u>\$ 29,541</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 1,662</u>	<u>\$ 1,818</u>	<u>\$ 1,781</u>	<u>\$ 1,852</u>	<u>\$ 1,926</u>	<u>\$ 2,003</u>	<u>\$ 2,083</u>

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected

by the effectiveness of the activities they support within the Department of Military Affairs. A primary concern is to minimize these administrative costs in relation to the costs of provided services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,659	\$ 1,785	\$ 1,778	\$ 1,849	\$ 1,923	\$ 2,000	\$ 2,080
American Battle Monuments	3	33	3	3	3	3	3
GENERAL FUND TOTAL	<u>\$ 1,662</u>	<u>\$ 1,818</u>	<u>\$ 1,781</u>	<u>\$ 1,852</u>	<u>\$ 1,926</u>	<u>\$ 2,003</u>	<u>\$ 2,083</u>

Domiciliary and Nursing Home Care

OBJECTIVE: To provide skilled nursing and domiciliary care for veterans.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 9,281	\$ 10,816	\$ 11,409	\$ 11,865	\$ 12,339	\$ 12,833	\$ 13,347
Federal Funds	1,606	2,745	2,320	3,943	4,094	4,252	4,418
Other Funds	3,279	3,242	3,444	3,546	3,681	3,820	3,998
TOTAL	\$ 14,166	\$ 16,803	\$ 17,173	\$ 19,354	\$ 20,114	\$ 20,905	\$ 21,763

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total number of beds in veterans' homes:							
Erie	175	175	175	175	175	175	175
Hollidaysburg	381	381	381	381	381	381	381
Pennhurst				150	330	330	330
Population in homes:							
Erie	129	141	155	160	165	170	170
Hollidaysburg	366	377	377	377	377	377	377
Pennhurst				143	314	314	314
Percent of bed capacity utilized:							
Erie	74%	81%	89%	91%	94%	97%	97%
Hollidaysburg	95%	95%	95%	95%	95%	95%	95%
Average skilled nursing care days per patient:							
Erie	336	339	339	341	341	341	341
Hollidaysburg	345	350	350	350	350	350	350
Cost per skilled nursing care day:							
Erie	\$105	\$109	\$114	\$120	\$126	\$132	\$139
Hollidaysburg	N/A	\$114	\$119	\$124	\$129	\$134	\$140
Average domiciliary care days per patient:							
Erie	N/A	256	261	274	287	301	316
Hollidaysburg	350	350	350	350	350	350	350
Cost per domiciliary care day:							
Erie	\$47	\$49	\$51	\$56	\$57	\$59	\$60
Hollidaysburg	N/A	\$87	\$90	\$94	\$98	\$102	\$106

Program Analysis:

The Department of Military Affairs is legally mandated to provide skilled nursing and domiciliary care for veterans who are disabled, indigent or in need of care. There are currently two veterans homes providing such care: the Soldiers and Sailors Home in Erie and the Veterans Home at Hollidaysburg. The program receives assistance from the Federal Government at recently increased levels of \$7.30 per patient day for domiciliary care, \$17.05 per patient day for nursing home care, and \$6.00 per day for aid-in-attendance

given directly to the patient. In addition, residents pay a maintenance fee to help offset the costs of services rendered to them.

The recent expansion and renovations at Erie have resulted in a 175 bed facility and the provision of space for increased rehabilitation and therapy services. Increased staff has also been recommended in this budget to enable Erie to accept additional applicants to the domiciliary unit which help decrease anticipated costs per day for domiciliary

Domiciliary and Nursing Home Care (continued)

Program Analysis: (continued)

patients. The facility now provides 75 nursing care beds and 100 domiciliary beds.

The facility at Hollidaysburg is now providing both domiciliary and nursing care services for 381 veterans.

Further hospital services will become available in the near future with the selection of the Pennhurst Center in Chester

County as the site of the State's third veterans home. Additional details are available in the Program Revision appended hereto.

The projected measures for nursing and domiciliary care days are based on capacity rather than actual population.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Feasibility Study — Third Veterans							
Home	\$ 75	.....	.....	.....	.....	.....	.....
Eric Soldiers and Sailors Home	2,360	\$ 2,632	\$ 2,935	\$ 3,052	\$ 3,174	\$ 3,301	\$ 3,434
Hollidaysburg Veterans Home	6,846	8,184	8,474	8,813	9,165	9,532	9,913
GENERAL FUND TOTAL	<u>\$ 9,281</u>	<u>\$ 10,816</u>	<u>\$ 11,409</u>	<u>\$ 11,865</u>	<u>\$ 12,339</u>	<u>\$ 12,833</u>	<u>\$ 13,347</u>

**Domiciliary and Nursing Home Care
Program Revision: Third Veterans Home**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Other Funds

Included in 1985-86 Capital Budget.

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total number of beds in veterans homes:							
Pennhurst							
Current
Program Revision	150	330	330	330
Population in homes:							
Pennhurst							
Current
Program Revision	143	314	314	314

Program Analysis:

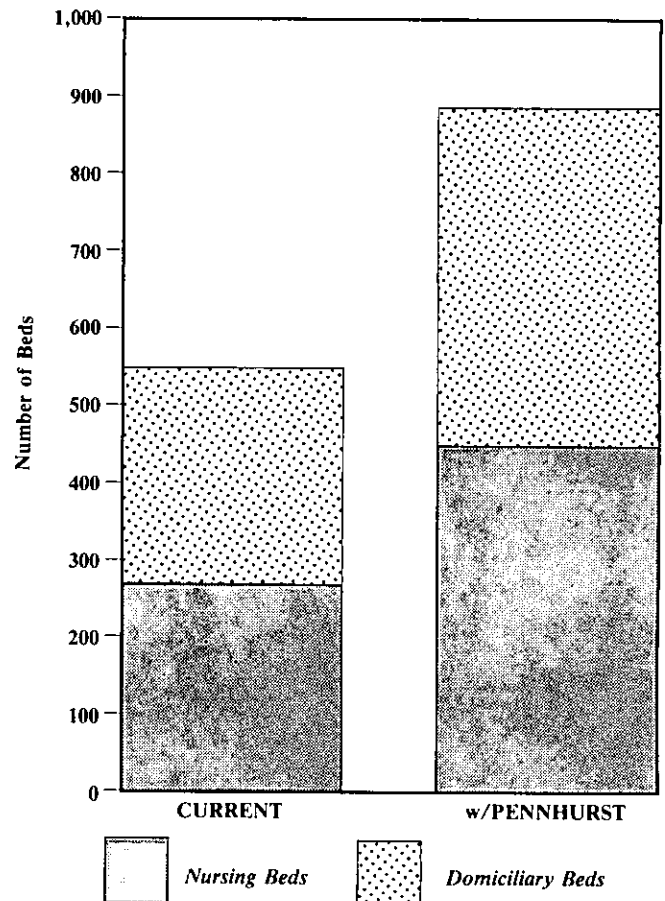
This \$6.17 million Capital Budget proposal calls for the conversion, as soon as possible, of the Pennhurst Center near Spring City, Chester County, into a third home for Pennsylvania's veterans. The existing New Horizons Building will be converted into a 180-bed nursing-care facility and the renovation of 15 existing "cottages" will provide domiciliary or living quarters for another 150 veterans. This project will result in a substantial increase in the total capacity of State veterans homes as shown on the chart below.

Improvements to the New Horizons Building will include extensive renovations to the living quarters on the top three floors to meet Federal Veterans Administration and State Department of Health requirements. The structure presently includes two gymnasiums, two swimming pools and other recreational facilities which are operational and available for immediate use.

To serve the veterans' medical needs, the building also includes updated and modern medical, dental and physical therapy suites. The facility, built in the 1970's, already meets all handicapped requirements and conforms to relevant life safety codes.

Renovating the present Pennhurst facility with State bond funds, instead of constructing an entirely new home, which would require Federal funds due to the much greater cost, will avoid delays which could put this badly needed facility out of reach until the 1990's. A total of 65 percent, or \$4

**Veterans Homes Capacity
Before and After Third Home**



**Domiciliary and Nursing Home Care
Program Revision: Third Veterans Home**

Program Analysis: (continued)

million of the the \$6.17 million project is expected to be Federally reimbursed in about five years when Veterans Administration funds are projected to become available.

The Pennhurst Veterans Center could be fully operational by the end of 1987, and some veterans may begin living in the domiciliary quarters as early as mid-1986.

The Pennhurst Center, which currently houses about 450 mentally retarded residents, is scheduled to be phased out for such use by June, 1986, when the remaining residents

are transferred to State-supported community living arrangements.

Pennhurst is served by an extensive transportation network and is convenient for veterans of the greater Philadelphia area, and the whole of Eastern Pennsylvania. The region is served by two public transportation lines and the new Pottstown Expressway (U.S. 422) will be open to traffic in early 1985

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Other Funds

Included in 1985-86 Capital Budget.

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total number of beds in veterans homes:							
Pennhurst							
Current
Program Revision	150	330	330	330
Population in homes:							
Pennhurst							
Current
Program Revision	143	314	314	314

Disaster Assistance

OBJECTIVE: To achieve and maintain a readiness capability in units of the Pennsylvania National Guard for quick and effective response to State or Federal mobilization.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 9,111	\$ 8,801	\$ 9,528	\$ 9,879	\$ 10,244	\$ 10,874	\$ 11,269
Federal Funds	445	420	420	420	420	420	420
Other Funds	156	160	160	160	160	160	160
TOTAL	\$ 9,712	\$ 9,381	\$ 10,108	\$ 10,459	\$ 10,824	\$ 11,454	\$ 11,849

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total number of armories	104	104	104	104	104	104	104
Operating buildings	267	267	267	267	267	267	267
Pennsylvania National Guard personnel ...	21,850	22,605	22,605	22,605	22,605	22,605	22,605
Percentage of authorized strength level	96%	100%	100%	100%	100%	100%	100%

Program Analysis:

This program provides for the administrative, logistical and training support necessary for the Pennsylvania National Guard to maintain the 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 and supplies and training, such as monthly training assemblies and 15 days annual training, are funded 100 percent by the Federal Government. The Commonwealth is responsible for providing for the operation, maintenance and repair of the armories.

The readiness capability of Pennsylvania National Guard units is evaluated according to established Federal inspection and training standards. Of great concern is to have the Pennsylvania National Guard in top readiness condition in order to perform its State and Federal missions. The training of personnel is directly dependent upon the adequacy of the operation, maintenance and repair of Air National Guard bases and installations and numerous Army National Guard armories and support facilities. To provide a quicker and more effective response to State or Federal mobilization, an emergency operation center ties in to appropriate

agencies in times of statewide emergency.

Included within this program are those activities essential to operate a network of 104 community armories which serve as training locations for the National Guard units. These armories may also be utilized as mass care centers for disaster victims and to provide meeting and recreational facilities for local civic and youth organizations.

The majority of the 104 armories supported under this program have not been maintained adequately over the years. The armories have deteriorated and essential maintenance and repair projects have been deferred from year to year. For many years, annual requests for funds to reduce the backlog of essential maintenance and repair went unheeded. However, over the last several years, \$500,000 has been provided each year to reduce this backlog of essential maintenance and repair. This budget provides \$750,000 for a necessary expansion of this program. Restoration of the armories is particularly important so that the life of these structures can be extended and the costs of new construction avoided. This increase will expand the attempt to reduce the backlog to manageable proportions. Additionally, funds have been provided for emergency repairs and utility cost increases at the armories.

Disaster Assistance (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 8,614	\$ 8,301	\$ 8,778	\$ 9,129	\$ 9,494	\$ 9,874	\$ 10,269
Armory Maintenance and Repair	497	500	750	750	750	1,000	1,000
TOTAL	<u>\$ 9,111</u>	<u>\$ 8,801</u>	<u>\$ 9,528</u>	<u>\$ 9,879</u>	<u>\$ 10,244</u>	<u>\$ 10,874</u>	<u>\$ 11,269</u>

Compensation and Assistance

OBJECTIVE: To provide advisory and financial assistance to eligible Pennsylvania veterans, National Guardsmen and their dependents.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,207	\$ 2,353	\$ 2,470	\$ 2,557	\$ 2,648	\$ 2,743	2,842

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Veterans in Pennsylvania	1,586,000	1,585,000	1,580,000	1,575,000	1,570,000	1,565,000	1,560,000
Recipients of veterans emergency assistance	20,700	20,700	19,660	18,682	17,748	16,860	16,017
Recipients of blind veterans pensions	149	155	155	155	155	155	155
Students receiving financial aid	91	91	91	100	110	120	130
Students completing courses of instruction .	29	30	35	35	35	35	35
National Guard personnel receiving educational financial aid	765	770	782	800	850	900	950

Program Analysis:

The Department of Military Affairs administers several aid programs within this subcategory.

Veterans Assistance — Temporary financial assistance is provided for eligible veterans, widows, widowers and dependents who are in need of financial assistance. Financial assistance is authorized for food, fuel, shelter and clothing and is limited to a period not exceeding three months. During fiscal year 1983-84 there were 20,700 veterans and their dependents assisted under this program, an increase of 8,833 over fiscal year 1982-83. Several key factors attributed to this large increase including plant closings and reduced work forces in Beaver and York Counties and a change in internal regulations allowing indigents to participate. However, with the improved economy, future year projections should decline.

Blind Veterans Pension — This program provides pensions of \$100 per month for those Pennsylvania veterans who incurred functional blindness while performing active military service. During fiscal year 1983-84 there were 149 veterans receiving this pension.

National Guard Pensions — This program is responsible for the payment of a pension to guardsmen, widows and dependent families. A National Guardsman who is injured

or otherwise disabled, or dies as a result of injuries or other disability received or contracted while performing duty in active service of the Commonwealth or in the performance of other State Military Duty under competent order or authority, is eligible. Current law provides for a monthly pensions for dependents to a maximum of \$300 per month for a period of ten years. In the case of minor children of a deceased member, the pension is paid until the minor child reaches 18 years of age and a tuition credit of 50 percent at all State-owned universities or approved trade schools for a period not exceeding eight semesters or four years is also authorized for children of deceased guard personnel who are killed or die while on State active duty.

Education of Children of Deceased and Disabled Veterans — This program provides financial assistance of \$200 per semester to children of eligible deceased or 100 percent disabled veterans attending institutions of higher learning or other schools to receive higher education and/or training within the Commonwealth. This program is separate from any scholarship program administered by the Pennsylvania Higher Education Assistance Agency (PHEAA). During fiscal year 1983-84 there were 91 eligible veterans' children receiving the educational gratuity. It is still an-

Compensation and Assistance (continued)

Program Analysis: (continued)

anticipated that there will be an increase in the number of participants in this program since the children of eligible Korean and Vietnam Conflict veterans are reaching college age and due to the recent reduction in Social Security educational benefits. However, large program increases have failed to materialize.

Education — National Guard — Act No. 152 of 1980 provides a tuition grant to certain members of the Pennsylvania

National Guard who enroll in a Pennsylvania institution of higher learning, with degree-granting status as approved by the Department of Education. The grant will be one-half of the cost of the credit, with a maximum of \$40 per credit while satisfactorily enrolled. Assistance is limited to a maximum of six credits per quarter or semester or twelve credits per year. Additional applicants have increased the projected number of recipients.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 507	\$ 512	\$ 556	\$ 578	\$ 601	\$ 625	\$ 650
Education of Veterans Children	39	75	75	75	75	75	75
Education — National Guard	305	295	305	317	330	343	357
Veterans Assistance	1,150	1,265	1,328	1,381	1,436	1,494	1,554
Blind Veterans Pensions	186	186	186	186	186	186	186
National Guard Pension	20	20	20	20	20	20	20
GENERAL FUND TOTAL	\$ 2,207	\$ 2,353	\$ 2,470	\$ 2,557	\$ 2,648	\$ 2,743	\$ 2,842

Milk Marketing Board

The Milk Marketing Board supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices.

MILK MARKETING BOARD

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-85 Actual	1985-85 Available	1985-86 Budget
General Fund			
General Government			
Transfer to Milk Marketing Board	\$ 950	\$ 950	\$ 950
Underpayments to Dairy Farmers .....	.....	2,650	.....
GENERAL FUND TOTAL	<u><u>\$ 950</u></u>	<u><u>\$ 3,600</u></u>	<u><u>\$ 950</u></u>
 Milk Marketing Fund			
General Government			
General Operations	\$ 741	\$ 804	\$ 815
TOTAL STATE FUNDS	<u><u>\$ 741</u></u>	<u><u>\$ 804</u></u>	<u><u>\$ 815</u></u>
 Other Funds .....	.....	.....	\$ 2
MILK MARKETING FUND TOTAL	<u><u>\$ 741</u></u>	<u><u>\$ 804</u></u>	<u><u>\$ 817</u></u>
 Department Total — All Funds			
General Fund	\$ 950	\$ 3,600	\$ 950
Special Funds	741	804	815
Other Funds .....	.....	.....	2
TOTAL ALL FUNDS	<u><u>\$ 1,691</u></u>	<u><u>\$ 4,404</u></u>	<u><u>\$ 1,767</u></u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Milk Marketing Board			
State Funds	\$ 950	\$ 3,600	\$ 950

The Milk Marketing Board is a special fund agency financed from license fees, permit fees and fines. This General Fund appropriation is made to provide sufficient funds for the Board's operations. In 1984-85, General Fund monies were appropriated in order to aid farmers who were not paid by bankrupt producers.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Transfer to Milk Marketing Board	\$ 950	\$ 950	\$ 950
Underpayments to Dairy Farmers .....	.....	2,650	.....
TOTAL	<u>\$ 950</u>	<u>\$ 3,600</u>	<u>\$ 950</u>

MILK MARKETING FUND

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Operations			
State Funds	\$ 741	\$ 804	\$ 815
Other Funds	950 ^a	950 ^a	952 ^a
TOTAL	<u>\$ 1,691</u>	<u>\$ 1,754</u>	<u>\$ 1,767</u>

Supervises, inspects and regulates the milk industry of the Commonwealth and establishes reasonable trade control and marketing practices.

Formulates policy; holds public hearings and subsequently issues and enforces General Marketing Orders, rules and regulations; handles all legal matters including prosecution and levying of penalties against violators of the Milk Marketing Law.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Executive Authorization:			
General Operations	\$ 741	\$ 804	\$ 815
Other Funds:			
Transfer from General Fund	950	950	950
Security Fund .....	.....	.....	2
TOTAL	<u>\$ 1,691</u>	<u>\$ 1,754</u>	<u>\$ 1,767</u>

^aOther Funds includes the transfer from the General Fund, which is not carried forward to the Summary by Fund and Appropriation to avoid double counting.

MILK MARKETING BOARD

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer Protection	\$ 1,691	\$ 4,404	\$ 1,765	\$ 1,626	\$ 1,626	\$ 1,626	\$ 1,626
Regulation of Milk Industry	1,691	4,404	1,765	1,626	1,626	1,626	1,626
DEPARTMENT TOTAL	<u>\$ 1,691</u>	<u>\$ 4,404</u>	<u>\$ 1,765</u>	<u>\$ 1,626</u>	<u>\$ 1,626</u>	<u>\$ 1,626</u>	<u>\$ 1,626</u>

Regulation of Milk Industry

OBJECTIVE: To maintain an adequate supply of wholesome fluid milk.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 950	\$ 3,600	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
Special Funds	741	804	815	676	676	676	676
Other Funds .....	.....	.....	2	3	4	5	6
TOTAL	\$ 1,691	\$ 4,404	\$ 1,767	\$ 1,629	\$ 1,630	\$ 1,631	\$ 1,632

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Supply of fluid milk to demand for fluid milk	126%	126%	126%	126%	126%	126%	126%
Public hearings held .....	.....	6	6	6	6	6	6
Licenses and permits issued	3,063	3,053	3,043	3,035	3,035	3,035	3,035
Dealer audits made to determine compliance with rules and regulations	1,916	1,950	1,950	1,950	1,950	1,950	1,950
Citations issued against license violators ...	52	60	60	60	60	60	60

Program Analysis:

A major new function of the Milk Marketing Board has emerged with the recent enactment of the Milk Producers' Security Act 136 of 1984. Under this act, in order to protect producers, each milk dealer must file with the Board either a corporate surety or a collateral bond. The bond must be in an amount equal to a minimum of 30 percent or a maximum of 75 percent of the highest aggregate amount owed by the dealer to producers during any 40 day period in the preceding 12 months.

If a dealer elects to have the minimum bond of 30 percent as opposed to the maximum coverage of 75 percent, the dealer must also pay each month into the Milk Producers Security Fund two cents per hundredweight on all milk purchased from producers during the prior month. This fund, as well as bonds posted by dealers, are to be used to reimburse milk producers for payments owed them by any dealers declaring bankruptcy. Under certain financial conditions, a trusteeship arrangement for financially troubled dealers may be required by the Board.

The Board's major function continues to be that of insuring an adequate milk supply by the setting of 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. The majority of Commonwealth farmers are covered by Federal Orders, which are prices established in Washington that must be paid to producers. Pennsylvania's Milk Marketing Board, however, establishes prices that must be paid to producers as well as minimum prices stores can charge consumers. The Board also has the authority to set maximum prices, but as yet this has not been done.

In areas influenced by Federal Orders, the Federal Order pricing system is adopted by the Board for minimum prices paid to producers. In these areas the Federal Order producer class price and the Pennsylvania Milk Marketing Board producer class price are the same.

For the consumer, the price for milk is set in a bracketing system so that depending on the marketing area, an eighteen or twenty cent increase or decrease in the producer price will increase or decrease the price of a gallon of standard milk two cents, a half-gallon one cent, and a quart one half-cent.

The ratio between the supply of fluid milk to demand for fluid milk is one of the Board's key impact indicators. This

Regulation of Milk Industry (continued)

Program Analysis: (continued)

ratio, based on a long-term established economic policy, assumes that when supplies of fluid milk approximate 125 percent of fluid sales a proper balance exists between supply and demand for milk. If the ratio exceeds the 125 percent level by more than eight percentage points, it alerts the Board that supply is out of line with demand, calling for a review of producer and resale prices. Conversely, if the ratio drops by more than eight percentage points it alerts the Board that demand is out of line with supply and producer prices should be reviewed to provide sufficient incentive to farmers for expanded production.

In addition to price policy, the Board licenses milk dealers of various classes, milk haulers, weighers and testers. Although the number of licenses and permits issued increased in 1983-84, it is anticipated that the number of licenses and permits issued in the current and future years will decline slightly due to mergers, incorporations, etc.

The number of public hearings held are based on market

conditions during any fiscal year. During 1983-84 no public hearings were held since the Uniform System of Accounts was being revised to incorporate "unit costing". The Uniform System of Accounts is a specialized accounting system for milk dealers. It details the records, data and format to be adhered to by all milk dealers. Public hearings are expected to resume in 1984-85, and continue in subsequent years, at a constant level of six per year.

Dealer audits are performed to determine compliance with pertinent laws and regulations. The Board also issues citations against license violators. The decrease in the number of citations from previous estimates can be attributed to a decrease in violations uncovered by the audit staff. As a result of Act 136, the new uniform system of accounts and the availability of unit cost data, it is expected that citations will show a slight increase in 1984-85 and subsequent years as more violations are uncovered.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Transfer to Milk Marketing Fund	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950
Underpayments to Dairy Farmers		2,650					
GENERAL FUND TOTAL	<u>\$ 950</u>	<u>\$ 3,600</u>	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 950</u>	<u>\$ 950</u>
MILK MARKETING FUND							
General Operations	<u>\$ 741</u>	<u>\$ 804</u>	<u>\$ 815</u>	<u>\$ 676</u>	<u>\$ 676</u>	<u>\$ 676</u>	<u>\$ 676</u>

Board of Probation and Parole

The Board of Probation and Parole rehabilitates and supervises persons on probation or parole, helping them to reintegrate within society. The Board attempts to allow an early and controlled release of persons from correctional institutions as well as detect those who cannot adjust to the community. Beyond cases normally under the State's jurisdiction, State probation services and presentence investigations are provided upon request from the courts.

BOARD OF PROBATION AND PAROLE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 17,586	\$ 18,711	\$ 19,703
Grants and Subsidies			
Improvement of Adult Probation Services	\$ 3,085	\$ 3,240	\$ 3,550
TOTAL STATE FUNDS	<u>\$ 20,671</u>	<u>\$ 21,951</u>	<u>\$ 23,253</u>
Federal Funds	\$ 21	\$ 18	.....
GENERAL FUND TOTAL	<u>\$ 20,692</u>	<u>\$ 21,969</u>	<u>\$ 23,253</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 17,586	\$ 18,711	\$ 19,703
Federal Funds	21	18	. . . .
TOTAL	<u>\$ 17,607</u>	<u>\$ 18,729</u>	<u>\$ 19,703</u>

Seeks to reduce the incidence of criminal recidivism by providing parolees and probationers with supervision, counseling and treatment to enable them to satisfactorily adjust to society. Conducts presentence investigations to assist the courts in making sentencing decisions.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
General Government Operations	\$ 17,586	\$ 18,711	\$ 19,703
Federal Funds:			
NIC — Case Classification and Workload Management	7	9	. . . .
NIC — State Local Probation Project	14	9	. . . .
TOTAL	<u>\$ 17,607</u>	<u>\$ 18,729</u>	<u>\$ 19,703</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Improvement of Adult Probation Services			
State Funds	\$ 3,085	\$ 3,240	\$ 3,550

Assists counties in improving adult probation services by providing funds for probation officers who meet standards established by the Board.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Improvement of Adult Probation Services	<u>\$ 3,085</u>	<u>\$ 3,240</u>	<u>\$ 3,550</u>

BOARD OF PROBATION AND PAROLE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 2,033	\$ 2,019	\$ 2,167	\$ 2,254	\$ 2,344	\$ 2,438	\$ 2,535
Control and Reduction of Crime	\$ 18,638	\$ 19,932	\$ 21,086	\$ 21,965	\$ 22,884	\$ 23,836	\$ 24,831
Reintegration of the Adult Offender	18,638	19,932	21,086	21,965	22,884	23,836	24,831
DEPARTMENT TOTAL	<u>\$ 20,671</u>	<u>\$ 21,951</u>	<u>\$ 23,253</u>	<u>\$ 24,219</u>	<u>\$ 25,228</u>	<u>\$ 26,274</u>	<u>\$ 27,366</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,033	\$ 2,019	\$ 2,167	\$ 2,254	\$ 2,344	\$ 2,438	\$ 2,535
Federal Funds	7	9	.....	.....	.....	.....	.....
TOTAL	<u>\$ 2,040</u>	<u>\$ 2,028</u>	<u>\$ 2,167</u>	<u>\$ 2,254</u>	<u>\$ 2,344</u>	<u>\$ 2,438</u>	<u>\$ 2,535</u>

Program Analysis:

General Administration and Support provides the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected

by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 2,033</u>	<u>\$ 2,019</u>	<u>\$ 2,167</u>	<u>\$ 2,254</u>	<u>\$ 2,344</u>	<u>\$ 2,438</u>	<u>\$ 2,535</u>

Reintegration of the Adult Offender

OBJECTIVE: To decrease the recurrence of crime by replacing criminal behavior with socially acceptable behavior.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 18,638	\$ 19,932	\$ 21,086	\$ 21,965	\$ 22,884	\$ 23,836	\$ 24,831
Federal Funds	14	9	.....	.....	.....	.....	.....
TOTAL	\$ 18,652	\$ 19,941	\$ 21,086	\$ 21,965	\$ 22,884	\$ 23,836	\$ 24,831

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Probationers and parolees in case load:							
County	66,567	68,564	69,935	70,634	71,340	71,340	71,340
State	15,314	15,620	15,932	16,091	16,252	16,252	16,252
Inmates released on parole or reparole (new parolees)	3,433	3,524	3,549	3,572	3,597	3,585	3,591
Cases in which investigations were conducted:							
Preparole	5,204	5,234	5,323	5,331	5,380	5,355	5,367
Presentence	951	941	936	936	936	936	936
New parolees likely to successfully complete parole	2,334	2,396	2,413	2,429	2,446	2,438	2,442
And as a percent of new parolees	68%	68%	68%	68%	68%	68%	68%
New parolees likely to abscond	103	106	106	107	108	108	108
And as a percent of new parolees	3%	3%	3%	3%	3%	3%	3%
New parolees likely to return to prison for technical violations and/or new offense.	996	1,022	1,029	1,036	1,043	1,040	1,041
And as a percent of new parolees	29%	29%	29%	29%	29%	29%	29%
Average cases per parole officer	75	68	70	70	71	71	71

Program Analysis:

The Pennsylvania Board of Probation and Parole operates in a complex and interdependent criminal justice system in the Commonwealth. The primary functions of the Board are to grant parole and supervise adult offenders with a maximum sentence of two years or more; revoke the parole of technical parole violators and criminal violators convicted of new crimes; and, discharge from parole clients under supervision who have fulfilled their sentences in compliance with the conditions governing parole. Commonwealth judges parole inmates with maximum sentences under two years. Under the direction of the county courts, cases can

be certified to the State under special probation and parole supervision.

Among the 15,314 clientele under the Board's supervision in June 1984, about 61 percent were State parolees. The remaining percentage of the State's caseload consisted of 24 percent County Court certifications to State supervision and 15 percent were out of state cases residing in Pennsylvania under the Interstate Compact Agreement. The State's caseload is 19 percent of the approximately 81,881 probationers and parolees in the Commonwealth. With the continued growth in prison populations in the Commonwealth,

Reintegration of the Adult Offender (continued)

Program Analysis: (continued)

the probation and parole population will also continue to increase.

The primary goal of the Board of Probation and Parole is to protect the community from crime through a supervision process. If an individual fails to meet the standards of conduct, the board acts to recommit the offender. In 1983-84, 1,461 technical and criminal parole violators were returned to prison. These violators were released at different points in time and therefore cannot be directly related to the program measures, which only address the parolees released within any specified year.

The community-based correction system involves a supervision process consisting of client evaluation through background investigations, client counseling and referral to social service agencies, and client surveillance. There are five major types of investigative reports prepared by agents: pre-parole investigations, pre-sentence investigations, Pardon Board investigations, prison classification summaries and background investigations for other states' cases. During the 1983-84 fiscal year, approximately 9,263 major investigative reports were completed by agents. These case investigations constitute a major component of an agents workload beyond the requirements of supervising a caseload. The pre-parole investigation is the most prevalent type of investigation in the workload. There were 5,204 pre-parole investigations completed last fiscal year reflecting a 25 percent growth over the last three fiscal years. In contrast, pre-sentence investigations have remained comparatively stable and are not projected to increase in number if current practices remain constant.

The agency has developed many programs to deal with increasing caseloads. The most comprehensive effort being implemented is a model program being sponsored by the National Institute of Corrections to improve case classification and workload management. This innovative approach to resource management shifts attention for caseload management to a more objective framework of workload management. Two important elements underlie the system. First, major components of work have been subjected to time study and translated into a workload formula. Second, discretion in supervision case decision-making has been structured by both a) the use of a standard interview for case planning classification, and b) the use of uniform instruments for client risk assessment and case needs assessment for purposes of determining the level of supervision required. The result of a uniform classification system is the development of workload budgets, enabling managers to allocate work in a fair and efficient manner. The agency will thus be able to more effectively target limited manhours on the higher risk clientele as workloads increase.

The concepts of probation and parole ultimately are

evaluated in terms of their cost-effectiveness in maximizing the number of offenders who adjust successfully to society. Probation and parole fail when an offender is returned to prison for new convictions and crimes. It is the ability of agents to detect unstable or illicit behavior prior to the commission of a new crime, and subsequently to bring about revocation for technical violations, that affords the community maximum safeguards and, consequently, program effectiveness. A measure of program performance is the proportion of offenders who benefit from the rehabilitative effects of probation or parole, and subsequently become productive law abiding citizens in society. Agency performance is monitored by the tracking of parole outcome for one, two and three years after release. Statistics indicate that the likelihood of an individual failing supervision increases from 20 percent to 31 percent cumulative from the first to the third year of supervision. A failure to reintegrate is most likely to occur in the first year of parole; by the third year, one third of inmates will have been returned to prison.

One useful measure of program effectiveness is client employment which is an underlying factor effecting recidivism and has primary economic benefits to the Commonwealth. Employed offenders serving sentences on the street are taxpayers as well as tax burdens. The unemployment rate among offenders who were able to work in June, 1984 was relatively high at 34 percent. Major program efforts in terms of supervision priorities are being made to reduce the rate of unemployment in order to increase the economic benefits of probation and parole supervision. When examining correctional programming alternatives in terms of costs and benefits, it is noteworthy that probation and parole supervision provides tax revenue benefits over 8 million dollars per annum and also provide correctional services at a lower cost than incarceration. Comparable budgetary data reveals that it costs the Commonwealth approximately ten times less to supervise a client compared to housing an inmate in an institution.

In addition to the operation of State parole, the board has had the responsibility of administering a grant-in-aid program for the continuation and improvement of county adult probation personnel and services since 1966-67. The grant is only for the additional costs incurred by the counties for improvements made to probation agencies. In recent years the counties have made substantial improvements in their services.

Also included is \$50,000 to develop a program to provide individualized and specialized services to mentally retarded adult offenders, at the county level. The Board will pay for the cost of probation offices and the Department of Public Welfare will provide funding to counties to hire social workers.

Reintegration of the Adult Offender (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 15,553	\$ 16,692	\$ 17,536	\$ 18,237	\$ 18,970	\$ 19,726	\$ 20,515
Improvement of Adult Probation							
Services	3,085	3,240	3,550	3,728	3,914	4,110	4,316
GENERAL FUND TOTAL	<u>\$ 18,638</u>	<u>\$ 19,932</u>	<u>\$ 21,086</u>	<u>\$ 21,965</u>	<u>\$ 22,884</u>	<u>\$ 23,836</u>	<u>\$ 24,831</u>

Public Television Network

The Public Television Network promotes and encourages public television in Pennsylvania. The network facilities provide services to the seven public television stations including the recording, storage, and delivery of programs and the interconnection of the stations for statewide program production and exchange. The network also administers a program of grants to support station operations, instructional television services, program production, and program acquisition.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
Public Television Station Grants	Public Television Improvements	\$ 1,000

This is the first year in a multi year program of matching funds for equipment at the seven public television stations of the network.

General Government Operations	PII—Video Conference System	35 ^a
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This Productivity Improvement Initiative will provide for the development of a video conferencing capability for State agencies through the public television network.

DEPARTMENT TOTAL	<u>\$ 1,035</u>
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^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

PUBLIC TELEVISION NETWORK

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
Public Television Network — General Government Operations .	\$ 2,501	\$ 3,195	\$ 2,781
Public Television Network — Public Television Station Grants .	5,123	5,805	7,650
 GENERAL FUND TOTAL	<u>\$ 7,624</u>	<u>\$ 9,000</u>	<u>\$ 10,431</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 2,501	\$ 3,195	\$ 2,781

Promotes the growth and improvement of public television in Pennsylvania. Operates network facilities connecting the seven public television stations that allow a variety of programs to be broadcast simultaneously or separately.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	<u>\$ 2,501¹</u>	<u>\$ 3,195²</u>	<u>\$ 2,781</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Public Television Station Grants			
State Funds	\$ 5,123	\$ 5,805	\$ 7,650

Provides grants to the seven public television stations for operations, programming, instructional television, and station equipment.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Public Television Station Grants	<u>\$ 5,123³</u>	<u>\$ 5,805⁴</u>	<u>\$ 7,650</u>

¹Actually appropriated as part of \$4,877,000 appropriation for operations.
²Actually appropriated as part of \$6,150,000 appropriation for operations.
³Actually appropriated as part of \$4,877,000 appropriation for operations and \$2,747,000 appropriation for program services.
⁴Actually appropriated as part of \$6,150,000 appropriation for operations and \$2,850,000 appropriation for program services.

PUBLIC TELEVISION NETWORK

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Recreation and Cultural Enrichment	\$ 7,624	\$ 9,000	\$ 10,431	\$ 10,848	\$ 11,282	\$ 11,733	\$ 12,202
General Administration and Support	\$ 2,501	\$ 3,195	\$ 2,781	\$ 2,892	\$ 3,008	\$ 3,128	\$ 3,253
Public Television Services	5,123	5,805	7,650	7,956	8,274	8,605	8,949
DEPARTMENT TOTAL	<u>\$ 7,624</u>	<u>\$ 9,000</u>	<u>\$ 10,431</u>	<u>\$ 10,848</u>	<u>\$ 11,282</u>	<u>\$ 11,733</u>	<u>\$ 12,202</u>

General Administration and Support

OBJECTIVE: To provide for the development and coordination of noncommercial public television in Pennsylvania.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,501	\$ 3,195	\$ 2,781	\$ 2,892	\$ 3,008	\$ 3,128	\$ 3,253

Program Analysis:

The Pennsylvania Public Television Network Commission, created in 1968, governs the public television network, performs Statewide coordinating functions, and makes grants for various purposes to each of the stations. Through the network each station has access to programs produced by other Pennsylvania stations as well as programs acquired from outside sources.

The basic duties of the PPTN Commission are operation of the network interconnection service and aid to the network stations for broadcast operations, instructional television services, programming and capital facilities. The network operation provides statewide promotion and audience research services, guidance and coordination for special projects such as instructional television, and leadership of the system through the Commission.

The microwave system linking the stations and the net-

work operating center in Hershey is the only system in the Commonwealth permitting the full time distribution of video signals to the major population centers of the Commonwealth. The system is used for the distribution of programming, however, because of the nature of television broadcasting operations, significant time periods can be identified in which the system can be made available for other uses. The Commission's budget for 1985-86 includes a \$35,000 productivity improvement initiative to promote and support the use of the system for video-conferencing by State agencies. The resulting reduction in travel time and expense to State agencies will more than offset the minor cost to the Commission of preparing and training the appropriate personnel to use the system. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,501	\$ 3,195	\$ 2,781	\$ 2,892	\$ 3,008	\$ 3,128	\$ 3,253
GENERAL FUND TOTAL	\$ 2,501	\$ 3,195	\$ 2,781	\$ 2,892	\$ 3,008	\$ 3,128	\$ 3,253

Public Television Services

OBJECTIVE: To provide for the development and support of Pennsylvania's noncommercial public television stations.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 5,123	\$ 5,805	\$ 7,650	\$ 7,956	\$ 8,274	\$ 8,605	\$ 8,949

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Households watching public television at least once a week	1,759,000	1,800,000	1,830,000	1,840,000	1,860,000	1,875,000	1,885,000
Contributing memberships	206,000	210,000	215,000	225,000	230,000	235,000	240,000
Original programming as a percentage of total broadcasting	6.3%	6.2%	6.1%	6.0%	5.8%	5.5%	5.5%

Program Analysis:

The Pennsylvania Public Television Network (PPTN) links the seven independent noncommercial television stations in Pennsylvania to create a system in which the stations provide programming through independent and group efforts to the people of Pennsylvania. The stations are located in Bethlehem, Erie, Philadelphia, Pittsburgh, Pittston, University Park, and Harrisburg.

On the average, each PPTN member station offers 6,000 hours of programming a year which includes instructional programming selected by teachers and administrators for use in Pennsylvania's elementary and secondary classrooms. Subject matter of the seventy plus series ranges from current affairs and science to music, art and Pennsylvania history and culture. The broadcast schedule also provides programs for children not yet in school or for viewing after school hours. Series such as Sesame Street, 3-2-1 Contact, Reading Rainbow, Mister Roger's Neighborhood, The Electric Company and many others, not only entertain but help instruct. Audience research shows that about 80 percent of all children between the ages of two and five are regular viewers of public television programming. Approximately half of each station's schedule provides general and special interest programming for families and adults. Quality music, drama and dance performances are regular evening features. Public affairs programs examine local, State, national and global issues and events. Special interests are served with programs ranging from gardening and college courses to physical fitness and ethnic or cultural interests. Each sta-

tion develops its schedule to serve the needs of Pennsylvanians within its viewing area, making use of programs from all available sources.

Funding for non-commercial public television in Pennsylvania comes from several sources: foundations, business and industry, 29.2 percent; members and contributors, 31.4 percent; universities, schools and local government, 5.3 percent; Commonwealth appropriations to the PPTN Commission, 17.4 percent; Federal funds through the Corporation for Public Broadcasting and other Federal programs, 13.0 percent; and 3.7 percent from other miscellaneous sources.

The Instructional Television (ITV) initiative of 1984-85, which provided \$500,000 to the stations to support the costs of delivering instructional television to the school districts, is being continued in the budget year with a major increase in funding. In this program, the Department of Education provides the instructional programming for distribution, such as the "Science Unlimited" project now in use. The programs are keyed to the competencies required at each grade level.

The services provided by stations include the personnel and operating costs of broadcast and the duplication and distribution costs of delivering instructional television materials to school districts. The ITV personnel at stations coordinate and/or conduct teacher training workshops, compile and distribute teacher guides, arrange preview sessions for program evaluation, and work with school and Intermediate Unit personnel in the selection, coordination,

Public Television Services (continued)

Program Analysis: (continued)

scheduling, and evaluation of the programming. This year's successful initiative, "Science Unlimited", will be expanded upon and revised during the coming year.

In a continued effort to ensure the availability of this service to all school districts, regardless of the ability to pay the station for it, the budget includes an additional \$500,000 for station support, including the distribution of curricular materials.

One of the most vexing problems facing public television stations in Pennsylvania is the need to replace aging equipment. The problem is typified by production delays, non-productive hours spent in equipment maintenance, lack of parts availability requiring borrowing of materials from other equipment, and increasing hours of outages due to transmitter, antenna, or transmission line failure.

The PPTN Commission has studied the equipment needs of each station and has compiled a list of equipment needs to be funded over the next several years. Since the equipment is so costly and since local fund raising is difficult for these needs this budget includes a program revision, discussed in the following appendix, to provide matching funds for such purchases.

One of the important services provided by public televi-

sion stations is the production and statewide broadcast of programs and series which respond to the needs and interests of concerned Pennsylvanians in areas such as public affairs, culture, recreation and education. The key purpose of this programming is to provide information which will give viewers an opportunity to analyze and understand the issues and options and will provide for informed participation in the resolution of Pennsylvania's problems. The programming appropriation is funded at a ten percent increase to recognize the increased costs of television production and to provide for additional programs or series.

Public broadcasting is the only communications medium which binds the State's four corners together and there is evidence that indicates that public television is serving more Pennsylvanians than ever before. Membership income over the last five years has increased by 92 percent in Pennsylvania and totals more than \$8,700,000. Economic development, human services, community conservation, health and safety, juvenile justice and youth services are the top priorities of government for the 1985-86 fiscal year. Public television programming can assist in bringing understanding to these topics so that the electorate may reach an informed consensus.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Public Television Station Grants	<u>\$ 5,123</u>	<u>\$ 5,805</u>	<u>\$ 7,650</u>	<u>\$ 7,956</u>	<u>\$ 8,274</u>	<u>\$ 8,605</u>	<u>\$ 8,949</u>

**Public Television Services
Program Revision: Public Television Improvements**

Recommended Program Revision Costs:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u> </u>	<u> </u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

Program Analysis:

Public television stations in Pennsylvania, most of which came into being about twenty years ago, are facing major expenditures for replacement of aging equipment. This problem of decaying infrastructure is resulting in production delays, increased time spent on equipment maintenance due to a lack of parts availability, and increased frequency of transmitter, antenna, and transmission line failure.

The stations are finding that while their fund raising efforts for program acquisition and station operations are fairly successful, they are substantially less successful in generating public interest in contributions for basic equipment needs.

Federal support through the Public Telecommunications Facilities Program has been explored for these needs but other priorities of that program have diminished funding for basic equipment replacement for the foreseeable future.

While the grants provided to the stations through the Pennsylvania Public Television Network (PPTN) Commission include some funds for modest equipment upgrading, the demand for equipment replacement is so great that a major additional funding program has become necessary.

The PPTN Commission has identified specific equipment needs at each station. Funds are provided in this budget to begin a multi-year program to help meet the most pressing station equipment needs. Local matching of at least twenty percent of those funds is encouraged.

The 1984-85 budget included funds to replace the aged routing and switching equipment for the network operation. This new program of funding for station equipment needs will continue the Commonwealth's commitment to its public television system.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Public Television Station Grants	<u> </u>	<u> </u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

Public Utility Commission

The Public Utility Commission insures that safe and adequate public utility services are available at fair and reasonable rates. This is accomplished through enforcement of the Public Utility Law and promulgation of regulations adopted by the Commission.

The Commission is comprised of five members appointed by the Governor with Senate confirmation.

The dollar amounts shown are not appropriations from the General Fund. The Commission receives a budgetary authorization ceiling and then bills the utilities for the amounts of the approved estimate of expenditures and expends directly from the funds collected.

PUBLIC UTILITY COMMISSION

Summary by Fund and Appropriation

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
	Actual	Available	Budget
General Fund			
General Government			
Federal Funds	\$ 275	\$ 289	\$ 289
Other Funds—Restricted Revenue	20,694	22,733	23,905
GENERAL FUND TOTAL	<u>\$ 20,969</u>	<u>\$ 23,022</u>	<u>\$ 24,194</u>

GENERAL GOVERNMENT

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
General Government Operations			
Federal Funds	\$ 275	\$ 289	\$ 289
Other Funds — Restricted Revenue	20,694	22,733	23,905
TOTAL	<u>\$ 20,969</u>	<u>\$ 23,022</u>	<u>\$ 24,194</u>

Protects the consumer by regulating the rates charged by the public utility companies and by developing a comprehensive, long-range plan to assure adequate utility capacity for the future. Inspects railroad grade crossings to insure compliance with safety standards.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Federal Funds:			
Natural Gas Pipeline Safety	\$ 133	\$ 140	\$ 140
Railroad Safety	142	149	149
Other Funds:			
General Government Operations ^a	20,694	22,733	23,905
TOTAL	<u>\$ 20,969</u>	<u>\$ 23,022</u>	<u>\$ 24,194</u>

^aAppropriation from a restricted revenue account.

PUBLIC UTILITY COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer Protection
Regulation of Public Utilities ^a
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DEPARTMENT TOTAL	=====	=====	=====	=====	=====	=====	=====

^aAll Funds are other than General or Special Funds.

Regulation of Public Utilities

OBJECTIVE: To ensure that safe and adequate public utility services are available to the public at fair and reasonable rates.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Federal Funds	\$ 275	\$ 289	\$ 289	\$ 303	\$ 318	\$ 334	\$ 351
Other Funds	20,694	22,733	23,905	24,861	25,856	26,890	27,965
TOTAL	\$ 20,969	\$ 23,022	\$ 24,194	\$ 25,164	\$ 26,174	\$ 27,224	\$ 28,316

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Utilities regulated:							
Electric	17	17	17	17	17	17	17
Others	4,754	4,783	4,808	4,833	4,858	4,883	4,983
Rate increases requested (millions):							
Electric	820	633	929	518	644	817	678
Others	650	503	736	622	511	648	537
Rate increases approved: (millions):							
Electric	479	426	637	489	495	609	504
Others	361	321	481	369	373	459	380
Service Termination Mediations	17,767	14,532	14,800	15,500	15,500	15,500	15,500
Audits conducted:							
Financial	14	52	62	69	80	87	87
Energy/Fuel	69	76	76	76	76	76	76
Management	6	12	14	16	16	16	16
Consumer complaints investigated	6,807	6,504	7,850	7,950	7,200	6,910	6,500
Rail safety investigations conducted	51,379	51,600	52,000	52,400	52,600	52,600	52,600
Motor safety compliance checks	5,784	6,000	6,000	6,000	6,000	6,000	6,000
Gas safety inspections and investigations ...	848	1,080	1,100	1,100	1,100	1,100	1,100

Program Analysis:

The Pennsylvania Public Utility Commission's responsibilities and the service which it performs as an arm of the General Assembly are to further the intent of that legislative body, as expressed in the Public Utility Code, that safe and adequate service be available to the public at fair and reasonable rates.

The types of utilities regulated are electric, gas, steam heat, water, telephone, telegraph, and sewage-collection and disposal services; transportation of passengers and proper-

ty by railroad, aircraft, boat, ferry, and motor carrier; and transportation of certain products by pipeline.

In addition to its primary duty of ensuring that adequate service at reasonable rates is available to the public, the Commission is required or empowered to:

—prescribe rates for common carriers by motor vehicle, and to establish accounting and service requirements for them;

Regulation of Public Utilities (continued)**Program Analysis: (continued)**

—regulate the formation, merger, and consolidation of public utilities;

—determine whether a public utility should be permitted to discontinue service to the public other than for non-payment for service rendered;

—regulate the crossing of public highways by the facilities of public utilities;

—inspect the properties, test the equipment and examine the books and other records of utilities;

—prescribe systems of account for public utilities;

—determine whether the issuance of utility stocks and long-term debt by public utilities is necessary or proper for the present and probable future capital needs of the utilities;

—inquire into the reasonableness, from the point of view of the public interest, of contracts between public utilities and municipalities, and of contracts for services between public utilities and their affiliates; and

—assess all its expenses on utilities in accordance with Act 33 of March 3, 1972.

Commission responsibilities and functions have been in a state of continuing change since the early 1970's period of oil embargoes and rising energy costs. The most recent example is Act 74 of 1984, which will add ten comparable major gas rate cases annually. An initiative of \$210,000 is included in this budget to enable the Commission to carry out the requirements of this Act.

The rate increases requested by utilities were much greater than anticipated in fiscal year 1983-84, especially in the case of electric utilities. There was also a corresponding increase in rate increases approved by the Commission. Both of these measures are very difficult to predict, and fluctuate widely with the changing economy. The percentage of rate increases approved by the Commission has historically, however, been in the range of 55 to 60 percent.

Fewer financial audits were conducted in fiscal year 1983-84 than forecast due to an unexpected increase in the complexity of the audits, and other extenuating circumstances. However, more resources will be applied to significantly increase the number of financial audits this year and in the coming years.

DEPARTMENT OF PUBLIC WELFARE

The Department of Public Welfare provides financial assistance and medical services to the economically dependent through public assistance grants and medical assistance payments, provides care, treatment and rehabilitation to the socially, mentally and physically disabled; and engages in activities, including education and research, which serve to prevent or reduce economic, social, mental and physical disabilities.

Services are provided directly through administration of program services and indirectly through programs of standard setting, regulation, supervision, licensing, grants subsidies and purchase of services.

The public welfare system is headed by a Secretary who is served by an Advisory Public Welfare Board.

The actual delivery of welfare services is executed through regional offices, county boards of assistance and various types of institutions.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
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General Fund

General Government Operations	PII—Administrative Data Processing	\$ 56 ^a
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This Productivity Improvement Initiative will provide data processing support to the program office of the department in the form of micro computers, to enable these offices to analyze the volume of raw data available.

General Government Operations	PII—Fiscal Management Information System	310 ^a
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This Productivity Improvement Initiative will enable the Department to automate fiscal record keeping, processing, analysis and financial projecting.

Cash Grants	Cash Grant Increase	\$ 14,948
Medical Assistance— Outpatient	Cash Grant Increase	347
Medical Assistance—Inpatient	Cash Grant Increase	977
	Subtotal	<u>\$ 16,272</u>

This Program Revision would provide for the implementation of a cash grant increase effective January 1, 1986 for all family sizes.

State Centers for the Mentally Retarded	Dual Diagnosis (MH/MR) Services	\$ 445
Community Based Services — Mentally Retarded	Dual Diagnosis (MH/MR) Services	400
Community Residential Services — Mentally Retarded	Dual Diagnosis (MH/MR) Services	1,200
	Subtotal	<u>\$ 2,045</u>

This Program Revision will provide additional services and treatment for individuals having a diagnosis of mental retardation and mental illness.

PROGRAM REVISION (continued)

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
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General Fund (continued)

Child Abuse	Child Abuse Services	\$ 2,760
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This Program Revision will provide for the expansion of child protective services and reduce the incidence of child abuse.

Pennsylvania Employment Program	Job Training for Welfare Recipients	339 ^b
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This Program Revision will provide improved employment and training services for General Assistance recipients.

DEPARTMENT TOTAL	\$ 21,782
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^aThese are only two of numerous Productivity Improvement Initiatives which are being provided one-time funding to achieve long-term cost savings and efficiently benefits. The entire Program Revision Request is summarized in Volume I.

^bIn addition \$1,000,000 is budgeted in the Department of Labor and Industry making the total program revision \$1,339,000. Details are presented in the Program Revision following the Income Maintenance subcategory in the Department of Welfare.

DEPARTMENT OF PUBLIC WELFARE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 19,200	\$ 18,300	\$ 18,695
Monitoring Community Residential Contracts	80	100	100
Information Systems	17,497	23,000	26,089
County Assistance Offices	135,488	145,000	153,347
County Administration — Statewide	24,500	25,725	27,003
Program Accountability	6,633	7,633	7,464
Pennsylvania Employment Program	5,689	6,109	6,660
Services for the Visually Handicapped	2,523	5,535	5,577
Subtotal	<u>\$ 211,610</u>	<u>\$ 231,402</u>	<u>\$ 244,935</u>
Debt Service Requirement			
General State Authority Rentals — State General Hospitals .....	.....	\$ 5,333	.....
Institutional			
Youth Development Institutions and Forestry Camps	\$ 28,682	\$ 26,861	\$ 27,365
State General Hospitals	1,200	15,629	6,097
State Mental Hospitals	288,437	305,881	311,711
State Centers for the Mentally Retarded	130,194	122,661	105,446
Subtotal	<u>\$ 448,513</u>	<u>\$ 471,032</u>	<u>\$ 450,619</u>
Grants and Subsidies			
Cash Grants	\$ 558,310	\$ 559,222	\$ 563,220
Public Assistance — Transportation Block Grant	7,000	13,505	14,081
Medical Assistance — Outpatient	211,472	240,170	236,053
Medical Assistance — Inpatient	449,839	452,566	416,883
Medical Assistance — Capitation Program	3,460	7,417	59,603
Long-Term Care Facilities	135,588	122,377	135,570
Supplemental Security Income	62,250	45,808	50,317
Community Mental Health Services	92,488	98,035	108,335
Eastern Pennsylvania Psychiatric Institute	6,394	6,651	6,522
Community Based Services — Mentally Retarded	60,111	48,833	59,426
Community Residential Services — Mentally Retarded	109,371	113,519	124,560
Philadelphia Association for Retarded Citizens	200	208	208
Intermediate Care Facilities — Mentally Retarded	24,581	28,515	35,015
Early Intervention .....	.....	15,100	15,400
Beacon Lodge Camp — Blind Services	30	35	36
Residential Homes for the Blind	30	.....	.....
County Child Welfare Programs	133,644	118,644	110,816
Child Abuse .....	.....	.....	2,760
Foster Care .....	.....	.....	500
Day Care Services	16,660	17,000	20,000
Arsenal Family and Children's Center — Pittsburgh	100	104	106
Home for Crippled Children — Pittsburgh	500	520	530
Childrens Heart Hospital — Philadelphia	1,190	1,238	1,263
Western Psychiatric Institute and Clinic	5,900	6,136	6,522
Adult Services Block Grant	1,780	1,856	.....
Domestic Violence and Rape Crisis	1,810	1,882	2,338
Legal Services .....	.....	1,000	.....
Human Services Development Fund .....	.....	.....	2,000
Subtotal	<u>\$1,882,708</u>	<u>\$1,900,341</u>	<u>\$1,972,064</u>

DEPARTMENT OF PUBLIC WELFARE

**Summary by Fund and Appropriation
(continued)**

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
TOTAL STATE FUNDS	<u>\$2,542,831</u>	<u>\$2,608,108</u>	<u>\$2,667,618</u>
Federal Funds	\$1,979,421	\$2,216,695	\$2,204,554
Other Funds	139,965	155,320	140,346
GENERAL FUND TOTAL	<u>\$4,662,217</u>	<u>\$4,980,123</u>	<u>\$5,012,518</u>
 Lottery Fund			
Grants and Subsidies			
Medical Assistance — Long-Term Care	\$ 100,000	\$ 140,000	\$ 140,000
Medicare Part B Payments .....	. . . .	8,000	8,182
Pre-Admission Assessment .....	. . . .	1,639	1,653
Supplemental Grants to the Aged .....	. . . .	17,600	17,600
Community Mental Retardation Services — Elderly .....	. . . .	. . . .	2,200
Subtotal	<u>\$ 100,000</u>	<u>\$ 167,239</u>	<u>\$ 169,635</u>
TOTAL STATE FUNDS —	<u>\$ 100,000</u>	<u>\$ 167,239</u>	<u>\$ 169,635</u>
Federal Funds .....	. . . .	\$ 1,638	\$ 1,652
LOTTERY FUND TOTAL	<u>\$ 100,000</u>	<u>\$ 168,877</u>	<u>\$ 171,287</u>
 Department Total — All Funds			
General Fund	\$2,542,831	\$2,608,108	\$2,667,618
Special Fund	100,000	167,239	169,635
Federal Funds	1,979,421	2,218,333	2,206,206
Other Funds	139,965	155,320	140,346
TOTAL ALL FUNDS	<u>\$4,762,217</u>	<u>\$5,149,000</u>	<u>\$5,183,805</u>

GENERAL GOVERNMENT

General Government Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 36,777	\$ 41,400	\$ 44,884
Federal Funds	47,854	66,947	66,124
Other Funds	1,294	1,295	1,308
TOTAL	\$ 85,925	\$ 109,642	\$ 112,316

Provides the administrative and support systems for the operation of the various substantive health, social and economic development programs. Directs the development and implementation of the Commonwealth health, social and economic development policies and programs.

Provides direction and overhead support for restoration centers, youth development centers, general hospitals, institutions for the retarded, institutions for the mentally ill, and information systems.

Provides overall planning and direction for a comprehensive social services system.

Promotes the reduction of ill health among Pennsylvania residents by licensing and regulating selected medical facilities, and provides direction for health programs for Pennsylvania residents who are unable to purchase adequate health care services.

Provides the overall planning and direction for individuals striving to attain and maintain a minimally acceptable level of living.

Provides funding for the monitoring of providers of community residential services to the mentally retarded.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
General Government Operations	\$ 19,200	\$ 18,300	\$ 18,695
Information Systems	17,497	23,000	26,089
Monitoring Community Residential Contracts	80	100	100
Federal Funds:			
Child Welfare Services	1,950	2,277	2,277
Rehabilitation Services and Facilities Administration	640	640	640
Medical Assistance Program — Administration	12,872	14,994	14,985
Maintenance Assistance — Training	46	40	.....
Social Services Block Grant — General Government	6,021	6,021	5,850
Maintenance Assistance Administration	2,833	4,930	4,676
Food Stamp Program	975	1,689	1,705
ESEA, Title I — Administration	347	373	363
Developmental Disabilities Basic Support	2,868	3,723	3,723
Refugees and Persons Seeking Asylum	36	275	275
Long-Term Care Channeling	772	842	.....
Children and Youth Information System	15	.....	.....
Child Welfare Technical Assistance	6	.....	.....

GENERAL FUND

PUBLIC WELFARE

<i>Source of Funds (continued)</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds: (continued)			
Mental Health Community Services	\$ 83	\$ 283	\$ 384
Research Chronically Mentally Ill .....	.....	96	.....
Manpower Development — Mental Health	70	205	152
Assistance Payments Demonstration Grant	119	209	.....
Maintenance Assistance — Information Systems	5,901	10,130	10,520
Medical Assistance — Information Systems	10,023	14,929	15,647
Food Stamp — Information Systems	1,419	3,432	3,957
Child Support Enforcement — Information Systems	422	550	720
Alcohol and Drug Abuse and Mental Health Services Block Grant	436	1,164	250
Children and Youth Community Mental Services .....	.....	145	.....
Other Funds:			
Reimbursement for Institutional Collections	709	751	732
Services to Other Agencies	70	73	76
Management Development Services	515	471	500
TOTAL	<u>\$ 85,925</u>	<u>\$ 109,642</u>	<u>\$ 112,316</u>

County Administration	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 172,310	\$ 184,467	\$ 194,474
Federal Funds	170,205	192,933	191,482
Other Funds	346	398	423
TOTAL	<u>\$ 342,861</u>	<u>\$ 377,798</u>	<u>\$ 386,379</u>

Provides staff to determine eligibility to receive cash grants, medical assistance and food stamps. Provides the social and employment services intended to strengthen family life and help persons realize their maximum potential for achieving self-sufficiency. Program Accountability provides staff to make collections from financially responsible relatives of recipients as well as audit various public assistance programs.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
County Administration — Statewide	\$ 24,500	\$ 25,725	\$ 27,003
County Assistance Offices	135,488	145,000	153,347
Program Accountability	6,633	7,633	7,464
Pennsylvania Employment Program	5,689	6,109	6,660

GENERAL FUND

PUBLIC WELFARE

<i>Source of Funds (continued)</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds:			
Maintenance Assistance — County Administration	\$ 2,483	\$ 5,888	\$ 5,400
Public Assistance — State and Local Training	199	.....	.....
Medical Assistance — County Administration	19,851	20,855	21,360
Food Stamp Program — County Administration	3,124	6,237	6,256
Social Services Block Grant — County Assistance Offices	14,498	14,498	14,498
Maintenance Assistance — County Assistance Offices	42,783	46,401	45,619
Public Assistance-State and Local Training — County Assistance Offices	1,387	.....	.....
Medical Assistance — County Assistance Offices	17,788	19,351	20,433
Food Stamp Program — County Assistance Offices	21,515	27,716	24,864
Maintenance Assistance — Program Accountability	1,536	1,597	1,408
Child Support Enforcement — Program Accountability	28,699	32,240	34,903
Food Stamps — Program Accountability	1,269	1,740	1,831
Medical Assistance — Program Accountability	1,143	649	627
Study of Court System	10	.....	.....
Maintenance Assistance — Pennsylvania Employment Program Work Incentive Program — Pennsylvania Employment Program	866	.....	.....
Food Stamp Job Search Project	12,993	11,840	11,817
Work Saturation Project	61	491	120
Social Services Block Grant — SSI Advocacy .....	.....	430	846
	.....	3,000	1,500
Other Funds:			
Fee for Material from Outside Vendors	8	10	10
Child Support Incentive Receipts	234	274	296
Child Support Intercept Receipts	104	114	117
TOTAL	\$ 342,861	\$ 377,798	\$ 386,379

Low Income Home Energy Assistance Block Grant	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds	\$ 153,357	\$ 141,750	\$ 133,500

Provides funds for services to assist eligible households in meeting the costs of home energy. The amount of benefits to an eligible household varies according to income, family size and weather region. Benefits are provided through direct payments to fuel suppliers or cash payments to those households which pay for heat in their rents. Outreach activities are conducted to ensure that eligible households are aware of available energy assistance.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds:			
Low-Income Home Energy Assistance Block Grant —			
Administration	\$ 13,284	\$ 13,250	\$ 13,350
Low-Income Home Energy Assistance Block Grant	139,573	127,500	120,150
Low-Income Energy Assistance	500	.....	.....
Oil Overcharge — Low Income Energy Assistance .....	.....	1,000	.....
TOTAL	<u>\$ 153,357</u>	<u>\$ 141,750</u>	<u>\$ 133,500</u>

Visually Handicapped Services	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 2,523	\$ 5,535	\$ 5,577
Federal Funds	6,875	5,659	5,940
TOTAL	<u>\$ 9,398</u>	<u>\$ 11,194</u>	<u>\$ 11,517</u>

Provides remedial eye care, vocational rehabilitation for persons who are visually handicapped, grants to vocational rehabilitation agencies and funding for the operation of the six district offices for the visually handicapped.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Visually Handicapped Services	\$ 2,523	\$ 5,535	\$ 5,577
Federal Funds:			
Rehabilitation Services and Facilities for the Blind — Basic			
Support	4,500	5,344	5,625
Vocational Rehabilitation Services for Social Security Disability			
Beneficiaries	21	130	130
Social Services Block Grant — Services to the Blind	2,328	.....	.....
Vocational Rehabilitation Services for Supplemental Security			
Income Recipients	26	145	145
Rehabilitation Services .....	.....	40	40
TOTAL	<u>\$ 9,398</u>	<u>\$ 11,194</u>	<u>\$ 11,517</u>

DEBT SERVICE REQUIREMENTS

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General State Authority Rentals — State General Hospitals			
State Funds	\$ 5,333	.....

Provides funds for payments to the General State Authority on behalf of certain State-General Hospitals for capital improvements projects. This will retire the General State Authority debt service requirements for those hospitals transferred to community control.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General State Authority Rentals — State General Hospitals — Recommended Supplemental	<u>.....</u>	<u>\$ 5,333</u>	<u>.....</u>

INSTITUTIONAL

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Youth Development Institutions and Forestry Camps			
State Funds	\$ 28,682	\$ 26,861	\$ 27,365
Federal Funds	2,214	2,554	2,201
Other Funds	50	55	55
TOTAL	\$ 30,946	\$ 29,470	\$ 29,621

Maintains a system to socially rehabilitate and train youths, ages 10 to 18, committed as delinquent by the courts, to meet acceptable standards of behavior and to increase their readiness to return to school or jobs.

	Capacity Oct. 1984	Projected Capacity Oct. 1985	Population Oct. 1984	Projected Population Oct. 1985	Percent of Oct. 1985 Capacity
Security Program					
Cornwells Heights	82	82	81	82	100%
Loysville	46	66	46	66	100%
New Castle	90	90	93	90	100%
Camp 2 — Hickory Run	20	20	22	20	100%
Total Security Program	238	258	242	258	100%
Residential Program					
Cornwells Heights	96	96	60	84	88%
Loysville	72	72	75	69	95%
New Castle	128	128	87	116	90%
Camp 2 — Hickory Run	52	52	35	46	88%
Camp 3 — Trough Creek	50	50	28	44	88%
Total Residential Program	398	398	285	359	90%
TOTAL ALL PROGRAMS	636	656	527	617	94%

GENERAL FUND

PUBLIC WELFARE

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Total Expenditures by Institution			
YDC Cornwells Heights			
State Funds	\$ 7,172	\$ 7,827	\$ 7,974
Federal Funds	608	655	568
Other Funds	3	4	4
TOTAL	\$ 7,783	\$ 8,486	\$ 8,546
YDC Loysville			
State Funds	\$ 5,024	\$ 5,545	\$ 5,699
Federal Funds	525	614	532
Other Funds	41	43	43
TOTAL	\$ 5,590	\$ 6,202	\$ 6,274
YDC New Castle			
State Funds	\$ 8,324	\$ 9,978	\$ 10,115
Federal Funds	492	856	729
Other Funds	2	6	6
TOTAL	\$ 8,818	\$ 10,840	\$ 10,850
YDC Waynesburg			
State Funds	\$ 3,612	.....	.....
Federal Funds	209	.....	.....
Other Funds	2	.....	.....
TOTAL	\$ 3,823	.....	.....
YF Camp 1 — Raccoon Creek			
State Funds	\$ 971	.....	.....
Federal Funds	117	.....	.....
Other Funds	1	.....	.....
TOTAL	\$ 1,089	.....	.....
YF Camp 2 — Hickory Run			
State Funds	\$ 2,334	\$ 2,302	\$ 2,345
Federal Funds	120	254	220
Other Funds .....	.....	.....	.....
TOTAL	\$ 2,454	\$ 2,556	\$ 2,565
YF Camp 3— Trough Creek			
State Funds	\$ 1,245	\$ 1,209	\$ 1,232
Federal Funds	143	175	152
Other Funds	1	2	2
TOTAL	\$ 1,389	\$ 1,386	\$ 1,386

GENERAL FUND

PUBLIC WELFARE

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Youth Development Institutions and Forestry Camps	\$ 28,682	\$ 26,861	\$ 27,365
Federal Funds:			
Social Services Block Grant—Youth Institutions	1,841	1,841	1,550
Food Nutrition Service	366	510	510
Juvenile Justice and Delinquency Prevention	7	203	141
Other Funds:			
Cafeteria Receipts	50	55	55
TOTAL	\$ 30,946	\$ 29,470	\$ 29,621

State General Hospitals	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 1,200	\$ 15,629	\$ 6,097
Federal Funds	51,890	53,569	17,899
Other Funds	32,582	34,356	12,291
TOTAL	\$ 85,672	\$ 103,554	\$ 36,287

Provides hospitalization and other medical services to people in formerly depressed areas of the Commonwealth. The current trend is toward reducing financial dependency upon the Commonwealth by having the various communities assume full financial responsibility for the hospitals.

	Patient Capacity Oct. 1984	Projected Capacity Oct. 1985	Population Oct. 1984	Projected Population Oct. 1985	Projected Percent of Capacity Oct. 1985
State General Hospitals					
Ashland	200	150	110	115	77%
Coaldale	166	166	91	101	61%
Connellsville	66	.....	30	.....	.....
Hazleton	162	.....	124	.....	.....
Nanticoke	100	.....	50	.....	.....
Philipsburg	132	.....	60	.....	.....
Scranton	176	.....	75	.....	.....
Shamokin	72	85	48	55	65%
TOTAL	1,074	401	588	271	67%

GENERAL FUND	PUBLIC WELFARE
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	(Dollar Amounts in Thousands)		
Total Proposed Expenditures by Hospital:	1983-84 Actual	1984-85 Available	1985-86 Budget
Ashland			
State Funds	\$ 209	\$ 2,425	\$ 2,149
Federal Funds	8,219	8,388	7,854
Other Funds	5,197	5,394	5,394
TOTAL	\$ 13,625	\$ 16,207	\$ 15,397
Coaldale			
State Funds	\$ 145	\$ 1,179	\$ 2,040
Federal Funds	6,531	6,507	6,080
Other Funds	4,605	4,175	4,175
TOTAL	\$ 11,281	\$ 11,861	\$ 12,295
Connellsville			
State Funds	\$ 128	\$ 4,051	. . . .
Federal Funds	4,272	3,980	. . . .
Other Funds	2,302	2,555	. . . .
TOTAL	\$ 6,702	\$ 10,586	. . . .
Hazleton			
State Funds	\$ 191	\$ 134	. . . .
Federal Funds	8,779	10,608	. . . .
Other Funds	7,618	6,781	. . . .
TOTAL	\$ 16,588	\$ 17,523	. . . .
Nanticoke			
State Funds	\$ 89	\$ 234	. . . .
Federal Funds	4,534	4,484	. . . .
Other Funds	2,272	2,875	. . . .
TOTAL	\$ 6,895	\$ 7,593	. . . .
Philipsburg			
State Funds	\$ 147	\$ 2,142	. . . .
Federal Funds	6,332	6,749	. . . .
Other Funds	4,164	4,330	. . . .
TOTAL	\$ 10,643	\$ 13,221	. . . .
Scranton			
State Funds	\$ 201	\$ 4,539	. . . .
Federal Funds	9,071	8,612	. . . .
Other Funds	4,178	5,524	. . . .
TOTAL	\$ 13,450	\$ 18,675	. . . .
Shamokin			
State Funds	\$ 90	\$ 925	\$ 1,908
Federal Funds	4,152	4,241	3,965
Other Funds	2,246	2,722	2,722
TOTAL	\$ 6,488	\$ 7,888	\$ 8,595

GENERAL FUND

PUBLIC WELFARE

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
State General Hospitals	\$ 1,200	\$ 1,200	\$ 6,097
State General Hospitals — Recommended Supplemental .....	.....	14,429	.....
Federal Funds:			
Medical Assistance at State General Hospitals	10,036	11,000	3,675
Medicare Services at State General Hospitals	41,854	42,569	14,224
Other Funds:			
Cafeteria Reimbursements	27	27	.....
Institutional Collections	32,201	33,975	12,291
Miscellaneous	201	201	.....
Coal Workers Respiratory Group	153	153	.....
TOTAL	<u>\$ 85,672</u>	<u>\$ 103,554</u>	<u>\$ 36,287</u>

Mental Health Services	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Mental Hospitals and Restoration Center			
State Funds	\$ 288,437	\$ 305,881	\$ 311,711
Federal Funds	114,844	121,003	118,459
Other Funds	39,426	42,642	38,118
TOTAL	<u>\$ 442,707</u>	<u>\$ 469,526</u>	<u>\$ 468,288</u>

The State mental hospitals are intended to provide a therapeutic residential environment for those mentally disabled persons requiring a hospital program in the form of a multidisciplinary approach consisting of psychiatric, medical, nursing, psychological, social service, educational and therapeutic activities. The inpatient population has been decreasing since 1955. The State restoration center provides rehabilitative treatment to restore former psychiatric patients to a self-sufficient status, enabling institutionalized patients to return to the community. The center also provide intensive outpatient and short-term inpatient treatment services to delay or eliminate the need for extended institutional placement.

Mental Health Services (continued)

The hospital and center populations for the prior, current and upcoming year are:

	Projected Patient Capacity Oct. 1985	Population Oct. 1983	Population Oct. 1984	Projected Population Oct. 1985	Projected Percent of Capacity Oct. 1985
State Mental Hospitals					
Allentown.....	497	506	447	429	86%
Clarks Summit	647	578	552	532	82%
Danville	705	796	658	632	89%
Eastern State School and Hospital	184	185	155	170	92%
Farview.....	275	218	223	273	99%
Harrisburg	487	463	442	424	87%
Haverford	407	406	400	392	96%
Mayview	1,134	959	882	847	74%
Norristown.....	1,143	1,188	1,050	1,029	90%
Philadelphia.....	667	638	667	640	95%
Somerset.....	336	309	285	249	74%
Torrance.....	660	594	527	506	76%
Warren	830	816	739	709	85%
Wernersville.....	614	591	550	528	85%
Woodville.....	780	678	678	664	85%
South Mountain	812	762	776	791	97%
TOTAL	10,178	9,687	9,031	8,815	87%

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Hospital and Center:			
Allentown			
State Funds	\$ 14,085	\$ 16,214	\$ 16,494
Federal Funds	5,636	5,667	5,547
Other Funds	1,815	2,047	1,780
TOTAL	\$ 21,536	\$ 23,928	\$ 23,821
Clarks Summit			
State Funds	\$ 15,178	\$ 16,367	\$ 16,650
Federal Funds	5,724	6,579	6,440
Other Funds	1,624	1,915	1,665
TOTAL	\$ 22,526	\$ 24,861	\$ 24,755
Danville			
State Funds	\$ 17,224	\$ 20,376	\$ 20,729
Federal Funds	9,632	9,141	8,943
Other Funds	2,618	2,572	2,236
TOTAL	\$ 29,474	\$ 32,089	\$ 31,908
Dixmont			
State Funds	\$ 9,454	.....	.....
Federal Funds	2,450	.....	.....
Other Funds	512	.....	.....
TOTAL	\$ 12,416	.....	.....

GENERAL FUND

PUBLIC WELFARE

Total Proposed Expenditures by Hospital: (continued)	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Eastern State School and Hospital			
State Funds	\$ 5,327	\$ 6,766	\$ 6,882
Federal Funds	7,997	7,977	7,819
Other Funds	1,090	1,116	970
TOTAL	\$ 14,414	\$ 15,859	\$ 15,671
Farview			
State Funds	\$ 10,872	\$ 14,486	\$ 14,377
Federal Funds .....	.....	84	84
Other Funds	7,674	7,959	7,959
TOTAL	\$ 18,546	\$ 22,529	\$ 22,420
Harrisburg			
State Funds	\$ 16,794	\$ 18,469	\$ 18,789
Federal Funds	4,335	4,689	4,590
Other Funds	1,902	2,297	1,997
TOTAL	\$ 23,031	\$ 25,455	\$ 25,376
Haverford			
State Funds	\$ 16,937	\$ 19,210	\$ 19,542
Federal Funds	4,602	3,772	3,692
Other Funds	1,820	2,175	1,891
TOTAL	\$ 23,359	\$ 25,157	\$ 25,125
Mayview			
State Funds	\$ 29,922	\$ 33,080	\$ 33,653
Federal Funds	12,965	13,910	13,617
Other Funds	3,504	4,288	3,733
TOTAL	\$ 46,391	\$ 51,278	\$ 51,003
Norristown			
State Funds	\$ 33,554	\$ 30,466	\$ 30,993
Federal Funds	10,331	16,675	16,324
Other Funds	5,316	5,743	4,994
TOTAL	\$ 49,201	\$ 52,884	\$ 52,311
Philadelphia			
State Funds	\$ 28,849	\$ 28,930	\$ 30,327
Federal Funds	6,690	8,658	8,476
Other Funds	1,096	1,199	1,042
TOTAL	\$ 36,635	\$ 38,787	\$ 39,845
Somerset			
State Funds	\$ 9,900	\$ 11,005	\$ 11,195
Federal Funds	2,802	2,964	2,901
Other Funds	630	602	523
TOTAL	\$ 13,332	\$ 14,571	\$ 14,619
Torrance			
State Funds	\$ 15,932	\$ 18,173	\$ 18,488
Federal Funds	8,408	7,416	7,260
Other Funds	1,576	1,679	1,460
TOTAL	\$ 25,916	\$ 27,268	\$ 27,208

GENERAL FUND	PUBLIC WELFARE
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	(Dollar Amounts in Thousands)		
Total Proposed Expenditures by Hospital: (continued)	1983-84 Actual	1984-85 Available	1985-86 Budget
Warren			
State Funds	\$ 19,339	\$ 20,741	\$ 21,100
Federal Funds	7,836	9,013	8,823
Other Funds	3,083	3,318	2,885
TOTAL	\$ 30,258	\$ 33,072	\$ 32,808
Wernersville			
State Funds	\$ 12,908	\$ 14,426	\$ 14,676
Federal Funds	6,967	7,122	6,972
Other Funds	1,658	1,912	1,662
TOTAL	\$ 21,533	\$ 23,460	\$ 23,310
Woodville			
State Funds	\$ 22,214	\$ 27,704	\$ 28,184
Federal Funds	5,112	6,174	6,044
Other Funds	1,908	2,226	1,935
TOTAL	\$ 29,234	\$ 36,104	\$ 36,163
Western Restoration Center			
State Funds	\$ 2,005	.....	.....
Federal Funds	1,897	.....	.....
Other Funds	245	.....	.....
TOTAL	\$ 4,147	.....	.....
South Mountain Restoration Center			
State Funds	\$ 7,943	\$ 9,468	\$ 9,632
Federal Funds	11,460	11,162	10,927
Other Funds	1,355	1,594	1,386
TOTAL	\$ 20,758	\$ 22,224	\$ 21,945

	(Dollar Amounts in Thousands)		
Source of Funds	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
State Mental Hospitals	\$ 288,437 ^a	\$ 305,881	\$ 311,711
Federal Funds:			
Medical Assistance — State Mental Hospitals	90,637	97,880	97,513
Medicare Services — State Mental Hospitals	24,016	22,101	20,764
Food Nutrition Services — State Mental Hospitals	172	182	182
Library Services — Title I — State Mental Hospitals	5	12	.....
Library Services — Danville .....	.....	6	.....
Library Services — Title III — State Mental Hospitals	14	.....	.....
Technical Assistance and Energy Conservation — State Mental Hospitals .....	.....	55	.....
Energy Conservation Program .....	.....	767	.....
Other Funds:			
Cafeteria Reimbursements	180	200	200
Sale of Reclaimable Materials	5	.....	.....
Institutional Collections	38,825	41,992	37,468
Miscellaneous Institutional Reimbursements	416	450	450
TOTAL	\$ 442,707	\$ 469,526	\$ 468,288

^aIncludes the Woodville Mental Hospital appropriation of \$22,214,000, the State Mental Hospitals appropriation of \$256,274,000, and the State Restoration Centers appropriation of \$9,949,000.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Mental Retardation Services			
State Centers for the Mentally Retarded			
State Funds	\$ 130,194	\$ 122,661	\$ 105,446
Federal Funds	144,646	151,806	142,982
Other Funds	14,751	15,864	12,900
TOTAL	\$ 289,591	\$ 290,331	\$ 261,328

Centers for the Mentally Retarded assist persons with mental retardation in achieving their maximum potential self-sufficiency through programmed care, treatment and training in a residential facility.

The center populations for the prior, current and upcoming year are:

	Projected Patient Capacity Oct. 1985	Population Oct. 1983	Population Oct. 1984	Projected Population Oct. 1985	Projected Percent of Capacity Oct. 1985
Centers for the Mentally Retarded					
Cresson/Altoona	138	134	133	130	94%
Ebensburg	600	619	617	596	99%
Hamburg	453	441	419	419	92%
Laurelton	398	369	356	358	90%
Pennhurst	450	618	411	300	67%
Polk	1,110	1,171	1,085	1,035	93%
Selinsgrove	1,020	1,029	1,019	979	96%
Western	520	517	518	519	100%
White Haven	550	549	539	540	98%
Embreeville	353	303	298	350	99%
Woodhaven	0	280	272	0	0%
Woodhaven Extension Program	0	95	0	0	0%
Allentown MR Unit	43	41	40	38	88%
Clarks Summit MR Unit	52	43	41	40	77%
Mayview MR Unit	120	112	115	113	94%
Somerset MR Unit	127	113	100	115	91%
Torrance MR Unit	94	86	88	88	94%
Wernersville MR Unit	49	41	40	40	82%
Embreeville Extension Program	70	0	79	70	100%
TOTAL	6,147	6,561	6,170	5,730	93%

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Center:			
Cresson/Altoona			
State Funds	\$ 2,155	\$ 2,419	\$ 2,208
Federal Funds	3,364	3,599	3,759
Other Funds	234	239	237
TOTAL	\$ 5,753	\$ 6,257	\$ 6,204
Ebensburg			
State Funds	\$ 11,832	\$ 14,383	\$ 13,133
Federal Funds	13,727	14,082	14,711
Other Funds	999	1,056	1,049
TOTAL	\$ 26,558	\$ 29,521	\$ 28,893
Hamburg			
State Funds	\$ 10,548	\$ 10,716	\$ 9,790
Federal Funds	10,949	11,157	11,655
Other Funds	739	1,224	1,216
TOTAL	\$ 22,236	\$ 23,097	\$ 22,661
Laurelton			
State Funds	\$ 7,254	\$ 8,136	\$ 7,435
Federal Funds	8,159	8,518	8,898
Other Funds	691	751	746
TOTAL	\$ 16,104	\$ 17,405	\$ 17,079
Pennhurst			
State Funds	\$ 12,835	\$ 4,862	\$ 4,617
Federal Funds	18,104	11,979	5,153
Other Funds	2,943	2,242	201
TOTAL	\$ 33,882	\$ 19,083	\$ 9,971
Polk			
State Funds	\$ 24,562	\$ 26,930	\$ 24,589
Federal Funds	24,727	26,120	27,287
Other Funds	2,680	2,377	2,357
TOTAL	\$ 51,969	\$ 55,427	\$ 54,233
Selinsgrove			
State Funds	\$ 17,256	\$ 17,652	\$ 16,118
Federal Funds	20,378	22,101	23,098
Other Funds	2,285	2,737	2,715
TOTAL	\$ 39,919	\$ 42,490	\$ 41,931
Western			
State Funds	\$ 9,272	\$ 10,008	\$ 9,138
Federal Funds	10,520	12,532	13,092
Other Funds	970	1,023	1,014
TOTAL	\$ 20,762	\$ 23,563	\$ 23,244

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Center:			
(continued)			
White Haven			
State Funds	\$ 9,244	\$ 10,832	\$ 9,889
Federal Funds	12,624	13,209	13,799
Other Funds	1,275	1,461	1,449
TOTAL	\$ 23,143	\$ 25,502	\$ 25,137
Embreeville			
State Funds	\$ 8,600	\$ 7,769	\$ 7,093
Federal Funds	6,726	11,951	12,481
Other Funds	562	1,068	1,061
TOTAL	\$ 15,888	\$ 20,788	\$ 20,635
Woodhaven			
State Funds	\$ 11,279	\$ 7,377	.....
Federal Funds	11,576	7,893	.....
Other Funds	467	821	.....
TOTAL	\$ 23,322	\$ 16,091	.....
Allentown MR Unit			
State Funds	\$ 441	\$ 14	\$ 12
Federal Funds	371	872	910
Other Funds	71	58	57
TOTAL	\$ 883	\$ 944	\$ 979
Clarks Summit MR Unit			
State Funds	\$ 676	\$ 153	\$ 139
Federal Funds	242	921	962
Other Funds	103	107	106
TOTAL	\$ 1,021	\$ 1,181	\$ 1,207
Mayview MR Unit			
State Funds	\$ 1,234	\$ 292	\$ 266
Federal Funds	1,155	2,341	2,445
Other Funds	285	285	282
TOTAL	\$ 2,674	\$ 2,918	\$ 2,993

GENERAL FUND	PUBLIC WELFARE
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	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Total Proposed Expenditures by Center:			
(continued)			
Somerset MR Unit			
State Funds	\$ 1,662	\$ 688	\$ 628
Federal Funds	770	2,024	2,114
Other Funds	196	168	166
TOTAL	\$ 2,628	\$ 2,880	\$ 2,908
Torrance MR Unit			
State Funds	\$ 963	\$ 417	\$ 380
Federal Funds	713	1,495	1,561
Other Funds	180	179	177
TOTAL	\$ 1,856	\$ 2,091	\$ 2,118
Wernersville MR Unit			
State Funds	\$ 381	\$ 13	\$ 11
Federal Funds	541	1,012	1,057
Other Funds	71	68	67
TOTAL	\$ 993	\$ 1,093	\$ 1,135

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
State Centers for the Mentally Retarded	\$ 130,194	\$ 122,661	\$ 105,446
Federal Funds:			
Medical Assistance—State Centers	144,366	151,042	142,386
Library Services — Title I — State Centers	5	10	. . . .
ESEA Title I — Education of the Handicapped — State Centers .....	. . . .	85	. . . .
Food Nutrition Services — State Centers	275	596	596
Medical Library Resource Improvement Grant—State Centers (Embreeville) .....	. . . .	4	. . . .
Hospital Improvement Grants—State Centers .....	. . . .	69	. . . .
Other Funds:			
Cafeteria Reimbursements	3	10	10
Sale of Reclaimable Materials	4	. . . .	. . . .
Institutional Collections	14,671	15,754	12,790
Miscellaneous Institutional Reimbursements	73	100	100
TOTAL	\$ 289,591	\$ 290,331	\$ 261,328

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Cash Grants			
State Funds	\$ 558,310	\$ 559,222	\$ 563,220
Federal Funds	417,635	422,315	420,405
Other Funds	45,852	55,059	69,600
TOTAL	<u>\$1,021,797</u>	<u>\$1,036,596</u>	<u>\$1,053,225</u>

The cash grants are designed to help all eligible persons obtain a decent and healthful standard of living through direct cash assistance. The grant categories are Aid to Dependent Children, State Blind Pensions and General Assistance.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Cash Grants	\$ 558,310	\$ 559,222	\$ 563,220
Federal Funds			
Maintenance Assistance — Cash Grants	417,635	422,315	420,405
Other Funds			
Public Assistance Payments — Restitutions and Overpayments .	13,623	22,559	22,600
Child Support Program	32,229	32,500	47,000
TOTAL	<u>\$1,021,797</u>	<u>\$1,036,596</u>	<u>\$1,053,225</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Public Assistance Transportation Block Grant			
State Funds	\$ 7,000	\$ 13,505	\$ 14,081
Federal Funds	4,250	8,622	8,991
TOTAL	<u>\$ 11,250</u>	<u>\$ 22,127</u>	<u>\$ 23,072</u>

The Public Assistance Transportation Block Grant provides funding to county governments to provide transportation to public assistance clients.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Public Assistance Transportation Block Grant	\$ 7,000	\$ 9,300	\$ 14,081
Public Assistance Transportation Block Grant — Recommended Supplemental .....	.....	4,205	.....
Federal Funds:			
Medical Assistance — Transportation Block Grant	4,250	8,622	8,991
TOTAL	<u>\$ 11,250</u>	<u>\$ 22,127</u>	<u>\$ 23,072</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Medical Assistance			
State Funds	\$ 800,359	\$ 822,530	\$ 848,109
Federal Funds	669,701	799,665	847,057
Other Funds	5,663	5,651	5,651
TOTAL	\$1,475,723	\$1,627,846	\$1,700,817

Provides all eligible persons under age 65 with physician services whenever rendered, inpatient hospital care, post hospital care, clinic services, nursing care in the home, private nursing home care, and nursing care in public institutions. Similar services are provided for persons over age 65 for whom such care is not already furnished under Medicare.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Medical Assistance — Outpatient	\$ 211,472	\$ 217,297	\$ 236,053
Medical Assistance — Outpatient — Recommended Supplemental .....	.....	22,873 ^a	.....
Medical Assistance — Inpatient	449,839	448,970	416,883
Medical Assistance — Inpatient — Recommended Supplemental .....	.....	3,596 ^a	.....
Medical Assistance — Capitation Program	3,460	33,886	59,603
Medical Assistance — Capitation Program — Recommended Reduction .....	.....	-26,469 ^a	.....
Long-Term Care Facilities	135,588	122,377	135,570
Federal Funds:			
Medical Assistance — Outpatient	166,458	207,067	192,927
Medical Assistance — Inpatient	199,777	259,368	229,253
Medical Assistance — Capitation Program	3,225	6,682	51,273
Medical Assistance — Long-Term Care	300,241	326,548	373,604
Other Funds:			
Medical Assistance Collections — Outpatient	154	160	160
Medical Assistance Collections — Inpatient	3,571	3,417	3,417
Medical Assistance Refunds — Inpatient	1,760	1,683	1,683
Medical Assistance Collections — Long-Term Care	178	391	391
TOTAL	\$1,475,723	\$1,627,846	\$1,700,817

^aRepresents a reallocation of Capitation funds to the Outpatient and Inpatient appropriations; the total remains unchanged at \$822,530,000 for all Medical Assistance appropriations.

GENERAL FUND	PUBLIC WELFARE
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	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Supplemental Grants — Aged, Blind and Disabled			
State Funds	\$ 62,250	\$ 45,808	\$ 50,317

Provides additional cash assistance to the aged, blind and disabled eligibles under the Federal Supplemental Security Income program. State assistance to these persons is necessary to maintain the level of income that existed prior to federalization and to recognize the effects of inflation on fixed minimal incomes. The Old Age Assistance, Aid to the Blind and Aid to the Disabled categories of assistance became a completely Federal program on January 1, 1974.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Supplemental Grants — Aged, Blind and Disabled	<u>\$ 62,250</u>	<u>\$ 45,808</u>	<u>\$ 50,317</u>

Community Mental Health Services	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 92,488	\$ 98,035	\$ 108,335
Federal Funds	22,849	25,189	26,353
TOTAL	<u>\$ 115,337</u>	<u>\$ 123,224</u>	<u>\$ 134,688</u>

Provides services mandated by the Mental Health and Mental Retardation Act of 1966 to mentally ill persons. The Act assures the continuous provision of services to persons in need at the community level.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Community Mental Health Services	\$ 92,488	\$ 98,035	\$ 108,335
Federal Funds:			
Alcohol, Drug Abuse and Mental Health Services Block Grant .	14,594	15,789	16,953
Jobs Bill — Alcohol, Drug Abuse, and Mental Health Block Grant	859	. . . .	. . . .
Social Services Block Grant — Community Mental Health Services	7,396	9,400	9,400
TOTAL	<u>\$ 115,337</u>	<u>\$ 123,224</u>	<u>\$ 134,688</u>

GENERAL FUND	PUBLIC WELFARE
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	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Eastern Pennsylvania Psychiatric Institute			
State Funds	\$ 6,394	\$ 6,651	\$ 6,522
Other Funds	1	.....	.....
TOTAL	\$ 6,395	\$ 6,651	\$ 6,522

This grant is provided to Medical College of Pennsylvania for research into the causes, treatment and prevention of mental health problems; consultation and training for mental health personnel in institutional and community programs; and for management of the Eastern Pennsylvania Psychiatric Institute.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Eastern Pennsylvania Psychiatric Institute.....	\$ 6,394	\$ 6,651	\$ 6,522
Other Funds:			
Institutional Collections	1	.....	.....
TOTAL	\$ 6,395	\$ 6,651	\$ 6,522

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Community Based Services — Mentally Retarded			
State Funds	\$ 194,263	\$ 206,175	\$ 234,609
Federal Funds	40,824	67,401	84,901
TOTAL	\$ 235,087	\$ 273,576	\$ 319,510

Provides services mandated by the Mental Health and Mental Retardation Act of 1966 to persons with mental retardation. The Act assures the continuous provision of services to persons in need at the community level.

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Community Based Services — Mentally Retarded	\$ 60,111	\$ 48,833*	\$ 59,426
Community Residential Services — Mentally Retarded	109,371	113,519	124,560
Philadelphia Association for Retarded Citizens	200	208	208
Intermediate Care Facilities — Mentally Retarded	24,581	28,515	35,015
Early Intervention .....	.....	15,100	15,400

*Includes \$240,000 appropriated for Elwyn Institute.

GENERAL FUND

PUBLIC WELFARE

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
<i>Source of Funds (continued)</i>			
Federal Funds:			
Mainstreaming Demonstration Grant	\$ 175	.....	.....
Medical Assistance — Community Based Services	656	\$ 3,280	\$ 5,236
Medical Assistance — Community Residential Services	1,192	8,219	13,623
Medical Assistance — Intermediate Care Facilities — Mentally Retarded	31,418	35,422	45,680
Social Services Block Grant — Community Based Services — Mentally Retarded	7,383	14,397	14,397
Social Services Block Grant — Community Residential Services .....	.....	5,965	5,965
Mainstreaming Pre-School Handicapped Children .....	.....	118	.....
TOTAL	<u>\$ 235,087</u>	<u>\$ 273,576</u>	<u>\$ 319,510</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants for the Blind			
State Funds	\$ 60	\$ 35	\$ 36

The Beacon Lodge Camp — Blind Services appropriation provides an opportunity for blind individuals to participate in summer recreational programs.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
<i>Source of Funds</i>			
Appropriation:			
Beacon Lodge Camp — Blind Services	\$ 30	\$ 35	\$ 36
Residential Homes for the Blind	30	.....	.....
TOTAL	<u>\$ 60</u>	<u>\$ 35</u>	<u>\$ 36</u>

GENERAL FUND **PUBLIC WELFARE**

	(Dollar Amounts in Thousands)		
County Child Welfare	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 133,644	\$ 118,644	\$ 114,076
Federal Funds	53,199	73,070	54,150
TOTAL	<u>\$ 186,843</u>	<u>\$ 191,714</u>	<u>\$ 168,226</u>

Provides foster family care, services to unmarried parents and their children, adoption services, protective services, institutional and other group care. These services are provided or purchased by county child welfare agencies. Also included are funds to reimburse private facilities providing services to adjudicated youths being detained in the Commonwealth.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
County Child Welfare	\$ 133,644	\$ 118,644	\$ 110,816
Child Abuse .....	.....	.....	2,760
Foster Care .....	.....	.....	500
Federal Funds:			
Child Welfare Services	7,261	21,920	16,000
Maintenance Assistance	32,800	38,000	25,000
Social Services Block Grant — Child Welfare	11,438	11,450	11,450
Refugees and Persons Seeking Asylum	1,700	1,700	1,700
TOTAL	<u>\$ 186,843</u>	<u>\$ 191,714</u>	<u>\$ 168,226</u>

	(Dollar Amounts in Thousands)		
Day Care Services	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 16,760	\$ 17,104	\$ 20,106
Federal Funds	45,707	43,313	42,419
TOTAL	<u>\$ 62,467</u>	<u>\$ 60,417</u>	<u>\$ 62,525</u>

Day care service is out-of-home care provided for part of a day to children under 12 years of age of low income families whose parent(s) or caretaker(s) is working or receiving employment-related training. The primary goal of the program is to enable the parent(s) or caretaker(s) to achieve or maintain economic self-support by working. These services also promote the development of the child and provide a safe and healthful environment.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Day Care Services	\$ 16,660	\$ 17,000	\$ 20,000
Arsenal Family and Children's Center — Pittsburgh	100	104	106
Federal Funds:			
Social Services Block Grant — Day Care	45,707	43,313	42,419
TOTAL	<u>\$ 62,467</u>	<u>\$ 60,417</u>	<u>\$ 62,525</u>

	(Dollar Amounts in Thousands)		
	1982-83 Actual	1983-84 Available	1984-85 Budget
Medical Facilities Chronic Disease Hospitals— State Aided			
State Funds	\$ 1,690	\$ 1,758	\$ 1,793

Reimburses certain chronic disease hospitals for long-term treatment of indigent persons under age 65. Presently, two institutions are subsidized: Children's Heart Hospital, Philadelphia, and Home for Crippled Children, Pittsburgh.

	(Dollar Amounts in Thousands)		
Source of Funds	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Home for Crippled Children, Pittsburgh	\$ 500	\$ 520	\$ 530
Children's Heart Hospital, Philadelphia	1,190	1,238	1,263
TOTAL	<u>\$ 1,690</u>	<u>\$ 1,758</u>	<u>\$ 1,793</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Mental Health — Western Psychiatric In- stitute and Clinic			
State Funds	\$ 5,900	\$ 6,136	\$ 6,522

This grant helps offset the cost of research into the causes, treatment, prevention and cure of various types of nervous disorders and mental diseases and the cost of training qualified personnel needed as a result of the mounting number of persons requiring attention for mental disorders.

	(Dollar Amounts in Thousands)		
Source of Funds	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Western Psychiatric Institute and Clinic	<u>\$ 5,900</u>	<u>\$ 6,136</u>	<u>\$ 6,522</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Social Services			
State Funds	\$ 3,590	\$ 4,738	\$ 4,338
Federal Funds	33,371	40,899	41,691
TOTAL	\$ 36,961	\$ 45,637	\$ 46,029

Provides various social services such as legal, family planning, homemaker, home health, chore, home delivered meals and protective services.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Adult Services Block Grant	\$ 1,780	\$ 1,856	.....
Domestic Violence and Rape Crisis	1,810	1,882	2,338
Legal Services .....	.....	1,000	.....
Human Services Development Fund .....	.....	.....	2,000
Federal Funds:			
Social Services Block Grant — Adult Services	11,519	11,788	.....
Social Services Block Grant — Social Services	459	460	.....
Social Services Block Grant — Legal Services	6,688	6,688	6,688
Social Services Block Grant — Family Planning	4,593	4,780	5,020
Social Services Block Grant — Domestic Violence and Rape Crisis	2,229	2,526	2,526
Social Services Block Grant — Human Services Development Fund .....	.....	4,000	16,100
Social Services Block Grant — Shelter Care	2,998	3,000	3,000
Jobs Bill Emergency Food and Shelter	2,205	.....	.....
Social Services Block Grant — Attendant Care .....	.....	4,000	4,700
Refugees and Persons Seeking Asylum	2,523	3,500	3,500
Preventive Health and Health Services Block Grant — Rape Crisis	157	157	157
TOTAL	\$ 36,961	\$ 45,637	\$ 46,029

**STATE LOTTERY FUND
GRANTS AND SUBSIDIES**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Medical Assistance			
State Funds	\$ 100,000	\$ 149,639	\$ 149,835
Federal Funds .....	.....	1,638	1,652
TOTAL	<u>\$ 100,000</u>	<u>\$ 151,277</u>	<u>\$ 151,487</u>

Provides nursing home care to eligible persons under the Medical Assistance program, funding for pre-admission assessment for the elderly, and funding for Medicare Part B payments.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Medical Assistance — Long-Term Care Facilities	\$ 100,000	\$ 140,000	\$ 140,000
Preadmission Assessment .....	.....	1,639	1,653
Medicare Part B Payments .....	.....	8,000	8,182
Federal Funds:			
Medical Assistance — Preadmission Assessment .....	.....	1,638	1,652
TOTAL	<u>\$ 100,000</u>	<u>\$ 151,277</u>	<u>\$ 151,487</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Grants to the Aged			
State Funds	\$ 17,600	\$ 19,800

Provides State supplemental payments for those individuals in the Federal Supplemental Security Income (SSI) Program. Also provides for specialized services for aged population with mental retardation.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Supplemental Grant to the Aged	\$ 17,600	\$ 17,600
Community Mental Retardation Services — Elderly	2,200
TOTAL	<u>.....</u>	<u>\$ 17,600</u>	<u>\$ 19,800</u>

Restricted Receipts Not Included in Department Total

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Southeastern Pennsylvania Institutional Area Service Unit	<u>\$ 7,860</u>	<u>\$ 6,799</u>	<u>\$ 6,935</u>

DEPARTMENT OF PUBLIC WELFARE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 26,233	\$ 32,192	\$ 35,590	\$ 37,727	\$ 39,580	\$ 41,329	\$ 42,800
Medical Programs	\$ 934,172	\$ 1,035,183	\$ 1,047,445	\$ 1,098,780	\$ 1,160,546	\$ 1,229,447	\$ 1,302,708
Alternative Health Care Delivery Systems	3,460	7,417	59,603	72,077	79,744	88,142	97,328
Preventive Health Services	10,443	12,179	12,038	12,291	12,594	12,913	13,250
Treatment — Outpatient Services	191,556	221,383	215,453	219,404	223,846	231,639	239,870
Treatment — Inpatient Services	493,125	530,188	483,128	501,834	535,048	570,411	607,954
Long-Term Care Services	235,588	264,016	277,223	293,174	309,314	326,342	344,306
Mental Health	\$ 395,106	\$ 418,365	\$ 434,767	\$ 451,325	\$ 470,118	\$ 489,728	\$ 510,194
Mental Health Systems Support	22,320	23,272	25,013	25,893	26,759	27,676	28,649
Community Services	11,809	12,745	12,932	13,597	14,215	14,864	15,546
Acute Mental Health Services	55,670	58,821	59,891	63,065	66,019	69,121	72,377
Rehabilitative Services	16,870	17,646	25,220	26,671	28,022	29,440	30,930
Institutional Care	288,437	305,881	311,711	322,099	335,103	348,627	362,692
Social Development of Individuals	\$ 188,199	\$ 175,568	\$ 174,191	\$ 181,627	\$ 189,442	\$ 197,709	\$ 206,368
Youth Development Services	28,628	26,861	27,365	28,460	29,600	30,780	32,000
Family Support Services	159,517	148,707	146,826	153,167	159,842	166,929	174,368
Mental Retardation	\$ 325,979	\$ 330,124	\$ 343,554	\$ 361,683	\$ 378,779	\$ 396,705	\$ 415,499
Mental Retardation Systems Support	13,312	10,732	11,272	11,931	12,629	13,370	14,158
Community Based Services	48,655	54,697	67,261	71,081	74,830	78,784	82,954
Community Residential Services	109,237	113,519	124,560	132,048	138,650	145,583	152,862
Private Intermediate Care Facilities	24,581	28,515	35,015	36,496	38,139	39,855	41,648
State Centers	130,194	122,661	105,446	110,127	114,531	119,113	123,877
Economic Development of the Disadvantaged and Handicapped	\$ 773,142	\$ 783,915	\$ 801,706	\$ 815,293	\$ 833,617	\$ 850,721	\$ 869,784
Income Maintenance	773,142	783,915	801,706	815,293	833,617	850,721	869,784
DEPARTMENT TOTAL	<u>\$2,642,831</u>	<u>\$2,775,347</u>	<u>\$2,837,253</u>	<u>\$2,946,435</u>	<u>\$3,072,082</u>	<u>\$3,205,639</u>	<u>\$3,347,353</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Department can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 26,233	\$ 32,192	\$ 35,590	\$ 37,727	\$ 39,580	\$ 41,329	\$ 42,800
Federal Funds	34,536	52,086	51,441	54,487	57,841	60,317	62,522
Other Funds	1,294	1,295	1,308	1,374	1,442	1,513	1,588
TOTAL	\$ 62,063	\$ 85,573	\$ 88,339	\$ 93,588	\$ 98,863	\$ 103,159	\$ 106,910

Program Analysis

General Administration and Support within each substantive program area provides the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and department objectives.

The administrative costs for regional offices, various commissions and advisory committees, and the central office are included in this subcategory.

A primary concern of the Commonwealth is to minimize these administrative costs in relation to the costs of provid-

ed services.

Recommended funding in 1985-86 includes \$366,000 for two Productivity Improvement Initiatives. The department's fiscal management information system will be upgraded to enhance analysis and provide fiscal forecasting information. In addition, an administrative data processing system is recommended to increase efficiency in monitoring program activities. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 8,736	\$ 9,192	\$ 9,501	\$ 9,527	\$ 9,480	\$ 9,389	\$ 9,250
Information Systems	17,497	23,000	26,089	28,200	30,100	31,940	33,550
GENERAL FUND TOTAL	\$ 26,233	\$ 32,192	\$ 35,590	\$ 37,727	\$ 39,580	\$ 41,329	\$ 42,800

Alternative Health Care Delivery Systems

OBJECTIVE: To support a health care delivery system in which appropriate health services are available to all who are eligible and to develop and evaluate new health care delivery systems and payment mechanisms that will efficiently provide high quality comprehensive care to the population.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 3,460	\$ 7,417	\$ 59,603	\$ 72,077	\$ 79,744	\$ 88,142	\$ 97,328
Federal Funds	3,225	6,682	51,273	62,351	68,984	76,248	84,195
TOTAL	\$ 6,685	\$ 14,099	\$ 110,876	\$ 134,428	\$ 148,728	\$ 164,390	\$ 181,523

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Medical Assistance recipients:							
Fee for service delivery	1,164,583	1,133,188	1,018,398	1,015,220	1,022,400	1,029,695	1,037,105
Alternative health care delivery	6,720	14,935	108,452	122,900	127,100	131,300	135,500
Services provided by the alternate health care delivery systems:							
Physician services	20,160	44,805	325,356	368,700	381,300	393,900	406,500
Dental services	10,080	22,403	162,678	184,350	190,650	196,950	203,250
Pharmaceutical services	26,880	59,740	433,808	491,600	508,400	525,200	542,000

Program Analysis:

Under the present Medical Assistance program, providers are paid a fee for each service rendered to a Medical Assistance recipient. This is known as a fee for service system. This system can encourage the over and unnecessary utilization of health care services. The department is working to develop alternative health care delivery systems which depart from the fee for service concept, with the goal to encourage the provision of care in the most efficient and effective way possible.

One alternative to the fee for service system is the health maintenance organization (HMO). An HMO is an organized health care delivery system which provides comprehensive health care services to an enrolled population in exchange for a fixed, monthly payment for each enrolled member.

HMOs effectively deliver health care services while emphasizing outpatient, preventive health services and, at the same time, keeping costs under control. Because HMOs are paid a fixed or predetermined premium for each client, the HMO is given an incentive to provide only those services which are needed and to emphasize preventive health care. If a client uses more health care services than anticipated,

the HMO loses money; if the person uses less, the HMO makes money. Under these conditions, providers of health care within an HMO system can benefit by helping clients to stay healthy, thus reducing hospital utilization.

One limitation on the use of HMOs for Medical Assistance recipients was the Federal requirement that HMOs must be Federally certified under the Public Health Service Act. To encourage enrollment in HMOs, the Federal Omnibus Budget Reconciliation Act of 1981 eliminated this requirement. When HMOs were developed, their enrollments were limited to a maximum of 50 percent Medicare and Medical Assistance beneficiaries and at least 50 percent of the general public. The Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 raised the limit on the number of Medicaid and Medicare enrolled recipients in private HMOs to 75 percent in October 1982. This change provides an incentive for HMOs to expand their Medical Assistance/Medicare enrollment.

The department has encouraged recipient participation in prepaid capitation plans and steady progress has been made each year. In January 1981 1,270 recipients were enrolled in HMOs and by January 1984 7,054 recipients were enroll-

Alternative Health Delivery Systems (continued)

Program Analysis: (continued)

ed. Presently the department has approximately 10,275 persons enrolled in four HMOs in Philadelphia, Allegheny, Westmoreland, Bucks, Armstrong and Delaware counties, with the goal being to continue increasing enrollment. These efforts are hampered in that HMOs do not serve all of Pennsylvania, some HMOs do not serve welfare recipients, and other HMOs limit the number of Medical Assistance recipients they will serve.

The department is currently operating a pilot project designed to increase recipients' awareness of HMOs. The Choice project, which began the first week in June 1984 in two Philadelphia County Assistance Office districts, is designed so that a recipient, at the time of eligibility determination, chooses between joining a health maintenance organization or receiving a Medical Assistance card. Formerly, a person eligible for Medical Assistance was automatically assigned a Medical Assistance card. If the project is successful, the department intends to expand this program to those areas of the State where the HMO option exists.

Another alternative means of health care delivery is the health insuring organization (HIO). Federal regulations define an HIO as a fiscal agent that pays for medical services provided to recipients in exchange for a premium or subscription charge paid by the State Medicaid Agency, and which assumes an underwriting risk. The HIO is paid a fixed amount of money per recipient, per month, and the HIO pays for all of the medical services required by its enrolled recipients. Like HMOs, HIOs are given an incentive to keep health care costs low. If the HIO spends more money than it is paid, it loses money; if the HIO spends less money than it is paid, it makes a profit.

HIOs may include a broad range of organizations, including insurance companies. Because HIOs are fiscal agents and not providers, they do not have to meet the Federal requirements set forth for HMOs under Section 1903(m) of the Social Security Act. HIOs are also exempt from the requirement that they have at least 25 percent non-Medical Assistance/Medicare enrollees. The department is planning to implement an HIO demonstration project for the Philadelphia area. The new program, known as Health PASS (Philadelphia Accessible Services System), will be operated by a contractor which was selected through the Re-

quest for Proposal process, and will serve approximately 100,000 recipients living in a geographic area covered by five County Assistance Office districts. It is anticipated that the project will begin May 1, 1985, pending approval of the required Federal waivers, with recipients being phased-in over a six month period.

The department will apply for a federal waiver allowing this special demonstration project to be operated under a case management concept. The Department of Public Welfare, in cooperation with the HIO contractor, will assure that a primary care physician is available for each recipient in the demonstration area. The primary care physician will manage the recipient's access to other physician services and to hospital services under the program. The use of the case manager system is expected to reduce unnecessary service utilization, yet ensure that the enrolled recipients receive all necessary medical care.

Also, in cooperation with the HIO contractor, the Department will apply for a federal "cost effective provider" waiver. Under this waiver, the HIO will not need to follow the regular Medical Assistance reimbursement methods and service limits. The HIO will be free to pay its enrolled providers on a prepaid capitation basis, and will be able to exclude or limit participation of providers who are not cost efficient. The "cost effective provider" waiver will also permit the contractor to solicit competitive bids and to take advantage of bulk buying discounts. The HIO will be required to provide the same scope of services to participating recipients, but with greater administrative flexibility.

The measures for services provided by the alternate health care delivery systems for physician, dental and pharmaceutical services have changed from those printed last year. The revised measures reflect utilization rates based on Pennsylvania's 1983-84 fiscal year experience in capitation programs.

The department will continue its exploration of alternatives to the fee for service system of health care delivery. The liberalization of regulations regarding HMO enrollments and the development of health insuring organizations should help to contain escalating costs while effectively meeting the health care needs of the eligible recipient population.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Medical Assistance—Capitation	<u>\$ 3,460</u>	<u>\$ 7,417</u>	<u>\$ 59,603</u>	<u>\$ 72,077</u>	<u>\$ 79,744</u>	<u>\$ 88,142</u>	<u>\$ 97,328</u>

Preventive Health Services

OBJECTIVE: To reduce the intensity and incidence of disease by providing diagnostic and preventive health services.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 10,443	\$ 12,179	\$ 12,038	\$ 12,291	\$ 12,594	\$ 12,913	\$ 13,250
Federal Funds	15,969	15,599	15,723	16,391	17,069	17,795	18,573
TOTAL	\$ 26,412	\$ 27,778	\$ 27,761	\$ 28,682	\$ 29,663	\$ 30,708	\$ 31,823

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Children screened	127,721	123,443	120,574	121,780	122,995	124,225	125,470
Children screened who were found to have abnormalities	64,282	62,129	60,685	61,290	61,900	62,520	63,150
Children and adults receiving:							
Preventive dental care (regular check-up, cleaning, etc.)	311,111	304,954	299,304	302,300	305,320	308,375	311,460
Preventive vision care (eye check-up)	52,702	51,659	50,702	51,210	51,720	52,240	52,760
Preventive medical exam (regular check-up)	2,245	2,201	2,160	2,180	2,200	2,225	2,250

Program Analysis:

Each stage of a health care delivery system reflects the degree of intensity of disease and the corresponding degree of medical care needed to treat the disease. The first phase of the health care delivery system is the prevention of disease. A good health care delivery system will dedicate a significant amount of time, effort and money to the primary stages of health care delivery so that less suffering and reduced use of resources will occur in the more intensive stages of health care. In large part, prevention is an individual responsibility. A person's overall health is dependent on a variety of personal habits, such as smoking, drinking, wearing automobile seat belts and exercise. Educating the individual to accept and understand this responsibility is part of prevention. The Department of Health's programs play a major role in this education process.

The Department of Public Welfare's responsibility for prevention of disease is being met by ensuring the availability of regular medical examinations and preventive health services. Regular check-ups and preventive services performed by physicians, optometrists, and dentists may help to prevent diseases from reaching advanced stages. The department pays practitioners and clinics for providing regular

health examinations to Medical Assistance recipients, as well as special prenatal preventive health services, and medical screening for children.

One of the most important forms of preventive medicine is prenatal care. This is because infant morbidity and mortality is strongly related to the lack of prenatal care. Medical Assistance provides payment for prenatal care in the form of family planning services, routine examinations and vitamins for expectant mothers, as well as screening and counseling services. Through the provision of such prenatal health care services, families can learn of the possibilities of disease, and can be assisted in the prevention of disease.

The Department of Public Welfare also conducts a program which periodically screens eligible children under 21 years of age, and refers those children requiring medical care to treatment. This program, called Early Periodic Screening, Diagnosis and Treatment (EPSDT), is offered to families on a voluntary basis. EPSDT was developed to bring needed medical care to eligible children during the early stages of disease.

The EPSDT program is the largest preventive health program available under Medical Assistance and is designed to

Preventive Health Services (continued)

Program Analysis: (continued)

provide recipients with relatively inexpensive tests and observations in order to detect and treat conditions which would require costly medical care if left unchecked. Several national studies have indicated that the EPSDT program is not only good for children, but is also a major cost containment activity since children who are regularly screened have health care costs up to 40 percent lower than children of similar circumstances who do not participate in the program.

To encourage recipients to obtain preventive health services, EPSDT, family planning services and supplies, and services furnished to pregnant women are exempted from the copayment requirements implemented by the department

beginning September 1, 1984.

The program measures printed above have changed from those printed last year. The measures for 1984-85 and 1985-86 reflect estimated utilization by the reduced number of persons eligible for Medical Assistance from the 1983-84 level which results from the improved economy. Beginning in 1986-87, utilization is expected to increase as the number of persons eligible rises as a result of increases in the cash grant level. The measures for 1984-85 and beyond do not reflect the impact of increases in enrollment in capitation programs since it is not known at this time what the resulting decrease in utilization by specific service will be.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Medical Assistance—Outpatient	\$ 9,057	\$ 9,907	\$ 9,670	\$ 9,756	\$ 9,880	\$ 10,007	\$ 10,139
Medical Assistance—Inpatient	1,386	2,272	2,368	2,535	2,714	2,906	3,111
GENERAL FUND TOTAL	<u>\$ 10,443</u>	<u>\$ 12,179</u>	<u>\$ 12,038</u>	<u>\$ 12,291</u>	<u>\$ 12,594</u>	<u>\$ 12,913</u>	<u>\$ 13,250</u>

Treatment — Outpatient Services

OBJECTIVE: To assure adequate high quality outpatient health services to improve and maintain physical well-being and to avoid unnecessary inpatient care for the eligible population.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 191,556	\$ 213,383	\$ 207,271	\$ 210,514	\$ 214,149	\$ 221,061	\$ 228,332
Special Funds		8,000	8,182	8,890	9,697	10,578	11,538
Federal Funds	152,468	189,151	170,743	175,690	179,444	186,081	193,179
Other Funds	3,412	3,596	1,389	160	160	160	160
TOTAL	\$ 347,436	\$ 414,130	\$ 387,585	\$ 395,254	\$ 403,450	\$ 417,880	\$ 433,209

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Visits:							
Physician	3,950,360	4,043,006	3,970,591	4,010,295	4,050,400	4,090,900	4,131,810
Dentist	2,528,374	2,542,793	2,491,390	2,516,305	2,541,470	2,566,880	2,592,550
Podiatrist	129,874	130,234	128,146	129,425	130,720	132,025	133,350
Chiropractor	399,929	421,410	413,648	417,785	421,960	426,180	430,445
Outpatient clinic visits:							
Independent Medical/Surgical Clinic	327,134	304,118	298,304	301,290	304,300	307,340	310,415
General Hospital	4,162,118	4,020,117	3,945,125	3,984,575	4,024,425	4,064,610	4,105,315
Rural Health Clinic	44,012	46,961	46,137	46,600	47,065	47,535	48,010
Prescriptions and orders filled:							
Pharmacy	13,590,253	12,100,804	11,954,169	12,073,710	12,194,450	12,316,400	12,439,560
Medical Supplier	124,296	130,990	129,824	131,120	132,435	133,755	135,095

Program Analysis:

Outpatient services include the majority of services offered to a person who does not need 24 hour care in a health care facility. Outpatient services include clinic and office care (medical, psychiatric, podiatric, chiropractic, dental, rehabilitation, rural health, and drug and alcohol), pharmaceutical services, ambulance transportation, home health care, medical appliances and prosthetic devices. Currently under the Medical Assistance program the medically needy are not covered for pharmaceutical, medical appliances and prosthetic devices and dental services. The medically needy are persons who do not receive cash assistance grants, but spend a significant portion of their income for medical expenses.

In the outpatient portion of the Medical Assistance program, providers of service are primarily reimbursed on a fee for service basis, according to the Medical Assistance Fee Schedule. Effective January 1, 1983, the department revised the fee schedule updating the schedule to incorporate

the procedure codes and terminology used by Medicare and deleting several obsolete procedure codes.

The revised fee schedule changed numerous specific reimbursement policies. For example, the maximum fee payable to a practitioner for services performed in a hospital was increased from \$200 to \$500. The chiropractor's visit fee was increased from \$7.00 to \$8.50, and the podiatrist visit fee was increased from \$8.00 to \$9.50. Under the revised fee schedule, assistant surgeons now qualified for payment, and the fees for all surgical procedures were increased.

Between January and June of 1983, the department further revised the fee schedule. Prior to 1983, clinics open less than forty hours a week were receiving \$6.00 per visit. In January, 1983 this fee was increased to \$10.00. In March, 1983 the department increased the fees for durable medical equipment, prosthetics and orthotics, removed obsolete items from the fee schedule, and replaced them with more updated items. In addition, some procedure codes and ter-

Treatment—Outpatient Services (continued)

Program Analysis: (continued)

minologies were changed to conform to those used by the Medicare program in Pennsylvania.

On July 1, 1984, the department again revised the fee schedule by expanding the procedures covered in the areas of diagnostic radiology, nuclear medicine, radiation therapy, pathology, and medical diagnostic services. In addition, the dual drug dispensing fees for retail and institutional pharmacies of \$2.25 and \$1.55 per prescription respectively were eliminated in favor of a single dispensing fee and increased to \$2.50 per prescription. Effective April 1, 1985, the department is also planning to identify those procedures performed by physicians and outpatient hospital clinics and to establish the fees at 50 percent of reported usual charges. To the extent that other providers perform these procedures they will also receive the increased fee. For 1985-86, \$24.6 million in State funds is provided for the physician and outpatient clinic fee increase.

While fee increases have been or are planned to be implemented, the department has initiated several measures to contain program costs. To involve recipients in the costs of their health care and to deter unnecessary utilization of health care services the department implemented a recipient copayment system on September 1, 1984. The copayment amount ranges from \$.50 to \$3.00, depending on the type and cost of the service, with the provider of service responsible for collecting the copayment. A number of exemptions from the copayment requirement have been made. Those individuals who are under 18 years of age, pregnant, enrolled in pre-paid capitation programs, or in medical institutions are exempted from the copayment. In addition, to prevent undue hardship on recipients, no copayment is required for emergency services, laboratory services, family planning services, psychiatric partial hospitalization, specific drugs and medical supplies, rental of durable medical equipment, and home health care services. A recipient's total copay liability is limited to \$90 for each six month period, with a recipient's payment over that level reimbursed to the individual. In order to preclude any possibility that copayments would lead to shifting costs onto providers, the department also increased the pharmacy dispensing fee by an additional \$.25 per prescription and physicians' home and office visit fees by \$.50 to \$2.75 and \$11.50 respectively. The department has also made the admission review criteria for short procedure unit (SPU) services stricter, and has limited payments for dispensing fees on certain prescriptions to recipients in nursing homes to one dispensing fee per drug dispensed to each recipient within a 30 day period.

Several initiatives are under consideration and will be implemented by the department. Prior authorization of selected services will be centralized in 1984-85. The proposed centralized automated process will control costs and reduce

payments for unnecessary services, keep administrative costs to a minimum and provide the recipient and provider with the department's approval or denial of a request within the required 21 days. Most importantly, centralized prior authorization will assure statewide uniformity in the granting of prior authorization which will allow recipients equal access to necessary medical services and items.

In 1985-86, the department will implement steps designed to limit increases in the cost of drugs. A restricted formulary will be implemented which lists both sole source drugs, which are those drugs available from only one source, and multisource drugs. The formulary will list all of the compensable sole source drugs, including the strengths and dosage forms for each drug. It is expected that most of the sole source drugs that the department now pays for, along with the various strengths and dosage forms, will be covered initially. Future decisions regarding adding and deleting new sole source drugs and/or new strengths and dosage forms will be made on the basis of established criteria.

For multisource drugs, the formulary will list only those drugs that are compensable. To encourage the use of generic drugs, the department will expand the Federal Maximum Allowable Cost (MAC) program by establishing state MAC prices for certain multisource drugs. Since the MAC program sets an upper limit on the reimbursement of a drug, the department will establish a method of determining the lowest unit price for the drug while ensuring the availability at that price throughout the state. It is anticipated that \$931,000 in State fund savings will be realized in 1985-86 from this initiative.

The 1985-86 budget also includes \$811,000 in State funds to increase the fee for home health services provided by home health agencies from \$18 to \$25. It is anticipated that an increase of \$7 per visit will increase recipient access to home health care, encourage provider participation in the Medical Assistance program and provide an alternative to institutional care by enabling recipients to remain in their community. In addition, \$347,000 in State funds is recommended in 1985-86 to provide for additional outpatient Medical Assistance costs associated with the proposed increase in the cash assistance levels, effective January 1, 1986. For further discussion, refer to the Program Revision Cash Grant Increase.

The program measures presented in this subcategory represent actual and anticipated utilization under the fee for service system by those persons eligible for Medical Assistance and have changed from those printed previously. The average monthly number of persons eligible for Medical Assistance is projected to decline in 1985-86 from the average monthly number eligible in 1984-85, due to improvements in the State's economy. However, the projected

Treatment — Outpatient Services (continued)

Program Analysis: (continued)

utilization for 1984-85 and 1985-86 is not simply a straight percentage reduction, but rather a function of aid category utilization patterns for each outpatient provider type. It is anticipated that utilization will increase beginning in 1986-87, as the number of persons eligible rises as a result of increases in the cash grant level.

The measures presented for the years 1984-85 and beyond

represent utilization before the impact of both the increased enrollment in capitation programs and the implementation of the copay is taken into account. While these initiatives will reduce fee for service utilization, this decrease is not reflected due to the uncertainty of the impact on a service by service basis. The impact is reflected, however, in the dollar projections.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Medical Assistance — Outpatient	\$ 191,436	\$ 211,820	\$ 206,661	\$ 210,514	\$ 214,149	\$ 221,061	\$ 228,332
State General Hospitals	120	1,563	610	.....	.....	.....	.....
GENERAL FUND TOTAL	<u>\$ 191,556</u>	<u>\$ 213,383</u>	<u>\$ 207,271</u>	<u>\$ 210,514</u>	<u>\$ 214,149</u>	<u>\$ 221,061</u>	<u>\$ 228,332</u>
LOTTERY FUND							
Medicare Part B Payments .....	.....	\$ 8,000	\$ 8,182	\$ 8,890	\$ 9,697	\$ 10,578	\$ 11,538

Treatment — Inpatient Services

OBJECTIVE: To insure the availability of quality inpatient services to the eligible population in order to reduce morbidity and length of disability and to minimize time in the hospital.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 493,125	\$ 530,188	\$ 483,128	\$ 501,834	\$ 535,048	\$ 570,411	\$ 607,954
Federal Funds	290,385	357,963	297,718	294,491	312,938	332,552	353,347
Other Funds	34,663	36,030	16,172	5,110	5,110	5,110	5,110
TOTAL	\$ 818,173	\$ 924,181	\$ 797,018	\$ 801,435	\$ 853,096	\$ 908,073	\$ 966,411

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons eligible for Medical Assistance	1,171,303	1,148,123	1,126,850	1,138,120	1,149,500	1,160,995	1,172,605
Inpatient hospital admissions	307,168	342,433	316,023	319,180	322,375	325,600	328,855
Average length of stay in days:							
Statewide	7.7	7.0	7.0	7.0	7.0	7.0	7.0
Medical Assistance	7.0	6.3	6.2	6.2	6.2	6.2	6.2
Average cost per day:							
Statewide	\$424.00	\$451.14	\$480.00	\$510.73	\$543.42	\$578.19	\$615.20
Medical Assistance	\$308.05	\$327.51	\$345.97	\$368.11	\$391.67	\$416.74	\$443.41
Admissions disallowed as a result of hospital utilization review	6,930	7,000	7,000	7,000	7,000	7,000	7,000
Days disallowed as a result of hospital utilization review	60,604	29,103	24,000	24,000	24,000	24,000	24,000

Program Analysis:

Inpatient hospital care is intensive and costly in comparison to those health services described in the preceding subcategories. This subcategory includes care for Medical Assistance patients in general, rehabilitation, and private psychiatric hospitals, as well as care for any patient in State General Hospitals and care provided in selected other hospitals.

The Commonwealth currently operates eight general hospitals and assists two chronic disease hospitals. Originally, the State General Hospitals were intended to provide low cost care to patients in the coal mining regions of the State. With the advent of Medicare, Medical Assistance and third party insurers such as Blue Cross, patients are now being fully charged for using the facilities. With increasing third party support, it is anticipated that the local communities will take over the institutions and manage them with the intention of gearing the institutions to the particular needs of each area. During 1985, the Commonwealth plans to

transfer the operation of five State General Hospitals to local community groups. The five hospitals expected to be transferred are: Connellsville, Nanticoke, Hazleton, Scranton and Philipsburg. It is anticipated that the three remaining State General Hospitals will be transferred to community operation by the end of fiscal year 1985-86. Funding in the amount of \$5.3 million is provided in the recommended budget to retire the General State Authority debt for all of the State General Hospitals in 1984-85. The Commonwealth assists two chronic disease hospitals, the Children's Heart Hospital and the Home for Crippled Children, which care for chronically ill indigent patients. These hospitals have chosen not to participate in the Medical Assistance program.

Coverage is provided to eligible Medical Assistance recipients on a 24 hour basis for room, board and professional services. The Medical Assistance patient is entitled to the same quality and standard of care as is normally furnished other patients. Initially a recipient can only be eligible for

Treatment — Inpatient Services (continued)

Program Analysis: (continued)

admission under Medical Assistance upon the recommendation of a physician, dentist or podiatrist. Payment will not be made for diagnostic tests and procedures that are not related to the diagnoses that require that particular inpatient stay. Hospital care solely for cosmetic purposes as well as diagnostic or therapeutic procedures solely for experimental, research, or educational purposes are not payable through Medical Assistance.

Upon recommendations from the Governor's Task Force on Health Care Cost Containment and language in the General Appropriations Act of 1983, on July 1, 1984 the method of payment for acute care general hospitals under the Medical Assistance program was changed from a retrospective cost reimbursement system to a diagnosis specific prospective payment system. The payment system is prospective in that no settlement or adjustment is made following the payment for the hospital stay. The prospective payment system follows the Federal Medicare program's recently adopted hospital payment system by determining rates based on diagnosis related groups (DRGs).

Under the prospective payment system, the department bases payment for inpatient hospital services on the classification of inpatient hospital discharges by DRGs. A DRG is assigned to each Medical Assistance discharge based on the recipient's diagnoses, procedures performed during the recipient's hospital stay, and the recipient's sex, age and discharge status. Rates are established for each DRG, designed to reflect the average amount of resources used to treat specific inpatient cases.

Except for children's hospitals, the department's prospective payment rates for fiscal years 1984-85 and 1985-86 will be determined by blending the hospital's group average rate with its hospital specific rate for each DRG. For fiscal 1984-85, payment will be based on 75 percent of the hospital's specific cost per case and 25 percent of the hospital's group average cost per case. For fiscal 1985-86, payment will reflect 50 percent of the hospital's hospital specific cost per case and 50 percent of the hospital's group average cost per case. For fiscal years 1986-87 and thereafter, the department's payment for compensable inpatient hospital services under the DRG payment system will be based on the hospital's group average cost per case. For children's hospitals, payment is made based on a hospital specific cost per case, with each children's hospital considered a group of one.

In addition to the DRG prospective payment for a patient discharged from a hospital, the department reimburses participating hospitals for costs for depreciation and interest for buildings and fixtures and for costs for direct medical education. Projected costs are made on an interim basis with final payment based on an audit of those costs at the end of the fiscal year. If the hospital stay meets the requirements

for either a day or cost outlier, as defined by the department, the prospective payment amount is also adjusted. An outlier represents an inpatient hospital case having either an extremely long length of stay or extraordinarily high costs in comparison to most discharges for the same DRG. When provided to an inpatient, the department makes separate payments to a hospital for direct care services provided by a practitioner (licensed physician, dentist, optometrist, podiatrist or chiropractor) or by a midwife who is under salary or contract with the hospital. These services are reimbursed in accordance with the fees established under the Medical Fees Schedule through the Medical Assistance—Outpatient appropriation.

Drug and alcohol treatment/rehabilitation, psychiatric, and rehabilitation hospitals, as well as psychiatric units of general hospitals and Department of Health approved drug and alcohol treatment/rehabilitation units of general hospitals are excluded from the prospective payment system. Since DRGs were based on acute care data from a nationwide sample of acute care general hospitals, classifying patients into groups that are clinically similar and are comparable with respect to use of resources, they are not clinically appropriate for these services. The methods of treatment and associated length of stay for these services have a wide range of variation based on the ability of a patient to respond to the treatment and how providers define the minimum length of stay to complete their program. Payment for these services continues to be made on a retrospective cost related basis subject to limits. Under the retrospective payment system, interim per diem rates (the tentative payment to the facility until such time as actual costs can be determined by the Auditor General) and final audited costs are limited to a set percentage increase over that of the previous year.

Because hospitals under the prospective payment system are reimbursed a specific amount for each recipient discharged based on the DRG into which the patient is classified, it is anticipated that the average length of stay will decline from that experienced under the retrospective reimbursement system. While the measure, average length of stay for Medical Assistance, shows a substantial decline in 1984-85 and 1985-86 and thereafter from the 1983-84 level, all of this decline may not be attributed to implementation of DRGs. The average length of stay for Medical Assistance is computed by dividing the days of care by the number of invoices. With the implementation of DRGs, hospitals must now submit separate invoices where they were not formerly required, for instance when a patient is transferred to a unit excluded from the DRG prospective payment system. This increase in invoices may be responsible, to some extent, for the decline shown above. The Statewide average length of stay has also changed from that printed previously. This

Treatment — Inpatient Services (continued)

Program Analysis: (continued)

data, which comes from the Hospital Association of Pennsylvania, has been revised based on actual experience and the projected impact of the implementation of prospective payment systems by both Medicare and Medical Assistance.

For the first year of implementation of the prospective payment system, the system is budget neutral, meaning that no more will be spent under the prospective system than would have been spent under the cost reimbursement system. For 1985-86, this concept continues, with a factor of 6.4 percent used for increases in costs. This same percentage increase in cost is provided for services not included under the prospective payment system.

Beginning in February 1982, the department implemented Concurrent Hospital Review (CHR) activities to cover all Medical Assistance hospital admissions. By June 1982, all admissions and continued stays were being reviewed. With implementation of the prospective payment system, the department conducts the review of inpatient hospital services under the DRG Post Admission Review Process, beginning with admissions on and after July 1, 1984. The objectives of the DRG Review Process are to assure that admissions are necessary and appropriate medical care is rendered, and to control costs related to inpatient care. Outlier days and outlier costs for neonatal and burn cases are also reviewed for medical necessity after discharge. The measure, days disallowed as a result of hospital utilization review reflects this shift of emphasis to the review of admissions under the prospective payment system with only hospitals and units excluded from the DRG system having extensions of stay reviewed under CHR. Any admission, outlier, or extension of stay not deemed medically necessary will not be reimbursed.

In order to involve recipients in the costs of their health care and to discourage unnecessary utilization of services, the department implemented copayment on September 1, 1984 for nonexempt services and recipients. Under the copayment program, a \$3.00 per day copay, up to a maximum of \$21.00 per inpatient hospital admission, is required, with the provider of service responsible for collecting the copayment. A recipient's total copay liability is limited to \$90 for each six month period, with a recipient's payment over that level reimbursed by the department to the individual.

The department continues to emphasize that third party resources, such as Medicare and other insurance, available to a recipient be utilized as a method of containing Medical Assistance program costs. Savings under third party liability can be realized in several ways. First, the provider of service is aware that other medical coverage is available and collects payment from that resource, with that payment not

being billed to the department. Claims for reimbursement are also checked by the department's automated claims processing system to identify if third party resources are available to the individual. If such is the case, the claim is rejected, the provider is informed of what resources are available and where to bill, and Medical Assistance expenditures are cost avoided. In addition, the department periodically runs special computerized tape matches with insurers such as Blue Cross, Blue Shield, and Medicare to determine whether Medical Assistance eligibles have additional health care coverage available to them. If it is found that Medical Assistance has paid for services that are reimbursable under other third party coverage, those payments are recovered from the appropriate source, and the computerized Medical Assistance eligibility file is updated so that claims can be appropriately cost avoided in the future. Case recoveries are also made by the Medical Recovery Unit in the Office of Fraud and Abuse Investigation and Recovery in the department. That unit is responsible for collecting third party resources available to Medical Assistance recipients for the payment of medical services. This Office is also responsible for recovering monies erroneously paid to or fraudulently claimed by providers of medical services.

For 1985-86, \$977,000 in State funds is included to provide for additional inpatient Medical Assistance costs associated with the proposed increase in cash assistance levels, effective January 1, 1986. For further discussion, refer to the Program Revision Cash Grant Increase.

The program measure, persons eligible for Medical Assistance, has changed from that printed previously. During 1984-85 and 1985-86, it is anticipated that the total average monthly number of persons eligible will decrease, reflecting the improved economy. Beginning in 1986-87, the number of persons eligible is expected to rise as a result of increases in the cash grant level. The measure, average cost per day on the statewide level, has also changed from that printed previously. This information, which is provided by the Hospital Association of Pennsylvania, has been revised, based on actual experience. The program measures, inpatient hospital admissions and the Medical Assistance average cost per day, shown for fiscal years 1984-85 and beyond have been adjusted to reflect the estimated effect of the increased enrollment in capitation programs and the copayment requirement on the department's Medical Assistance inpatient program. The measure, Medical Assistance average cost per day, has also been adjusted, beginning in 1984-85 to reflect the transfer to the Medical Assistance-Outpatient appropriation of certain hospital based physician costs.

Treatment — Inpatient Services (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,403	\$ 2,013	\$ 2,024	\$ 2,189	\$ 2,367	\$ 2,560	\$ 2,770
County Administration—Statewide	4,811	9,852	9,993	10,392	10,808	11,240	11,690
County Assistance Offices	23,709	28,429	29,594	30,777	32,008	33,288	34,620
Medical Assistance—Inpatient	448,453	450,294	414,515	436,764	467,954	501,210	536,558
Medical Assistance—Outpatient	10,979	18,443	19,722	19,919	20,118	20,320	20,523
State General Hospitals	1,080	14,066	5,487	.....	.....	.....	.....
GSA Rentals—State General Hospitals .....	.....	5,333	.....	.....	.....	.....	.....
Home for Crippled Children, Pittsburgh	500	520	530	530	530	530	530
Children's Heart Hospital, Philadelphia .	1,190	1,238	1,263	1,263	1,263	1,263	1,263
GENERAL FUND TOTAL	<u>\$ 493,125</u>	<u>\$ 530,188</u>	<u>\$ 483,128</u>	<u>\$ 501,834</u>	<u>\$ 535,048</u>	<u>\$ 570,411</u>	<u>\$ 607,954</u>

Long-Term Care Services

OBJECTIVE: To insure the availability of high quality care in skilled nursing facilities (SNF) or intermediate care facilities (ICF) for those who do not require intensive care but cannot be maintained within a family household unit.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 135,588	\$ 122,377	\$ 135,570	\$ 151,264	\$ 167,299	\$ 184,222	\$ 202,076
Special Funds	100,000	141,639	141,653	141,910	142,015	142,120	142,230
Federal Funds	300,241	328,186	375,256	396,824	418,642	441,662	465,947
Other Funds	178	391	391	391	391	391	391
TOTAL	\$ 536,007	\$ 592,593	\$ 652,870	\$ 690,389	\$ 728,347	\$ 768,395	\$ 810,644

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Average monthly number of recipients receiving institutional long-term care:							
Skilled nursing care	10,522	8,432	8,495	8,580	8,665	8,750	8,840
Intermediate care	31,342	34,364	34,850	35,200	35,550	35,905	36,265
Nursing care cases reviewed	53,500	55,000	57,250	59,250	61,250	63,250	65,250

Program Analysis:

This subcategory deals specifically with the provision of skilled nursing or intermediate care to persons eligible for Medical Assistance. Funds for persons in the State restoration center, mental health, and mental retardation institutional patients are not reflected here.

Nursing homes certified to participate in the Medical Assistance program provide one or both of two levels of care in accordance with established standards. The most intense level, skilled nursing care, involves skilled nursing and rehabilitation services rendered under the general direction of a licensed physician. Such services are furnished by or under the supervision of licensed professional nursing personnel or by other professional health personnel. In addition, services are required and provided on a daily basis and as a practical matter, can only be provided on an inpatient basis. The less intense level of care, intermediate care, also involves services rendered under the direction of a licensed physician, but skilled nursing and rehabilitative services are not required on a daily or frequent basis.

Skilled nursing facilities and intermediate care facilities provide services to two major categories of patients: (1) those who need temporary care in order to be restored to the community and (2) those who need continuing care on a long-

term basis. The first category of patients consists most often of persons discharged from an inpatient hospital setting who require medical services while convalescing after intensive medical services, such as surgery. These persons may be of any age. The second category of patients consists of persons who may or may not have been in an inpatient hospital setting but who have a chronic disabling condition which would prevent them from returning to the community. Most of the persons in this category are 65 years of age or older. While some of the patients are Medical Assistance recipients at the time of their admission to a nursing home, the majority of the Medical Assistance nursing home recipients enter the nursing home as private pay patients, and become eligible for Medical Assistance only after exhausting their personal resources.

In 1977, Federal auditors took exception to the definition of skilled nursing care used by the Commonwealth because Pennsylvania was using a definition that was slightly different than the required Federal Medicare definition. In order to assure compliance with Federal regulations, and to avoid further audit exceptions, final regulations were published, effective January 8, 1983, revising the department's definition of skilled nursing facility services for reim-

Long-Term Care Services (continued)

Program Analysis: (continued)

bursement purposes. The impact of redefinition is reflected in the shift between skilled nursing and intermediate care between 1983-84 and 1984-85 in the measure, average monthly number of recipients receiving institutional long-term care.

Beginning July 1, 1984, private profit and nonprofit nursing homes and facilities operated under the County Institution District Law are reimbursed allowable costs up to ceilings calculated for each Metropolitan Statistical Area (MSA) and non-MSA within the State according to the department's established methodology. For private nursing homes, four MSA groupings are used, with two MSA groupings used for county nursing facilities. Physically disabled and hospital-based nursing facilities are reimbursed their allowable costs up to Statewide ceilings calculated for each type of facility. The ceilings are used to limit operating costs only. Payment for capital depreciation and interest are paid outside of the ceilings. Nursing home ceilings were recalculated and revised in July, 1984 and the department recomputed ceilings on January 1, 1985, based on nursing home cost reports accepted through October 31, 1984. Additional funding is included in 1985-86 to provide for changes in ceilings for services beginning July 1, 1985.

With the redefinition of skilled nursing home care, and the transfer of patients from skilled nursing to intermediate care, it is recognized that intermediate nursing care patients may require more nursing care hours per day. For this reason, for services provided on or after July 1, 1985, the department will increase the maximum number of nursing care hours for which Medical Assistance will reimburse from 2.4 to 2.6 hours per day for intermediate care. In order to allow nursing homes to benefit from this increase, the method of calculating nursing home ceilings will be revised by setting net operating ceilings at the 55th percentile rather than at the median or 50th percentile. The recommended budget includes \$5,669,000 in State funds for these purposes.

The Federal Deficit Reduction Act of 1984 was signed into law on July 18, 1984. One provision of the Act amends Title XIX of the Social Security Act in regard to payment for depreciation, interest, and other costs related to the negotiation or settlement of the sale or purchase of any capital asset of any hospital or nursing facility enrolled in the Medical Assistance program. The law requires that the Medical Assistance program adjust its payment for services on or after October 1, 1984 to preclude a step-up in cost basis for any asset that was purchased on or after July 18, 1984, in order to ensure receipt of Federal matching funds. For asset transfers affected by the law, a step-up in cost basis was permitted from the date of the transfer through September 30, 1984. Effective October 1, 1984 the cost basis is adjusted to reflect no step-up.

While long-term care has traditionally been associated with institutionalized care, the emphasis in recent years has begun to change as the proportion of elderly individuals to the total population increases and as the cost of nursing home care continues to escalate. Attention is increasingly being given to developing alternative programs and support services which allow an individual to remain in the community in the least restrictive setting appropriate for that person.

In Pennsylvania, a number of long-term care alternatives have been developed, using a multi-agency approach and utilizing funding from State, Federal, and Lottery Fund sources. These changes are designed to strengthen both informal and formal community support systems and attempt to decrease the emphasis on the use of nursing home care. Beginning in November 1982, the special monthly State supplement of \$147.30 paid to Supplemental Security Income (SSI) eligible persons in domiciliary care facilities was extended to those SSI eligible persons residing in licensed personal care boarding homes. In September 1982, the Medical Assistance outpatient fee for home health care visits was increased from \$13.00 to \$18.00, and funding is provided in 1985-86 to further increase this fee to \$25.00 per visit as discussed in the subcategory Treatment—Outpatient Services.

In October 1980, the Commonwealth was one of several states to receive a contract with the Federal Department of Health and Human Services to conduct a Long-Term Care Channeling Demonstration Project. Under the auspices of the Philadelphia Corporation for Aging (PCA) the Channeling Project opened intake in May, 1982, and closed intake in June, 1984. Primary features of Channeling are the comprehensive assessment of individual need, case management with control of service resources, and intensive home care. Preliminary reports indicate that the project has achieved its research objectives, in that it has identified and served the target population, the mode of operation has proved to be feasible, and the service costs were considerably lower than anticipated. The national Channeling Project includes a thorough evaluation component, and detailed analyses of its impact on the well-being of participants, the types of services that were important to them, and the cost-effectiveness of this approach to community-based long-term care will be examined.

In 1983-84, a State demonstration program was initiated which is now known as Long-Term Care Assessment and Management Program (LAMP). The department has entered into an agreement with the Department of Aging to continue the demonstration effort in six counties during 1984-85. LAMP provides a comprehensive assessment of the health and social needs of nursing home applicants so that the appropriate level of care can be identified and secured.

Long-Term Care Services (continued)

Program Analysis: (continued)

Whenever possible, those clients who would otherwise be institutionalized will be provided with a prescribed community services package which will enable them to remain at home. The recommended budget provides Lottery Funds to expand this program into two or three additional counties in 1985-86 if LAMP demonstrates that it is serving the intended population in a cost effective manner. For further discussion, refer to the subcategory Community-Based Long-Term Care Services in the Department of Aging.

In 1984-85, a new in-home services program of attendant care was authorized with \$5 million in Lottery Funding provided to the Department of Aging for attendant care services to senior citizens and \$4 million in Federal Social Ser-

vices Block Grant funding allocated to the Department of Public Welfare for similar services to persons under 60 years of age. In 1985-86, \$5.1 million is recommended for this program in the Department of Aging, and \$4.7 million in the Department of Public Welfare from the respective funding sources. This program provides personal care services by a specially trained attendant to assist physically disabled persons with key activities of daily living such as eating, dressing, and personal hygiene. The major goals of the program are to help prevent and/or delay institutionalization and to reduce the cost of long-term care. This program is also discussed in the subcategory Community-Based Long-Term Care Services in the Department of Aging.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Long-Term Care Facilities	\$ 135,588	\$ 122,377	\$ 135,570	\$ 151,264	\$ 167,299	\$ 184,222	\$ 202,076
LOTTERY FUND							
Medical Assistance — Long-Term Care							
Facilities	\$ 100,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Pre-Admission Assessment .....	.....	1,639	1,653	1,910	2,015	2,120	2,230
LOTTERY FUND TOTAL	\$ 100,000	\$ 141,639	\$ 141,653	\$ 141,910	\$ 142,015	\$ 142,120	\$ 142,230

MENTAL HEALTH CATEGORY ANALYSIS

Prior to 1966, public mental health services were traditionally provided in the State mental hospitals. With the passage of the Mental Health and Mental Retardation Act of 1966, a wide range of services were developed at the community level. This approach to service delivery minimizes the disruption of the continuity of the individual's life style.

In this budget presentation, mental health services are viewed as a continuum from least intensive to most intensive. The purpose of the continuum is to provide services as early as possible in order to avoid the necessity of long-term care and hospitalization.

The initial point of entry into the mental health services system is generally through the community services component. Crisis intervention and emergency services are utilized to identify and resolve problems soon after they occur. Other services include public education, consultation, prevention and service coordination. Problem resolution may involve referral to a more intensive community service.

If additional services are required once a problem is identified, the acute mental health services component of the system can be utilized. Services provided, ranging in increasing levels of intensity, are outpatient, partial hospitalization, and short-term inpatient services.

Rehabilitative services are utilized both by individuals living in the community who require specialized skill training and by patients of mental hospitals who require additional training prior to living independently in the community. Residential, vocational, and social rehabilitative services are included in this component.

The State mental hospitals are utilized by individuals who require other long-term or specialized treatment and rehabilitation. This component is viewed as the most intensive.

The major goal of the mental health services system is to prevent and treat mental disability by providing services as early as possible in the least intensive setting.

Efforts are continuing to make the most efficient use of available resources and to prevent the escalation of costs in the State mental hospital program. The department is continuously reviewing facilities in the Commonwealth to determine methods for more effective and efficient use of resources.

As a result of the Federal Omnibus Reconciliation Act of 1981, the Commonwealth assumed administrative responsibility for former Federal grants to community Mental Health centers. Funding is provided through the Alcohol, Drug Abuse, and Mental Health Services Block Grant.

Mental Health Systems Support

OBJECTIVE: To maintain a system in which mental health services are available to all those in need of them and to assure the provision of a continuum of care and aftercare services for all clients as they move through the mental health service delivery system.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 22,320	\$ 23,272	\$ 25,013	\$ 25,893	\$ 26,759	\$ 27,676	\$ 28,649
Federal Funds	10,038	10,898	11,248	11,341	11,438	11,538	11,642
Other Funds	1	.....	.....	.....	.....	.....	.....
TOTAL	\$ 32,359	\$ 34,170	\$ 36,261	\$ 37,234	\$ 38,197	\$ 39,214	\$ 40,291

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1987-89	1989-90
Persons provided mental health services in the county program	211,699	222,919	234,734	247,175	260,275	274,070	288,595
Total new admissions to county programs .	85,874	88,193	90,574	93,020	95,532	98,111	100,760
Cases closed in county programs	77,038	82,739	88,862	95,438	102,500	110,085	118,231

Program Analysis:

The Commonwealth's program of mental health services is provided through State operated mental hospital programs and county directed community mental health programs. Systems supports are designed to develop and maintain the entire mental health service delivery system. State-level planning and evaluation, coordination, administration, manpower development, research and demonstration serve to support and improve the total mental health delivery system. At the county level, the Mental Health and Mental Retardation Act of 1966 mandates planning, coordination and monitoring of community services.

The value underlying the Commonwealth's mental health system goals is independence. Mental health programs are on a continuum of decreasing care intensity and increasing independence. The overall goals are to prevent the occurrence of disability from mental illness and to restore persons who become mentally disabled to their maximum level of independent functioning with the least intensive degree of intervention necessary. This approach should minimize the use of the more intensive, complicated and costly services available in the delivery system.

Attaining the mental health goals involves the interdependence of the systems support subcategory with four other subcategories. From the least intensive care and program dependence to the most intensive care and program

dependence, the subcategories are Community Services, Acute Mental Health Services, Rehabilitative Services and Institutional Care.

An important factor in the monitoring and evaluation of mental health programs is the collection and reporting of quantifiable information. Data collection is accomplished through the use of the consolidated community reporting (CCR) system implemented in June, 1980, the patient/client information system (PCIS), and various special reports and surveys.

Utilization of program services, represented by the measure, persons provided mental health services in the county program, is estimated to increase at an approximate annual rate of five percent.

This measure shows a substantial decrease from the previous year's projections. This is due mainly to the large increase in the 1982-83 fiscal year cases closed, which were the result of special efforts to remove inactive cases from Mental Health County programs' records. This data cleaning effort has impacted the 1983-84 beginning caseload count; hence, reducing it.

Persons provided mental health services is an unduplicated count. It is comprised of the beginning year caseload, new admissions and readmissions of clients who were active in the mental health system during a previous fiscal year.

Mental Health Systems Support (continued)**Program Analysis: (continued)**

Clients who had their case closed during fiscal year 1983-84 and subsequently reopened during this fiscal year are not included.

Total admissions to county programs is projected to increase about three percent annually and the number of cases

closed in county programs is expected to increase approximately seven percent annually. These two measures are duplicated counts which reflect the movement that occurs in the community mental health system.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,887	\$ 1,662	\$ 1,677	\$ 1,695	\$ 1,760	\$ 1,835	\$ 1,925
Eastern Pennsylvania Psychiatric Institute	6,394	6,651	6,522	6,522	6,522	6,522	6,522
Community Mental Health Services	8,139	8,823	10,292	11,154	11,955	12,797	13,680
Western Psychiatric Institute and Clinic .	5,900	6,136	6,522	6,522	6,522	6,522	6,522
GENERAL FUND TOTAL	\$ 22,320	\$ 23,272	\$ 25,013	25,893	\$ 26,759	\$ 27,676	\$ 28,649

Community Services — Mental Health

OBJECTIVE: To reduce the disabling effect of a mental condition by providing services to the general population including services that diminish the severity of temporary personal crisis.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 11,809	\$ 12,745	\$ 12,932	\$ 13,597	\$ 14,215	\$ 14,864	\$ 15,546
Federal Funds	1,589	1,543	1,614	1,614	1,614	1,614	1,614
TOTAL	\$ 13,398	\$ 14,288	\$ 14,546	\$ 15,211	\$ 15,829	\$ 16,478	\$ 17,160

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons receiving emergency and crisis intervention services	58,228	58,810	59,398	59,992	60,591	61,197	61,809
Contacts with mental health emergency service system	111,643	118,230	125,206	132,593	140,416	148,701	157,474
Facilities providing crisis intervention	43	43	43	43	43	43	43

Program Analysis:

Persons generally enter the mental health system due to the occurrence of a crisis or emergency episode in a person's life or as a result of a more gradual and progressive disability. A nonemergency situation usually results in a referral to the base service unit where evaluation of the client's service needs, referral to appropriate services, and case management are provided to insure that the client receives the required services.

Emergency services are available on a 24-hour basis to persons with a mental disability who need immediate care. Usually emergency care is needed to prevent aggressive behavior by a person toward self or others. Occasionally emergency care culminates in an involuntary commitment to an inpatient facility. Prior to commitment, the Mental Health County Administrator or delegate must determine if the person meets the definition for involuntary examination. If appropriate, the individual is examined by a physician and an involuntary commitment determination is made. Where prompt care increases a person's likelihood of stabilization from emotional distress, emergency services are available on a voluntary basis. Stay in an inpatient facility, whether voluntary or involuntary, cannot exceed 60 days of public reimbursement except in exceptional circumstances.

In addition to emergency services, all 43 county/joinder programs provide a 24-hour crisis intervention program. Crisis intervention serves those persons who use emergency services while experiencing a personal crisis that has the potential to produce deterioration of their mental stability. When the mental health system is notified of an emergency, a crisis intervention team will provide routine services such as counseling, diagnosis, evaluation and referral. In crisis intervention these services are intensified and the time span is reduced from days to hours. If further mental health services are needed, the crisis intervention program strives to match the person with an appropriate program outside a mental hospital or other inpatient hospital setting. Every effort is made to maintain the individual as a functioning member of the community.

Emergency contacts are now defined as the number of face-to-face hours of service delivered. In the past client counts were duplicated as they were collected on a monthly basis, and often included non-face-to-face contacts. The current reporting system yields unduplicated counts of clients; however, only face-to-face emergency services are included.

The Governor's recommended budget includes two new initiatives for Community Mental Health Services. First, mental health services will be expanded for persons in per-

Community Services — Mental Health (continued)

Program Analysis: (continued)

sonal care boarding homes and shelters for the homeless. The development and implementation of a full year program to train personal care boarding home and shelter staff in appropriate methods to deal with residents with mental disabilities and expansion of outreach programs and services

has been funded with \$750,000 in State funds. Second, State funds totalling \$750,000 will provide county prisons with expanded mental health services (evaluation and treatment and county criminal justice personnel training) aimed at the mentally ill offenders.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Community Mental Health Services	<u>\$ 11,809</u>	<u>\$ 12,745</u>	<u>\$ 12,932</u>	<u>\$ 13,597</u>	<u>\$ 14,215</u>	<u>\$ 14,864</u>	<u>\$ 15,546</u>

Acute Mental Health Services

OBJECTIVE: To reduce dependence on more intensive community treatment services.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 55,670	\$ 58,821	\$ 59,891	\$ 63,065	\$ 66,019	\$ 69,121	\$ 72,377
Federal Funds	7,159	9,184	9,608	9,608	9,608	9,608	9,608
TOTAL	\$ 62,829	\$ 68,005	\$ 69,499	\$ 72,673	\$ 75,627	\$ 78,729	\$ 81,985

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons receiving services on an outpatient basis	211,648	214,823	218,045	221,316	224,636	228,006	231,436
Outpatient hours (in thousands)	1,310	1,399	1,494	1,596	1,705	1,821	1,945
Persons receiving partial hospitalization ...	34,016	35,139	36,299	37,497	38,734	40,012	41,332
Hours of partial hospitalization services (in thousands)	6,791	7,280	7,804	8,366	8,968	9,614	10,306
Persons receiving inpatient services	16,010	16,939	17,921	18,960	20,060	21,223	22,454
Days of inpatient services	284,105	288,082	292,115	296,205	300,352	304,557	308,821

Program Analysis:

Acute mental health services provide both treatment and prevention. As treatment deals with a person's current mental health needs, it works as a preventor against greater mental disability. This treatment/prevention function works toward the mental health goal of providing therapeutic services in the community that foster independence. The three types of acute care services are outpatient, partial hospitalization and short-term inpatient.

Outpatient Services

Outpatient treatment includes psychiatric, psychological, social and vocational elements. Often included in these treatments is chemotherapy which is medically supervised. Outpatient services can be used by an individual, groups and families. Services are provided on a regular schedule that is appropriate for the client's mental health needs. Among the three acute care services, outpatient services require the highest degree of independence by the client. Services are restricted to less than three hours per day.

Data for the measure, persons receiving services on an outpatient basis, now is reported as an unduplicated annual figure rather than reported as a monthly average. The data for this measure also indicate an estimated annual increase in utilization. Annual outpatient hours are also projected to increase in part due to the increase in persons using the services. In addition, improved revenue collection by county programs has resulted in increased availability of service dollars. The data in these measures indicate that a client receives an average of six hours of outpatient services per year.

Partial Hospitalization Services

Partial hospitalization provides care and treatment to those persons not able to immediately maintain or resume community roles and responsibilities on a full-time basis. These services are more intensive and comprehensive than outpatient services but less intensive than 24-hour care. Services are provided on a planned and regularly scheduled basis

Acute Mental Health Services (continued)

Program Analysis: (continued)

for parts of days, nights, or weeks. The flexibility allows persons to maintain contacts with their community, family and employment. The program also provides a supportive environment for those persons who are resuming community relationships after short and long-term inpatient care.

It is projected that the number of persons receiving partial hospitalization services will increase by about three percent annually and the hours of partial hospitalization services provided will increase by about seven percent annually. The number of persons receiving partial hospitalization is a substantial increase over last year's projections. This difference may reflect some increase in the number of persons in partial hospitalization but also it results from revisions to last year's data base.

Short-term Inpatient Services

Short-term inpatient care is 24-hour continuous hospitalization in a licensed community psychiatric facility

for a maximum of 60 days. Community inpatient services are appropriate when an individual requires intensive treatment during periods of unusual stress. Supervision as well as intensive treatment are provided to individuals who are unable to manage themselves because of deep depression, severely disturbed behavior or extreme confusion.

This intensive community service benefits the client in that disruption in an individual's life is minimized and contact with family and friends can be maintained. These factors can help reduce an individual's longer term dependence on mental health systems.

Clients receive an average of eighteen days of inpatient services per stay and the growth rate for the number of clients served is less than two percent. A special study was conducted which showed that the average length of stay in inpatient services has decreased and the average is expected to decrease to about 14 days by fiscal year 1989-90. The number of clients receiving inpatient services is now reported as an unduplicated annual figure.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Community Mental Health Services	<u>\$ 55,670</u>	<u>\$ 58,821</u>	<u>\$ 59,891</u>	<u>\$ 63,065</u>	<u>\$ 66,019</u>	<u>\$ 69,121</u>	<u>\$ 72,377</u>

Rehabilitative Services

OBJECTIVE: To reduce dependence on the mental health service system by enabling mentally disabled individuals to live in as independent a manner as possible through the provision of an array of residential rehabilitation services and supportive vocational and social rehabilitative services.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 16,870	\$ 17,646	\$ 25,220	\$ 26,671	\$ 28,022	\$ 29,440	\$ 30,930
Federal Funds	6,465	6,276	6,567	6,567	6,567	6,567	6,567
TOTAL	\$ 23,335	\$ 23,922	\$ 31,787	\$ 33,238	\$ 34,589	\$ 36,007	\$ 37,497

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons receiving community residential rehabilitative services	4,439	4,951	4,951	4,951	4,951	4,951	4,951
Persons discharged to independent living ..	1,193	1,330	1,330	1,330	1,330	1,330	1,330
Community residential rehabilitative slots available	2,554	2,849	3,299	3,299	3,299	3,299	3,299
Days of community residential rehabilitative services	745,768	831,908	831,908	831,908	831,908	831,908	831,908
Persons receiving vocational rehabilitation services	4,272	4,469	4,675	4,890	5,115	5,350	5,596
Days of vocational rehabilitation	238,982	253,321	268,520	284,631	301,709	319,812	339,001
Persons receiving social rehabilitation services	12,480	13,229	14,023	14,864	15,756	16,701	17,703
Hours of social rehabilitation (in thousands)	1,146	1,214	1,287	1,365	1,446	1,533	1,625

Program Analysis:

Unlike other community services, rehabilitative services are oriented toward, but not exclusively for, individuals discharged from a State mental hospital into the community. Since 1965-66, the State mental hospital population census has declined from 35,071 to less than 10,000 in 1983-84. This decline does not indicate fewer mentally disabled individuals living in the State. Rather, it indicates that these mentally disabled individuals are rejoining or remaining in the community rather than residing in a State mental hospital. After a stay in the hospital, many individuals require a transitional period of residential, vocational, and/or social programming before they are able to assume community roles and responsibilities on a full-time basis. With

the emphasis on community care, a population with needs similar to the mentally disabled discharged from State hospitals has developed in the community. The emergence of this population in the community has resulted in an increase in persons without a previous stay in a State mental hospital using rehabilitative services.

Funding for the annualization of residential, vocational, social, and case management services has been recommended in the budget. Thus continuing to provide for increased adult and child community residential rehabilitation slots, increased vocational rehabilitation slots, and expanded provision of social rehabilitation and case management services.

Rehabilitative Services (continued)

Program Analysis: (continued)

Residential Services

Community residential rehabilitation (CRR) facilities provide transitional living arrangements for those mental health clients who are unable to make a successful adjustment to community living. CRR programs provide rehabilitative training in community living skills. After a period in the program, clients are expected to be capable of functioning in an independent living situation with minimal follow-along or to be ready for placement in a long-term sheltered setting, such as domiciliary care or foster care.

In a CRR program, the provider acts as landlord to the client; i.e., the provider owns or leases the residential site and subleases to the client. Three levels of residential programming are provided.

Full Care: provides intensive and structured living accommodations and a full range of personal assistance and psychosocial rehabilitation for mentally disabled persons who display severe community adjustment problems. On site staff are present whenever clients are present. Planned program activities are geared toward increased independence in residential and community functioning. The anticipated length of stay is 6 to 12 months. Full care facilities are either clustered apartments or group homes.

Partial Care: provides living accommodations with staff regularly scheduled and on call the remaining hours. Clients, who display community adjustment problems, are provided personal assistance, psychosocial services and rehabilitation training. The expected length of stay is from 6 months to 2 years. Two levels of supervision are included in partial care.

Moderate Supervision: provides daily on-site supervision of three hours per day or more and community living skills. Training includes self-care, homemaking, time and money management, leisure use, and utilization of community agencies and resources. Moderate supervision settings are typically clustered apartments or group homes.

Minimum Supervision: provides on-site supervision of less than three hours per day. Training services are geared toward maintaining residential and community living skills. This setting is provided for clients with a high level of functioning and who may be expected to become independent. Program settings are usually clustered or scattered site apartments. Projections for persons receiving community residential rehabilitative services and persons discharged to independent living are higher than previous projections. These increases result in more utilization of existing program slots primarily because the program is being better understood and provider involvement has increased. During the 1984-85

fiscal year, 4,951 persons are expected to be served in 2,849 slots at an average of 5.6 months per person. Approximately 27 percent of persons served in 1984-85 are expected to be discharged to independent living.

The Governor's recommended budget includes \$3.7 million in State funds for the expansion of 450 community residential rehabilitation slots for adults and children and \$2.1 million for the annualization of CRR slots added in fiscal year 1984-85.

This program revision also addresses the need expressed by providers, families, advocacy groups and mental health offices for new intensely and maximum supervised CRR spaces.

Vocational Services

The importance of the full rehabilitation of an individual is recognized within the mental health system. Full rehabilitation facilitates independence and community integration. Vocational services are oriented toward assisting an individual achieve the highest level of vocational adaptation. Vocational rehabilitation activities include vocational evaluation, job counseling, work adjustment training, and sheltered employment.

An estimated 4,469 persons will receive 253,321 days of vocational rehabilitative services in fiscal year 1984-85. The number of clients for fiscal year 1984-85 is lower than the number that was estimated last year. This difference is due to an increase in the average number of days of vocational rehabilitation received per client. It was previously estimated that each client would receive 50 days of service; however, the current data shown an increase of 55 days of service per client. It is anticipated that the number of clients served will increase at an annual rate of 4.6 percent and the days of service will increase at a rate of six percent annually.

Socialization Services

Social rehabilitation services are designed to make community or independent living possible through teaching or improving self-care, personal behavior and social adjustment. These service objectives are aimed at raising an individual's level of social competency and decreasing the need for structured supervision. Activities include social education, adult day training programs, in-home training, day and evening recreation and socialization programs, drop-in centers, and psychiatric resocialization programs.

It is anticipated that during fiscal year 1984-85, 13,229 clients will receive 1,214,000 hours of social rehabilitative ser-

Rehabilitative Services (continued)

Program Analysis: (continued)

vices. These estimates are substantially higher than previous projections. This large increase is the result of special efforts that have encouraged the development and expansion of social rehabilitative services. For coming years, it is expected that the number of persons and hours of social rehabilitation services will increase at an annual rate of six

percent.

The measure, days of social rehabilitation, was changed to hours of social rehabilitation. Changing the measure to reflect hours is a more accurate reflection of the nature of the service which is generally provided on less than a full day basis.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Community Mental Health Services	<u>\$ 16,870</u>	<u>\$ 17,646</u>	<u>\$ 25,220</u>	<u>\$ 26,671</u>	<u>\$ 28,022</u>	<u>\$ 29,440</u>	<u>\$ 30,930</u>

Institutional Care

OBJECTIVE: To reduce the mental disabilities of individuals and to restore their capacity to function in a community setting or an alternate treatment or residential setting in as short a period of time as possible by providing high quality, intensive inpatient psychiatric care, treatment, and programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 288,437	\$ 305,881	\$ 311,711	\$ 322,099	\$ 335,103	\$ 348,627	\$ 362,692
Federal Funds	114,844	121,003	118,459	122,000	125,648	129,405	133,240
Other Funds	39,426	42,642	38,118	39,242	40,399	41,591	42,819
TOTAL	\$ 442,707	\$ 469,526	\$ 468,288	\$ 483,341	\$ 501,150	\$ 519,623	\$ 538,751

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Rated bed capacity in State mental hospitals	10,196	9,488	9,393	9,300	9,207	9,115	9,024
State Mental Hospital population at end of fiscal year	8,616	8,358	8,107	7,945	7,866	7,788	7,710
Admissions to State mental hospitals	7,166	7,260	7,405	7,489	7,648	7,726	7,804
Discharges from State mental hospitals	7,474	7,152	7,331	7,333	7,412	7,493	7,574
Length of stay for residents of State mental hospitals:							
From: - but less than:							
0 - 6 months	2,014	2,173	2,108	2,066	2,045	2,025	2,005
0 - 6 months - 1 year	676	669	649	636	629	623	617
1 year - 3 years	1,475	1,421	1,378	1,351	1,337	1,324	1,310
3 years - 5 years	817	752	730	715	708	701	694
5 years - 10 years	1,012	1,003	973	953	944	935	925
10 years - 20 years	636	585	567	556	551	545	540
20 - years	1,986	1,755	1,702	1,668	1,652	1,635	1,619
Persons readmitted to State mental hospitals	3,475	3,557	3,628	3,670	3,748	3,786	3,824
Persons referred to and served by a base service unit upon discharge	4,575	4,363	4,472	4,473	4,521	4,571	4,620

Program Analysis

The State mental hospitals provide active inpatient psychiatric treatment. Specialized regional services based on population need are provided to psychiatric/geriatric patients, chronically ill, children and youth, and forensic populations. This specialization reflects the State's commitment to meeting its residents' needs through the integration and continuum of care between the community and hospital programs.

From fiscal year 1965-66 to fiscal year 1983-84, the State

mental hospital inpatient population has declined approximately 76 percent. This decline is attributed to improved programming, increases in trained professional staff, shifts toward community receptivity, chemotherapy and community-based treatment centers which enable mentally disabled individuals to remain in the community. However, due to the atypical trends that occurred within the population served in fiscal year 1983-84, it is predicted that there will be a range of decline between 3.0 percent and 1.0 per-

Institutional Care (continued)

Program Analysis: (continued)

cent over the next six years. Although the patient population continues to decrease, the rate of decrease is occurring at a slower pace than what has been previously reported.

The experience of fiscal year 1983-84 in comparison to the 1982-83 year has shown that admissions increased by one percent. However, the overall end of the year census declined by eight percent. This decline is more than what was projected to occur due to the closing of Dixmont State Hospital during fiscal year 1983-84. Therefore, this closing contributes to the atypical comparative data.

In spite of the slight increase in admissions, the overall system discharge rate increased by eight percent which indicates that active treatment met the challenge and demand of the increased population and successful discharging took place. Also the community MH programs are becoming more receptive to working cooperatively with the hospital staff in finding appropriate community placements. Readmissions for the second consecutive year were less than first admissions which is attributed again to the quality of treatment being administered at the hospital and the improved support services being provided in the community.

The trend of lengths of stay data continues to show a decline in longer lengths of stay and an increase in shorter lengths of stay. This trend is expected to continue as indicated in the future year projections.

Because fiscal year 1983-84 was an atypical year, the population projections are estimated very conservatively. Until a comparison can be made between 1983-84 and 1984-85 population census, it is hard to predict whether the overall State mental hospital system is leveling off or whether there will be significant shifts upward or downward in the treatment demands on the hospital system.

Another trend that is occurring is that more patients are being referred and served by a base service unit upon discharge than in previous years. This indicates that the patients discharged are persons whose aftercare needs are more suited to alternative services provided in the community. The trend continues to show the successful efforts being made to reintegrate former State mental hospital patients in the community.

This year's recommended budget provides \$884,000 in State funds for an expansion of 40 additional forensic beds at Philadelphia State Hospital in order to meet the increased demand for medium security beds attributable to factors such as overcrowding in State and county correctional facilities and heightened awareness of security issues related to forensic patients and facilities. During 1983-84, the unit's occupancy rate has been in excess of 99 percent and the waiting list for admissions has routinely ranged between 15 and 20.

Prior to fiscal year 1983-84, the State Restoration Centers (South Mountain and Western) were identified as such and received State funds through a separate appropriation. However, with the facilities' consolidation occurring in Western Pennsylvania during fiscal year 1983-84, the remaining State Restoration Center at South Mountain is now funded as a facility under the appropriation for State Mental Hospitals. Previously, four measures were shown for the State Restoration Centers.

The total number of patients receiving skilled nursing care at South Mountain Restoration Center is 30 with an average length of stay totalling 1,246 days. There are also 755 intermediate care patients who have an average length of stay totalling 1,099 days.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Mental Hospitals	<u>\$ 288,437</u>	<u>\$ 305,881</u>	<u>\$ 311,711</u>	<u>\$ 322,099</u>	<u>\$ 335,103</u>	<u>\$ 348,627</u>	<u>\$ 362,692</u>

Youth Development Services

OBJECTIVE: To minimize the incidence of juvenile delinquency and to develop the capacity for constructive community living among court adjudicated youths that are committed to the Commonwealth's youth development facilities and forestry camps.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 28,682	\$ 26,861	\$ 27,365	\$ 28,460	\$ 29,600	\$ 30,780	\$ 32,000
Federal Funds	2,214	2,554	2,201	2,085	2,100	2,115	2,130
Other Funds	50	55	55	58	61	64	67
TOTAL	\$ 30,946	\$ 29,470	\$ 29,621	\$ 30,603	\$ 31,761	\$ 32,959	\$ 34,197

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Court adjudicated juveniles in Commonwealth	15,500	15,000	15,000	15,000	14,500	14,000	14,000
Court adjudicated juveniles admitted to State children and youth programs	900	850	850	850	825	800	800
Average daily census of State-operated programs:							
Non-secure programs	356	295	295	295	290	290	290
Security programs	220	223	233	240	240	235	235

Program Analysis:

Pennsylvania's juvenile justice system consists of residential and non-residential services. The residential service component is provided by a series of public and private facilities. The youth development centers and forestry camps are State operated programs designed to rehabilitate court committed youth. There are three major components: the two youth forestry camps which are small non-secure facilities located in State parks; the youth development center non-secure beds located at three sites; and the youth development center secure beds for the most serious offenders located on the grounds of two youth development centers and at four satellite facilities. An estimated 850 children will be admitted to these State operated facilities in 1985-86.

This program's primary objective is to bring about a positive change in behavior patterns among court adjudicated delinquent juveniles. These services will enable the youth to return to the community and function in a socially acceptable manner.

Pennsylvania's juvenile justice system is a three tiered correctional program of secure, residential, and community care. This enables a youth to receive the intensity of treatment required in the least restrictive setting possible. This

strategy is in keeping with the department's efforts to minimize widespread institutionalization while recognizing that confinement is necessary for certain juveniles who pose a threat to themselves or others.

Specialized service programs have been developed recently. At New Castle Youth Development Center a unit has been established for youth who have severe emotional problems but do not meet the criteria for placement into the mental health system. A program to rehabilitate sex offender delinquent males has been implemented also at New Castle. The Loysville Youth Development Center continues to operate a unit for the treatment of youth who committed a serious offense and are judged to be mentally retarded.

Funds have been provided in 1985-86 to establish a long-term facility for the treatment of serious youthful offenders who need several years of supervised care to be rehabilitated while providing necessary protection to the public.

The youth facilities five-year plan emphasizes the need to have Commonwealth operated facilities provide those specialized needs that are not readily available elsewhere. Private facilities will be relied upon to provide additional non-secure and community-based care.

Youth Development Services (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Youth Development Institutions and							
Forestry Camps.....	<u>\$ 28,682</u>	<u>\$ 26,861</u>	<u>\$ 27,365</u>	<u>\$ 28,460</u>	<u>\$ 29,600</u>	<u>\$ 30,780</u>	<u>\$ 32,000</u>

Family Support Services

OBJECTIVE: To promote and strengthen family life and to prevent the breakup of the family unit because of emotional, economic or social problems.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 159,517	\$ 148,707	\$ 146,826	\$ 153,167	\$ 159,842	\$ 166,929	\$ 174,368
Federal Funds	137,691	164,266	145,489	148,928	152,344	155,903	159,586
TOTAL	\$ 297,208	\$ 312,973	\$ 292,315	\$ 302,095	\$ 312,186	\$ 322,832	\$ 333,954

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Incidence of reported child abuse	15,872	16,650	17,480	18,350	19,200	20,100	21,000
Children receiving child welfare services:							
In home	39,440	39,830	41,050	41,300	41,600	41,900	42,250
In placement out of home	12,259	12,700	12,500	12,100	11,800	11,500	11,200
In placement two years or more	4,481	4,400	4,300	4,170	4,020	3,900	3,770
Agency arranged adoptions	656	700	760	820	900	970	1,050
Children receiving day care	22,800	22,500	23,000	23,000	22,500	22,000	21,500
Adult services:							
Information and referral contacts	83,830	84,000	84,500	84,700	85,000	85,000	85,000
Life skills education training sessions	10,928	11,000	11,200	11,500	11,500	11,500	11,500
Employment assistance cases	6,070	6,500	7,000	7,000	7,000	7,000	7,000
Rides provided	19,852	20,800	21,000	21,000	21,000	21,000	21,000
Clients receiving in-home services	25,692	26,000	27,000	28,000	28,000	28,000	28,000
Domestic violence:							
Clients	16,900	17,100	17,500	17,500	17,500	17,500	17,500
Days of shelter provided	38,100	38,200	38,800	39,000	39,000	39,000	39,000
Rape crisis/sexual assault:							
Clients	9,920	10,000	10,200	10,200	10,200	10,200	10,200
Service hours	94,900	95,000	96,500	96,500	96,500	96,500	96,500
Legal service hours	220,000	230,000	220,000	215,000	212,000	210,000	210,000
Family planning clients	79,400	79,500	80,000	80,000	80,000	80,000	80,000
Visually handicapped services provided	28,912	32,900	33,200	33,400	33,700	34,000	34,000

Program Analysis:

The purpose of this program is to promote the independence and self-sufficiency of individuals and family units by providing a variety of social services intended to reduce the emotional and social problems that frequently accompany financial need. It is expected that some of the services will in turn facilitate employment thereby reducing financial dependence.

Children are often the victims when emotional, social, or economic problems strike a family. The provision of services to children who are in need of care and protection is the joint responsibility of the Department of Public Welfare and county government. Each county is responsible for developing and administering a program of services designed to treat and prevent child abuse, neglect, and exploitation

Family Support Services (continued)

Program Analysis: (continued)

and to provide services which reduce dependency and delinquency. The county children and youth program includes services to parents and children to enable children to remain in their own homes and communities; temporary placement services for children who cannot live with their own families; adoption services; assistance to provide a permanent legal family for any child who cannot be returned to his own family; and any service or care ordered by the court for children who have been adjudicated dependent or delinquent.

The Department of Public Welfare emphasizes treatment in a child's home when outside intervention and care is considered necessary. Protective services, homemaker services, life skills education, and counseling are all delivered with this objective in mind. The program measure for children receiving child welfare services reflects this approach as the number of children receiving services in their homes increases while services delivered outside the home decreases.

Another child welfare service objective is reduction of the time children must remain in temporary placement away from their families. Case planning and case review procedures have been established to insure that children will remain in placement only as long as necessary. The program measure, children in placement for two years or more, is declining which suggests that the Department's goal of a one percent annual reduction is being achieved.

In those cases where a child in placement cannot be returned home, the Department is placing more emphasis on adoption. The program measures for agency arranged adoptions show a decrease from those reported a year ago in the number of children whose adoptions have been finalized. Two resources will be used to address this situation. First, the Federal Adoption Assistance program will provide additional funding to support adoption of children with special needs. The Department will also be working to implement Act 64 of 1984 which mandates registration of hard to place children with the Pennsylvania Adoption Cooperative Exchange. This statewide network seeks to match children needing adoptive parents with potential parent applicants.

A \$500,000 appropriation is recommended in 1985-86 to enable county child welfare agencies to provide housing assistance to parents who have voluntarily placed their children in foster care due to economic or medical problems, and who could have their children returned to them once they establish a home.

An additional \$2,760,000 is recommended in 1985-86 to expand child abuse services. This program revision is discussed in further detail in the Program Revision which follows this subcategory.

Day care activities serve a dual purpose of providing a developmental approach to child care, and enabling parental employment or vocational training so that families can achieve and maintain economic self-sufficiency. The community based delivery program includes family day care, infant-toddler care, preschool and school-age care. The department has developed a system of reimbursement for actual units of care provided, which encourages and rewards efficiency and economy among providers in the system. A competitive bidding system of awarding contracts to private providers was implemented in 1982-83. Eligibility for services is determined at the local provider level. Recommended State funding for day care is \$3 million higher in 1985-86 than in the previous year. Up to \$1.5 million of this amount will be used for "latchkey" programs for school-age children before and after school and during school vacations.

Services to victims of domestic violence and sexual assault are provided through grants to two statewide coalitions. State and Social Service Block Grant funds are used to purchase emergency shelter services, counseling, and preventive educational programs. Recommended total funding in 1985-86 is ten percent higher than the prior year. State funding initially became available for these centers after enactment of legislation which levied an additional fine on persons convicted of violent crimes.

The department also contracts for a legal services program designed to provide low income people with access to legal assistance in civil matters. These services do not include political activities, services to organizations, or services in criminal matters.

Family planning service meets contraceptive needs or infertility problems through the provision of educational, medical, and social services. The service enables individuals to determine family size, to space children, and to prevent or reduce the incidence of unplanned pregnancies.

Services for the blind and visually handicapped are provided both directly by agency staff and through contracts with private providers. A primary goal of the program is to help the blind and visually handicapped develop the adaptive skills necessary to function independently in the home, community and work place.

The Human Services Development Fund was initiated in 1984-85 in the amount of \$4 million. Counties are able to use the fund for existing categorical services, generic services, new services, or coordinated planning and management activities. The fund is based on the concept that the counties can best decide how to fill in service gaps at the local level. An initial analysis of the county plans reveals

Family Support Services (continued)

Program Analysis: (continued)

that the counties have used the broad discretion of the fund both responsibly and creatively. The fund is considered an important adjunct to the State categorical human service programs. It allows the counties to individualize their programs and make them more comprehensive according to local needs. Since the Human Services Development Fund

gives counties greater flexibility in allocating resources, the more restrictive Adult Services Block Grant is being merged into the fund. Recommended total funding in 1985-86 increases to \$18.1 million which includes \$2 million in State funds.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 2,940	\$ 2,651	\$ 2,693	\$ 2,910	\$ 3,150	\$ 3,405	\$ 3,685
County Child Welfare	133,644	118,644	110,816	115,250	119,860	124,650	129,640
Child Abuse			2,760	2,890	3,040	3,190	3,350
Foster Care			500	520	540	562	585
Day Care Services	16,660	17,000	20,000	21,000	22,000	23,100	24,200
Domestic Violence and Rape Crisis	1,810	1,882	2,338	2,455	2,578	2,707	2,842
Legal Services		1,000					
Adult Services Block Grant	1,780	1,856					
Human Services Development Fund			2,000	2,200	2,500	2,900	3,400
Visually Handicapped	2,523	5,535	5,577	5,800	6,032	6,273	6,524
Beacon Lodge Camp — Blind Services ..	30	35	36	36	36	36	36
Homes for the Blind	30						
Arsenal Family and Children's Center ...	100	104	106	106	106	106	106
GENERAL FUND TOTAL	\$ 159,517	\$ 148,707	\$ 146,826	\$ 153,167	\$ 159,842	\$ 166,929	\$ 174,368

**Family Support Services
Program Revision: Child Abuse Services**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>.....</u>	<u>.....</u>	<u>\$ 2,760</u>	<u>\$ 2,890</u>	<u>\$ 3,040</u>	<u>\$ 3,190</u>	<u>\$ 3,350</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Children receiving child welfare services in home:							
Current	39,440	39,830	40,050	40,230	40,470	40,700	41,000
Program Revision	<u>.....</u>	<u>.....</u>	<u>41,050</u>	<u>41,300</u>	<u>41,600</u>	<u>41,900</u>	<u>42,250</u>

Program Analysis:

This Program Revision is being recommended in response to an increase in reported cases of child abuse and the Commonwealth's policy of strengthening the community-based service system.

The \$2,760,000 in additional funds will enable county child welfare agencies to expand activities and services which protect the health and safety of children who are without proper parental supervision or who have been neglected, ex-

ploited, or injured by their parents or caretakers. Services will be provided to deal with the trauma experienced by abused children and to provide counseling to parents who are abusing their children. Emphasis will be placed on improving the quality and expanding the quantity of in-home services which reduce child abuse and help to keep families together.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Child Abuse	<u>.....</u>	<u>.....</u>	<u>\$ 2,760</u>	<u>\$ 2,890</u>	<u>\$ 3,040</u>	<u>\$ 3,190</u>	<u>\$ 3,350</u>

MENTAL RETARDATION CATEGORY ANALYSIS

With the passage of the Mental Health and Mental Retardation Act of 1966, the public recognized the potential for serving persons with mental retardation in community settings rather than in institutions. This budget presentation delineates services, in part, by the location of services, and further, by the degree of restrictiveness.

The goal of the mental retardation service system is to provide the skills and training required for individuals to reach their greatest potential in the least restrictive setting. Services provided are viewed on a continuum of restrictiveness. Restrictiveness is related to the degree of independence and freedom that the individual is able and prepared to manage. For many years, the potential of persons with mental retardation to function in settings which were less restrictive than institutions was not recognized.

The continuum identifies the least restrictive services as those community based services provided to individuals who either live at home with families or live independently in the community. A variety of support services are provided to this population so that they can maintain their independence.

Residential services are provided for those individuals who require additional training prior to moving to a more independent setting or who will require a higher degree of support to function in the community. Several levels of restrictiveness are represented within the community residential services component. Community based support services are also provided to this population.

Licensed community residential facilities for the mentally retarded represent the least restrictive of residential settings. Individualized developmental programs are provided for children and adults. Special medical and behavior shaping services also are made available to enable retarded individuals to remain in community settings.

State-operated intermediate care facilities for the mentally retarded (ICFs/MR) provide habilitative services to clients who require intensive treatment programs. Ten State centers and seven mental retardation units on the grounds of State hospitals comprise this service mode. Over half of the funding for the State-operated ICFs/MR is made available through the Medicaid program (Title XIX of the Social Security Act).

Non-State operated intermediate care facilities for the mentally retarded provide community residential services as an alternative to placement in State-operated facilities. These facilities qualify for the same Federal reimbursement through the Medicaid program as State-operated facilities.

Beginning in Fiscal Year 1983-84, Federal Medicaid funds have been made available for Community Residential Programs through limited waivers available under Section 2176 of the 1981 Omnibus Reconciliation Act. Additional community residential service capacity under the 2176 Medicaid Program is financed by transfer of funds from State centers. Clients from State centers, as well as individuals referred from the community have been placed under this program. This major change has reduced State and Federal costs in the State centers and provided a method for obtaining Federal participation in the cost of community MR programs.

Mental Retardation Systems Support

OBJECTIVE: To ensure the availability of services that are of a quality and quantity sufficient to ensure the maximum growth and development of mentally retarded persons.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 13,312	\$ 10,732	\$ 11,272	\$ 11,931	\$ 12,629	\$ 13,370	\$ 14,158
Federal Funds	9,218	9,321	9,293	9,359	9,428	9,499	9,573
TOTAL	\$ 22,530	\$ 20,053	\$ 20,565	\$ 21,290	\$ 22,057	\$ 22,869	\$ 23,731

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons receiving mental retardation services at end of year	38,736	38,912	39,334	39,442	39,523	39,582	39,624
Persons potentially eligible for MR services	107,055	106,901	106,748	106,595	106,440	106,286	106,133
Persons who are in:							
State operated residential programs	6,263	5,830	5,917	5,892	5,867	5,842	5,817
State funded residential programs	5,775	6,302	6,721	6,721	6,721	6,721	6,721
Private residential programs	1,832	1,832	2,116	2,116	2,116	2,116	2,116

Program Analysis:

The mental retardation service delivery system provides a continuum of supportive services which are available in a variety of modalities from most restrictive to least restrictive depending upon individual client needs. The service delivery system is founded on the principle of normalization which requires that persons with mental retardation have access to patterns and conditions of everyday life which are as close as possible to the norms and patterns of the mainstream of society.

Systems support is an essential component of the mental retardation service system providing resources for planning, coordination, evaluation, administration, personnel development and research. Such activities contribute to the improvement of existing services and support planning for those persons in need of services. The mental retardation category includes four subcategories, in addition to Mental Retardation Systems Support. The subcategories, Community Based Services, Community Residential Services, Private Intermediate Care Facilities, and State Centers, summarize major groups of services designed to reach system objectives.

The measure, persons receiving MR services at the end of the fiscal year, is comprised of persons who currently receive services through county MR programs, including

those residing in State-operated, State-funded and private residential programs. The slight increase in this measure is related primarily to the overall increase in the county MR caseload which is explained in the Community Based Subcategory Analysis. The measure, persons potentially eligible for MR services, was calculated at 0.9 percent of the total State population and is related to the projected prevalence of mental retardation. This measure reflects a slightly higher number of persons due primarily to a higher 1983 estimate of Pennsylvania population and less of a decline for the projected year.

The last three measures in this subcategory reflect persons who are in 1) State-operated residential programs composed of State centers and mental retardation units on the grounds of State mental hospitals; 2) State-funded (county-administered) and licensed community MR residential programs; and 3) private residential programs composed of large and small intermediate care facilities for the mentally retarded (ICFs/MR).

The projected population of State-operated residential programs shows a reduction below that shown in last year's projections due primarily to the Pennhurst dispersal efforts and the implementation of the medicaid community waiver

Mental Retardation Systems Support (continued)

Program Analysis: (continued)

process. Data for the measure, State-funded residential programs, in 1983-84 reflect actual persons residing in community MR residential facilities at the end of the fiscal year. The lower actual number for fiscal year 1983-84 and slight increase in 1984-85 is due primarily to the inability of counties to place all 1983-84 medicaid community waiver clients during those years. In the measure, private residential programs, data reflects an increase in private ICF/MR clients in 1985-86 due primarily to Woodhaven Center's change of status to a private ICF/MR facility. More in-depth analyses for these three measures appear under the appropriate sub-category headings.

Funds have been recommended in the budget for the monitoring of fiscal procedures and operation of the community residential programs. This will continue to enhance

the monitoring efforts for which funds were specifically appropriated in fiscal year 1984-85.

Data collection and reporting systems provide the means to measure the effect that the delivery system has on its clients. Data are collected and reported mainly through the use of two information systems: the patient/client information system (PCIS) and consolidated community reporting (CCR). PCIS is an integrated computerized management information system which collects, stores and retrieves data for use in monitoring and analyzing client activity in State centers, MR units and community MR residential facilities. The system is capable of producing management reports at the facility, regional and central office levels, and produced State-operated facilities' resident profiles. CCR provides information support for community-based services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,442	\$ 1,188	\$ 1,199	\$ 1,296	\$ 1,400	\$ 1,515	\$ 1,640
Community Based Services — Mentally Retarded	11,656	9,444	9,973	10,531	11,121	11,743	12,401
Community Residential Services — Mentally Retarded	134	.....	.....	.....	.....	.....	.....
Monitoring Community Residential Contracts	80	100	100	104	108	112	117
GENERAL FUND TOTAL	<u>\$ 13,312</u>	<u>\$ 10,732</u>	<u>\$ 11,272</u>	<u>\$ 11,931</u>	<u>\$ 12,629</u>	<u>\$ 13,370</u>	<u>\$ 14,158</u>

Community Based Services

OBJECTIVE: To enable mentally retarded individuals to live in a community setting by providing services and support to the family and/or mentally retarded individual.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 48,655	\$ 54,697	\$ 65,061	\$ 68,881	\$ 72,630	\$ 76,584	\$ 80,754
Special Funds .....	.....	.....	2,200	2,200	2,200	2,200	2,200
Federal Funds	831	10,412	12,250	12,843	13,146	13,454	13,767
TOTAL	\$ 49,486	\$ 65,109	\$ 79,511	\$ 83,924	\$ 87,976	\$ 92,238	\$ 96,721

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons added to county MR caseload	7,248	7,238	7,227	7,217	7,206	7,195	7,186
Persons removed from county MR caseload	7,026	7,062	7,089	7,109	7,125	7,136	7,144
Active persons in county MR caseload	36,904	37,080	37,218	37,326	37,407	37,466	37,508
Persons living in independent and family arrangements	93,185	92,937	92,915	92,737	92,582	92,628	92,300
Preschool handicapped children receiving early intervention services	7,543	7,805	7,805	7,805	7,805	7,805	7,805
MR persons and/or their families provided family support services	13,273	15,906	15,906	15,906	15,906	15,906	15,906
Persons on waiting lists to receive adult day services	1,678	1,495	745	745	745	745	745
Persons receiving adult day services	9,307	9,490	10,240	10,240	10,240	10,240	10,240

Program Analysis:

The initial contact with the mental retardation (MR) service system is through community-based services. These nonresidential services include specific programs, such as early intervention services, family support services, and adult day services, which are made available to clients and their families through the county mental retardation program. These services are the least restrictive available to meet the needs of persons with mental retardation and present a significant alternative to placement in more restrictive residential settings.

The first three program measures in this subcategory depict client flow in the county MR program. Actual year figures are aggregates based on consolidated community reporting (CCR) by individual counties. In fiscal year 1983-84, 36,904 persons comprised the county MR caseload. Actual data show that 7,248 persons were added to the

caseload in 1983-84; projections for subsequent years are based on a ratio of additions to persons potentially eligible for MR services, which was 6.77 percent. Actual data reported show 7,026 removals for 1983-84. These removals from the county MR caseload were considerably higher than projected in last year's presentation. Projections for the measure, persons removed from county MR caseloads, for subsequent years are calculated at 19 percent of the caseload. This projection factor is based on the actual removal rate in relation to the actual caseload for fiscal year 1983-84.

Early Intervention Services

Early intervention services are designed to enhance the developmental progress of children with mental disabilities or at risk of developing mental disabilities, and to facilitate

Community Based Services (continued)

Program Analysis: (continued)

their entry into the public school system. Services include, but are not limited to, psychological services, physical, occupational, recreational and speech therapy, medical services, assessment, evaluation services and other services necessary to assure the child's maximum growth. The majority of children served in these programs are able to advance into higher level programs in the public schools either in general or special education classes. The need for more specialized services, including residential placements, is averted to the extent that children's needs are addressed early in life through this program.

Early intervention services for preschool children are usually conducted in day care settings and include training and instruction in the areas of self-help skills, fine and gross motor coordination, socialization, communication and related skills. Homebound programs are also provided. The basic program promotes development specified in the child's individualized program plan. Parent participation is encouraged as an integral part of the child's plan of development.

The measure, preschool handicapped children receiving early intervention services, shows the actual number of children served through these programs in fiscal year 1983-84 as reported through the consolidated community reporting (CCR) system. The actual number served (7,543) is significantly higher than last year's projection. This increase is due to the increasing number of children being identified as eligible for services. The available year figure reflects the expectation that at least 262 more children will be served due to the increased available funding.

During fiscal year 1984-85, the department signed an interdepartmental cooperative agreement with the Departments of Education and Health to coordinate the delivery of services to handicapped infants and preschool children and establish clear responsibilities for both State and local agencies. Under this agreement, the department will have primary responsibility for serving mentally disabled children and the Department of Education will insure provision of services to all handicapped children. The agreement also commits the Department of Health to assist in identifying and referring disabled children to the appropriate service programs in the Departments of Public Welfare and Education. During the spring of 1985, local agencies providing early intervention services will be required to develop interagency agreements with other providers of early intervention in their area.

Family Support Services

Family support services are designed to provide support to persons with mental retardation in the least restrictive setting appropriate to meet individual needs. Services are provided to individuals and their families with the objectives of preventing institutionalization and assisting persons with mental retardation in the successful adjustment from an institutional to a community life style.

Family support services include the following: (1) respite care—the provision of a temporary residence to a person with mental retardation when his family is experiencing stress, personal crisis, illness or need of a vacation; (2) family aid—the provision of sitter or companionship services for a few hours at a time which will allow the family to participate in various activities; (3) homemaker services—the provision of homemakers to perform essential household duties; (4) in-home therapy—the provision of occupational, physical or other rehabilitative therapies to the homebound person; (5) family education training services—the provision of programs designed to assist parents and other family members in dealing appropriately with a family member with mental retardation; (6) recreation and socialization services—the provision of leisure time programs; (7) special innovative services—the provision of unique services which cannot be classified in other categories, such as specialized driver's education.

However, beginning in fiscal year 1983-84, the concept of family support services was broadened beyond the scope of those services known as family resource services to include other types of family and client supports such as communications training — the provision of speech therapy, audiologic training and dactylogic therapy to enable the retarded person to communicate effectively in his/her environment; hearing aid evaluations to benefit persons with hearing deficits; mobility training — the provision of appropriate programming to enable the retarded person to function more independently at home and in the community behavioral programming — the provision of training to assist the retarded person in acquiring appropriate behavior; adaptive appliances — the provision of therapeutic equipment and special devices to enable retarded persons who are physically handicapped to be maintained at home and integrated into activities in the community; home rehabilitation — minor renovations to the home of a family to enable them to care for a retarded person in the home; special diets

Community Based Services (continued)

Program Analysis: (continued)

— assistance in planning or preparation of meals for medically involved persons.

Of the total number of persons living either independently or with their families, 13,273 persons and/or their families were provided one or more family support services in fiscal year 1983-84. During fiscal year 1984-85, funding was provided to make family support services available to an additional 2,633 persons/families on a half-year start-up basis. This effort to expand the availability of family support services to provide an appropriate alternative to out-of-home placement of persons with mental retardation will continue through policy and regulatory changes during the planning years.

Adult Day Services

Adult day services consist of prevocational and vocational training services. Traditional prevocational services have included adult day care which provides a program of activity to adults for whom vocational services are currently inappropriate. Specific activities emphasize personal and life management skills that prepare adults for entry into vocational training. Traditional vocational training services have included assessment, vocational and work evaluations, personal and work adjustment, and skill training usually provided in the work activity center or regular work program of a sheltered workshop. In fiscal year 1983-84 plans were developed to modify and expand the range of adult day services for persons with mental retardation. The implementation of the modification and expansion of adult day services began late in fiscal year 1983-84, was continued in fiscal year 1984-85 and will extend through ensuing years. Increase in the measure, persons receiving adult day services, reflects additional persons due to the jointly funded program between the department and the Office of Vocational Rehabilitation and increase of persons in the community due to the waiver process. This long-term effort is designed to improve existing types of services by structuring them in such a way as to promote a greater degree of movement of trainees into higher level habilitation programs and eventually into competitive employment. Another important

aspect of this planning effort is the expansion of the range and types of vocational training opportunities for adults with mental retardation to include an emphasis on the merits of non-traditional training alternatives such as mobile work forces, transitional employment and work stations in industry. It is anticipated that redirection of adult day services for persons with mental retardation will be a long-term project requiring the cooperation of public and private agencies at all levels.

The actual number of persons receiving adult day services at the end of fiscal year 1983-84 was 9,307. Projections indicate that the number of persons receiving adult day services in fiscal year 1984-85 will increase because of the Medicaid community waiver, the Pennhurst out-of-region placements and jointly funded demonstration projects of the Office of Vocational Rehabilitation and the Office of Mental Retardation. The number of persons receiving adult day services is expected to remain relatively stable through the planning years due to the long-term nature of the effort to redirect adult day services to promote a greater amount of client movement to higher levels of rehabilitation and eventually to competitive employment. The Governor's budget provides an additional \$1.7 million to continue expansion of adult day services. Data for the measure, persons on waiting lists to receive adult day services, are expected to decrease due to the number of individuals that will be served by this expansion.

The Department of Public Welfare in concert with the Juvenile Court Judges commission, and the Board of Probation and Parole will establish a mentally retarded offender pilot program modeled on the adult offenders program currently in operation in Lancaster County. An initial sum of \$80,000 in State funds is included in fiscal year 1985-86 to cover the cost of additional social workers skilled in dealing with the mentally retarded. The Board of Probation and Parole will provide funding for parole officers. The Juvenile Court Judges Commission will expand the Lancaster program to serve juveniles as well as adults.

The 1985-86 budget also provides increased funds to continue the deinstitutionalization efforts to move State Center clients into community programs.

Community Based Services (continued)

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Community Based Services—Mentally Retarded.....	\$ 48,455	\$ 39,389	\$ 49,453	\$ 52,503	\$ 55,443	\$ 58,549	\$ 61,827
Philadelphia Association of Retarded Citizens.....	200	208	208	208	208	208	208
Early Intervention .....	.....	15,100	15,400	16,170	16,979	17,827	18,719
GENERAL FUND TOTAL	\$ 48,655	\$ 54,697	\$ 65,061	\$ 68,881	\$ 72,630	\$ 76,584	\$ 80,754
LOTTERY FUND							
Community Mental Retardation Services — Elderly.....	.....	.....	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200
LOTTERY FUND TOTAL .....	.....	.....	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200	\$ 2,200

Community Residential Services

OBJECTIVE: To enable mentally retarded individuals to live in noninstitutional community settings and to increase their capacity for community and family living by promoting the acquisition of requisite skills and behavior and to provide community living settings.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 109,237	\$ 113,519	\$ 124,560	\$ 132,048	\$ 138,650	\$ 145,583	\$ 152,862
Federal Funds	1,192	14,184	19,588	23,493	24,285	25,114	25,980
TOTAL	\$ 110,429	\$ 127,703	\$ 144,148	\$ 155,541	\$ 162,935	\$ 170,697	\$ 178,842

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons residing in community residential MR facilities at end of fiscal year	5,775	6,302	6,721	6,721	6,721	6,721	6,721
during fiscal year	6,266	6,793	7,533	7,533	7,533	7,533	7,533
Additional community residential service capacity:							
For those residing in institutions	243	412	447	200	150	100	100
For those residing in the community	42	115	746	250	225	200	200
Residents of community residential MR facilities transferred to independent or family living arrangements	130	100	75	50	50	25	25

Program Analysis:

Following the evaluation and program plan development for a client with mental retardation, appropriate services must be provided if the client is to reach optimal functioning in society. In some cases, the client may be able to continue residence in the family or in an independent setting. In other cases, the client may need a more structured residential program in the community as preparation for independent or family living.

Community Residential Mental Retardation (MR) Facilities, previously known as Community Living Arrangements (CLA), and Private Licensed Facilities (PLF) serve both privately and publicly funded clients. Both programs are now licensed by the department under the Regulations for Community Residential Mental Retardation Facilities and are funded through the county program.

The Community Residential MR facilities program provides residential alternatives to institutionalization for persons with mental retardation unable to live independently or with their families. Through this program, persons with mental retardation have an opportunity to live in culturally normative residential settings within the community. The

ultimate goal is to help individuals become as economically self-sufficient and independent as possible and encourage each person to become an active participant in community life. Individualized services necessary to fulfill developmental needs are available through programs for both children and adults. Special medical and/or behavior shaping services are available in these settings to address individual needs.

Community Residential MR facilities are developed by counties in response to service needs identified in county plans and budget estimates. The measures, additional community residential service capacity required for those residing in institutions and in the community, for fiscal year 1983-84 report the actual increase in existing capacity. The 1984-85 fiscal year figures represent activity based on available funding and the future year projections reflect the estimated need indicated by the counties' annual plans. The increases in fiscal years 1984-85 and 1985-86 for those residing in institutions result from the anticipated placement of clients through the Medicaid Community Waiver and the Pennhurst placements.

Data shows that 5,775 persons were residing in Communi-

Community Residential Services (continued)

Program Analysis: (continued)

ty Residential MR facilities at the end of the 1983-84 fiscal year. The actual number of fiscal year 1983-84 is smaller than projected last year due to the inability of counties to place all 1983-84 Medicaid Community Waiver clients during the 1983-84 fiscal year. Ninety-five late start-up waiver clients scheduled for placement in 1983-84 will be placed in the community early in fiscal year 1984-85. The number of clients will increase to 6,302 at the end of Fiscal Year 1984-85, reflecting the inclusion of 407 additional Medicaid Community Waiver clients.

The recommended budget provides increased funding for

the residential placement of State Center clients in community settings.

During the 1983-84 fiscal year, 130 residents moved to independent or family living arrangements. This figure is less than last year's estimate due to the increasing number of severely and profoundly retarded persons, many of whom are children, who are entering community residential MR facilities. These persons will require a longer period for habilitation than the majority of persons who had been served in what were formerly known as Community Living Arrangements and Private Licensed Facilities.

Program Cost Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Community Residential Services — Mentally Retarded	<u>\$ 109,237</u>	<u>\$ 113,519</u>	<u>\$ 124,560</u>	<u>\$ 132,048</u>	<u>\$ 138,650</u>	<u>\$ 145,583</u>	<u>\$ 152,862</u>

**Community Residential Services
Program Revision: Dual Diagnosis — (MH/MR) Services**

Recommended Program Revision Costs:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 2,045	\$ 4,090	\$ 4,295	\$ 4,509	\$ 4,734
Federal Funds	545	1,089	1,089	1,178	1,225
TOTAL	\$ 2,590	\$ 5,179	\$ 5,384	\$ 5,687	\$ 5,959

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Dual diagnosed clients receiving specialized services	120	120	120	120	120

Program Analysis:

The purpose of this Program Revision is to meet the needs of mentally retarded persons who are dual diagnosed as mentally retarded with a psychiatric diagnosis of serious mental illness particularly psychotic disorders.

Historically, persons with mental retardation who also have a psychiatric disorder have received inadequate or inappropriate services. Mental health professionals often cite that the mentally retarded person's diminished communication skills and inadequate personal insight significantly reduce the potential for effective use of traditional mental health treatment techniques. Often, client behaviors are explained as just part of the person's mental retardation. Sometimes psychotropic medications are used in lieu of other treatments. On the other hand, mental retardation residential staff sometimes view behavior problems as psychiatric disorders when they could be more appropriately addressed through behavior-shaping methodologies typically used for persons with mental retardation. As a result, some dual diagnosed clients receive inadequate services from both systems because neither system is prepared to deal effectively with the client.

Dual diagnosed clients will be accommodated in the three existing settings: community residential programs, community-based services, and the State centers.

Modification of existing community residential programs will meet the specialized need for 100 dual diagnosed clients.

Clients will be selected primarily from State facilities (State Centers, MR Units, and Mental Hospitals), although a smaller number of similarly diagnosed persons will also be selected from existing community programs. Selections will be made by a team of MH and MR professionals.

Currently, persons with mental retardation who require treatment in a State Mental Hospital because of a serious mental illness cannot be treated effectively in a State Hospital without modified treatment methodology requiring changes in staff supervision and more highly structured routines and daily activities. In addition to the 100 clients to be served in community programs, two specialized care units of no more than 10 beds each will be established at two State Centers to serve dual diagnosed clients.

Residential services will be provided in community residential settings. Dual diagnosed clients may either be mixed with other clients or placed together in small residential settings. Specialized support staff at the residential program site will provide intensive care monitoring, consultation, direct care staff training, case coordination and treatment facilitation with local mental health services. Community mental health facilities will be given funds to develop and implement specific treatment and provide services for these clients. Such services will include emergency, after care, outpatient, short-term inpatient and partial hospitalization. In most instances, services will be provided to adults.

**Community Residential Services
Program Revision: Dual Diagnosis — (MH/MR) Services (continued)**

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Community Residential Services							
GENERAL FUND							
Community Residential Services — Mentally Retarded	<u> </u>	<u> </u>	<u>\$ 1,200</u>	<u>\$ 2,400</u>	<u>\$ 2,520</u>	<u>\$ 2,646</u>	<u>\$ 2,778</u>

In addition to the amount shown above this Program Revision is also included in the following subcategories:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Community Based Services							
GENERAL FUND							
Community Based Services — Mentally Retarded	<u> </u>	<u> </u>	<u>\$ 400</u>	<u>\$ 800</u>	<u>\$ 840</u>	<u>\$ 882</u>	<u>\$ 926</u>
State Centers							
GENERAL FUND							
State Centers for the Mentally Retarded .	<u> </u>	<u> </u>	<u>\$ 445</u>	<u>\$ 890</u>	<u>\$ 935</u>	<u>\$ 981</u>	<u>\$ 1,030</u>

Private Intermediate Care Facilities

OBJECTIVE: To enable institutionalized mentally retarded individuals to increase their capacity for community and family living by promoting the acquisition of requisite skills and behavior, and to move them into community settings.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 24,581	\$ 28,515	\$ 35,015	\$ 36,496	\$ 38,139	\$ 39,855	\$ 41,648
Federal Funds	31,418	35,422	45,680	47,830	49,982	52,231	54,582
TOTAL	\$ 55,999	\$ 63,937	\$ 80,695	\$ 84,326	\$ 88,121	\$ 92,086	\$ 96,230

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Persons served in private ICF/MR program:							
In facilities with fifteen or less beds	350	350	350	350	350	350	350
In facilities with more than fifteen beds .	1,482	1,482	1,766	1,766	1,766	1,766	1,766

Program Analysis:

The Private Intermediate Care Facility for the Mentally Retarded (ICF/MR) program is part of the Federal/State Medicaid (Title XIX) Program. The private ICF/MR program provides intensive habilitative services to mentally retarded persons and persons with related conditions. Large facilities are single or multiple buildings on campus-like sites accommodating more than 15 clients. Small facilities are located on noncontiguous sites in the community. The cost of operating these programs is shared with the Federal government.

Clients in private ICFs/MR are typically more disabled and require more intensive services than those currently served in community residential MR facilities. The majority of clients are severely or profoundly retarded with many secondary handicaps.

In the continuum of long-term care, large ICFs/MR are equivalent to State centers. Clients enter by way of referrals from county MR programs, State Centers, and other ICFs/MR and the community. Private ICFs/MR are required to meet stringent Federal requirements for licensure and certification. The requirements pertain to the program

services and staffing of the facilities, as well as the environment and safety of the persons served. The Pennsylvania Department of Health, as the State Survey Agency, conducts survey activities and recommends licensure and certification to the Department of Public Welfare (DPW). DPW both licenses and certifies ICFs/MR.

The small, private program (15 or less beds) consisted of 350 beds in Fiscal Year 1983-84. During fiscal year 1984-85, the number of beds is expected to remain constant, as no new development activities or capacity changes are anticipated.

During the 1983-84 fiscal year, ICFs/MR of 16 beds or greater served 1,482 persons. During fiscal year 1984-85, the number of beds is anticipated to remain constant as no new development or expansion are planned to occur. However, for fiscal year 1985-86, the number of beds in large private ICF/MR programs is expected to increase by 284 beds. Woodhaven Center, currently operated as a State-operated ICF/MR under a contract with Temple University, will become a large private ICF/MR, thus adding 284 beds to the private ICF/MR program.

Program Cost by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Intermediate Care Facilities — Mentally Retarded	\$ 24,581	\$ 28,515	\$ 35,015	\$ 36,496	\$ 38,139	\$ 39,855	\$ 41,648

State Centers

OBJECTIVE: To provide a structured program environment for mentally retarded individuals to increase their capacity in as short a time as possible for community and family living by promoting the acquisition of requisite skills and behavior and to move them into appropriate alternative community settings.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 130,194	\$ 122,661	\$ 105,446	\$ 110,127	\$ 114,531	\$ 119,113	\$ 123,877
Federal Funds	144,646	151,806	142,982	147,689	151,972	156,379	160,914
Other Funds	14,751	15,864	12,900	13,283	13,678	14,085	14,504
TOTAL	\$ 289,591	\$ 290,331	\$ 261,328	\$ 271,099	\$ 280,181	\$ 289,577	\$ 299,295

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
People living in State centers at end of fiscal year	5,750	5,317	4,817	4,817	4,817	4,817	4,817
People living in mental retardation units at end of fiscal year	513	513	513	513	513	513	513
People moving from State centers and mental retardation units to community residential settings	320	412	796	100	50	50	50

Program Analysis:

In the continuum of mental retardation services, the most restrictive settings include the ten State-owned centers and seven mental retardation units located on the grounds of State mental hospitals. The population of these facilities has steadily decreased since the late sixties; a trend directly attributable to the continued emphasis on provision of supportive services in the community.

The total June 30, 1984 census for all State centers and mental retardation units was 6,263.

The resident profile for June 30, 1984 indicates that approximately 5 percent of all residents are under 21 years of age, 88 percent are between the ages of 21 and 64, and 7 percent are 65 years of age and older. The resident profile also reflects that 6 percent of all residents are mildly retarded, 11 percent are moderately retarded, 26 percent are severely retarded and 57 percent are profoundly retarded. These figures reflect continued movement toward a more aged and disabled population due mainly to fewer overall admissions, stricter admission guidelines for children and higher functioning clients, and a high incidence of community placements of higher functioning residents. The direction of these facilities will continue to require modification to provide for the needs of this changing population.

The development of the community mental health/mental retardation services system, beginning in 1968, provided impetus for the creation of residential settings within the community, a prerequisite of the department's deinstitutionalization program. During the 1970's, as the development of community alternatives to institutionalization was accomplished, the role of the centers altered. The primary goal of the centers and MR units now is to prepare clients for community living and to move them into appropriate alternative settings as soon as they are ready. Most recently the department has been developing and utilizing the Medicaid community waiver process and the small (15 beds or less) intermediate care facilities for the mentally retarded (ICFs/MR) as a means of providing community alternatives to institutionalization.

The measure, people living in State Centers at the end of the fiscal year, indicates a continued effort to move clients to community placements. It is expected that additional placements from these facilities will occur in fiscal year 1985-86.

The measure, people moving from State Centers and mental retardation units to community residential settings, indicates the continuing effort being made to provide clients

State Centers (continued)

Program Analysis: (continued)

with the most appropriate treatment in the least restrictive setting.

The current Department of Public Welfare Five-Year Plan for mental retardation facilities defines statewide goals and objectives with specific time frames for the attainment of each objective.

As part of the initiative to provide dual diagnosed clients with specialized services, two specialized care units of ten beds each will be established at two selected State Centers with State funds totalling \$445,000. For additional information regarding dual diagnosed refer to the Program Revision Request, Dual Diagnosed-Mental Health/Mental Retardation Services.

To encourage provider cost-efficiency, a Request for Proposal was developed to find a suitable cost-conscious provider for Woodhaven. Temple University was granted the fiscal year 1984-85 Woodhaven contract with the understanding that on July 1, 1985 Woodhaven will achieve private

ICF/MR certification. The 1985-86 budget year reflects the removal of 284 Woodhaven clients from State Center's census. The Woodhaven Extension Program, opened and certified as an ICF/MR in November 1982, has been transferred to Embreeville Center. Embreeville Extension Program will be administered by Embreeville Center for those clients from Philadelphia and Norristown State Hospitals who originally had a primary diagnosis of mental illness.

The department has negotiated a settlement agreement with the plaintiffs in the Pennhurst case. The agreement, submitted to the Federal Court for approval, provides for the closure of Pennhurst by July 1, 1986. During 1983-84 Pennhurst client census was reduced by 143 residents. Also, during 1983-84, OMR developed and implemented a staffing study of direct care and support staff in MR Centers for the mentally retarded. All MR Centers and Units will continue to maintain Medical Assistance certification throughout Fiscal Year 1984-85.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
State Centers for the Mentally Retarded .	<u>\$ 130,194</u>	<u>\$ 122,661</u>	<u>\$ 105,446</u>	<u>\$ 110,127</u>	<u>\$ 114,531</u>	<u>\$ 119,113</u>	<u>\$ 123,877</u>

Income Maintenance

OBJECTIVE: To insure that all handicapped, dependent or incipiently dependent individuals are enabled to live at minimum standards of health and decency by providing cash grants.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 773,142	\$ 766,315	\$ 784,106	\$ 797,693	\$ 816,017	\$ 833,121	\$ 852,184
Special Funds		17,600	17,600	17,600	17,600	17,600	17,600
Federal Funds	715,292	731,797	719,073	731,782	745,252	755,563	767,512
Other Funds	46,190	55,447	70,013	75,534	79,856	83,879	88,105
TOTAL	<u>\$1,534,624</u>	<u>\$1,571,159</u>	<u>\$1,590,792</u>	<u>\$1,622,609</u>	<u>\$1,658,725</u>	<u>\$1,690,163</u>	<u>\$1,725,401</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Average monthly number of persons receiving cash grants	708,674	705,200	693,400	702,200	716,300	725,500	736,000
Aged, blind and disabled persons receiving supplemental grants	156,808	166,500	162,900	165,300	167,800	170,300	172,900
Amount of reimbursement collections (in thousands)	\$84,849	\$88,300	\$98,400	\$106,400	\$112,800	\$118,400	\$124,300
Cash value of food stamps issued each month (in thousands)	\$46,411	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500
Persons eligible who have been referred to Work Registration Program	183,679	190,000	190,000	190,000	190,000	190,000	190,000
Persons eligible for public assistance cash grants on the basis of income level (in thousands)	1,400	1,400	1,400	1,400	1,400	1,400	1,400

Program Analysis:

The Income Maintenance personload is composed of the following categories of assistance: Aid to Families with Dependent Children (AFDC); General Assistance (GA); State Blind Pension (SBP); Food Stamp Program; and Supplemental Security Income (SSI). GA, SBP and the SSI supplement are completely State funded. AFDC receives approximately 56 percent in Federal funds and 44 percent in State funds. Eligibility for assistance is determined through all county assistance offices. As of June 1984, AFDC represents approximately 64 percent of the total personload; GA represents 17 percent; SSI 18 percent; and SBP less than one percent. Food stamps are used by recipients of all categories of assistance and by nonpublic assistance persons as well. In 1983-84, there were over 1.0 million participants in the food stamp program.

The major Federal regulation (Omnibus Budget Recon-

ciliation Act of 1981) changes affecting the AFDC program limited eligibility to families whose gross monthly income is within 150 percent of the need standard; limited work expense and work incentive deductions for persons with earned income; removed the work requirement exemption for a college student; prohibited cash payments for the unborn child; limited eligibility to dependent children under the age of 19; counted stepparents' income in determining eligibility; counted lump-sum payments as income in the month received and also in future months; required recipients to submit a monthly reporting form as a condition of eligibility; required that factors of eligibility be determined prospectively and the amount of the assistance payment be budgeted retrospectively.

The Commonwealth made similar changes by Act 75 of 1982 which included: limitation of assistance for GA tran-

Income Maintenance (continued)

Program Analysis: (continued)

sitionally needy recipients; various administrative tightening measures; a grant increase; and conformity with Federal statutory and regulatory requirements.

The Federal Deficit Reduction Act of 1984 made further changes affecting the AFDC program. Among the various changes were: limited eligibility to families whose gross monthly income is within 185 percent of the need standard; extended the disregard of the first \$75 of earned income to part-time employment; required states to use monthly reporting only where it is cost effective; added to those exempted from work registration, women beginning from the sixth month of pregnancy; required states to include all minor siblings, living with a dependent child, who applies for or receives AFDC, in the filing unit of the parents; established a monthly disregard of \$50 of child support received by a family. These changes have been incorporated in the department's regulations.

The 1985-86 budget includes funding for a five percent cash grant increase. For more information regarding this increase refer to the Program Revision following this subcategory.

The Welfare Reform legislation mandated a work registration program which involves the Office of Employment Security and the department's Pennsylvania Employment Program.

The Pennsylvania Employment Program (PEP) was initially a demonstration program authorized by the 1976 amendments to the Public Welfare Code. As a demonstration, 31 counties participated in the program. Act 1982-75 required that the program be expanded statewide. Staff was assigned to each county assistance office to implement the expansion. With this staff and a private employment agency voucher program, efforts are made to find full time, permanent employment for employable recipients and applicants for GA and AFDC, thereby reducing their need for public assistance. During 1983-84, there were 2,197 direct placements through the private employment agency voucher program. Additionally, there were 23,990 persons enrolled in the work registration program who obtained jobs through self-placement in 1983-84. There were 11,555 persons removed from the rolls as a result of sanctions for not complying with program requirements, and 182,462 recipients enrolled in the Community Work Experience Program. The Community Work Experience Program provides work experience for recipients who have not located full-time employment through the Office of Employment Security or the Pennsylvania Employment Program. The program became operational in February 1983. By the end of 1983-84, 32,351 persons were actually placed under this program.

Another aspect of the work registration effort is carried out through the Employment Incentive Program, under which Federal and State tax credits are granted to employers

who employ a cash assistance recipient for at least one year.

During the ten months of operations in Fiscal year 1982-83, 1,909 recipients were employed. For the full year 1983-84, 3,397 recipients found employment. Projections for fiscal year 1984-85 indicate a doubling of job placements over the previous year.

Pennsylvania is one of the few states awarded a Federal grant to operate a Work Saturation Demonstration Project for AFDC.

The 1985-86 budget provides \$339,000 in State funds to supplement the Federal Work Saturation in an Urban Area Project which will integrate new programs with the existing Pennsylvania Work Registration Program. Some of the new programs include: the use of an instrument to access job readiness and to refer individuals to appropriate programs; intensive remedial education and work experience program; job readiness/search workshops; and increased referrals to education and training providers. Additional funding (\$1.0 million) will be provided to the Private Industry Councils to increase employment and training opportunities for welfare recipients. For more information refer to the Program Revision—Job Training for Welfare Recipients which follows.

Development continues with the Family Assistance Management Information System (FAMIS), which is a computerized client data file that enhances the department's ability to administer various programs such as cash assistance, food stamps and the work registration program. New initiatives in fiscal year 1984-85 were directed toward the development of systems to minimize fraud and abuse. The recommended budget provides support for current commitments and a minimal expansion of the FAMIS data base.

The Office of Fraud and Abuse Investigation and Recovery is the department's primary unit for benefits recovery. The office establishes and collects claims which arise when a client, through fraud or error, has previously received more benefits than the client was entitled to receive. The goal of the office is to maximize collections in a cost efficient manner and to provide a deterrent to welfare fraud. During 1983-84, actual collections amounted to \$85 million. The computerized recovery management network planned for full operation in 1985-86 will enhance collection capabilities.

The Office of Income Maintenance is charged with conducting reviews of cases to assure compliance with regulations and eliminate fraud. In 1984-85, a preapplication investigative unit was established to review applications for public assistance. With a more thorough screening process, inappropriate payments to clients are expected to be reduced.

The department is mandated by the Federal government to increase accuracy rates in the AFDC, Medical Assistance, and Food Stamp Programs. Fiscal sanctions may be taken

Income Maintenance (continued)

Program Analysis: (continued)

if certain accuracy rates are not reached by specified time periods. The department is continuing its efforts to reach those goals.

Efforts to reduce or eliminate fraud remain a top priority of the department. Practical steps are constantly taken to minimize losses due to poor controls or fraudulent actions. The Office of Fraud and Abuse Investigation and Recovery promotes detection and prevention of fraud, as well as improvement in management controls and strengthening of regulations to prevent abuse. The office also investigates all allegations of internal employee fraud, and initiates prosecution when proof of fraudulent activity develops.

Another program of assistance is the supplemental grants which complement Supplemental Security Income (SSI), a Federal program for aged, blind and disabled low income persons. The Federal government administers the program and provides a basic monthly rate of \$325.00 for an individual and \$488.00 for a couple. To these Federal levels, the Commonwealth adds a maximum of \$32.40 and \$48.70 respectively.

A special monthly State supplement is paid to Supplement Security Income eligible persons in domiciliary care facilities and personal care boarding homes. Act 105 of 1980 requires the licensing of personal care boarding homes which are integrated with and on the same grounds as a skilled nursing or intermediate care facility.

The domiciliary care program became operational with the placement of its first clients in May 1976. This program provides those SSI recipients aged 18 and over with functional limitations with the opportunity to live in the community in a home approved by a State certified placement agency as a domiciliary home. The primary program goals are to provide an appropriate level of care to meet essential needs without inducing avoidable dependency, and to provide an alternative to institutional care for those whose needs can be met more appropriately in the community. In November 1982, this special supplement was also provided to SSI recipients residing in personal care boarding homes (PCBHs) licensed under Act 105 of 1980. In January 1985, the special supplement was extended to SSI recipients in PCBHs attached to nursing facilities which will effectively increase the number of recipients for the special supplement.

In order to help the mentally and physically disabled obtain chronically needy GA benefits, and whenever possible, Federal SSI benefits, the Department of Public Welfare has implemented a statewide SSI Advocacy Program. Staff in all County Assistance Offices (CAO) actively assists public assistance recipients to complete the complex Federal SSI application process and, where appropriate, to participate in appeals of denials of these Federal benefits. Trained staff work closely with physicians, county mental health and mental retardation programs, and other health and social services agencies to assist clients to obtain necessary documentation of disability. This program will serve to enhance cash and other benefits available to disabled citizens in the Commonwealth and better control costs in the State-funded General Assistance program.

The Recommended Budget also provides \$14.1 million in State funds for the Public Assistance Transportation Block Grant that began on October 1, 1983. Under this program, State and Federal funding is made available to county governments and private contractors to provide necessary non-emergency medical transportation to public assistance clients.

The department also administers the Low-Income Home Energy Assistance Program which provides financial assistance to those families least able to afford to heat their homes. Cash payments are made to fuel distributors and utility companies on behalf of eligible families or directly to those households who have the cost of home heating included in their rental payments. A crisis component of the program helps with heating emergencies by providing for emergency deliveries of fuel and repairs to faulty heating systems. Cash benefits per household were increased fifteen percent in 1984-85. An estimated 375,000 households will receive energy assistance benefits during 1985-86.

This program area also includes the 104 county assistance offices and the staff which administer the cash assistance, energy assistance, food stamp, medical assistance eligibility and work registration programs. The recommended budget provides \$2,045,000 to improve the working environment of the offices through renovations or relocation and \$574,000 is recommended for the installation of 300 computerized workstations.

Income Maintenance (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,792	\$ 1,594	\$ 1,601	\$ 1,732	\$ 1,873	\$ 2,026	\$ 2,190
Cash Grants	558,310	559,222	563,220	566,915	575,262	582,711	590,934
Public Assistance Transportation Block Grant	7,000	13,505	14,081	14,785	15,524	16,301	17,116
County Assistance Offices	111,779	116,571	123,753	128,700	133,850	139,205	144,770
County Administration—Statewide	19,689	15,873	17,010	17,688	18,392	19,130	19,890
Supplemental Grants—Aged, Blind and Disabled	62,250	45,808	50,317	52,832	55,474	58,248	61,160
Program Accountability	6,633	7,633	7,464	7,762	8,072	8,390	8,730
Pennsylvania Employment Program	5,689	6,109	6,660	7,279	7,570	7,110	7,394
GENERAL FUND TOTAL	\$ 773,142	\$ 766,315	\$ 784,106	\$ 797,693	\$ 816,017	\$ 833,121	\$ 852,184
LOTTERY FUND							
Supplemental Grants—Aged, Blind and Disabled .....	.....	\$ 17,600	\$ 17,600	\$ 17,600	\$ 17,600	\$ 17,600	\$ 17,600
LOTTERY FUND TOTAL .....	.....	\$ 17,600	\$ 17,600	\$ 17,600	\$ 17,600	\$ 17,600	\$ 17,600

**Income Maintenance
Program Revision: Cash Grant Increase**

Recommended Program Revision Costs:

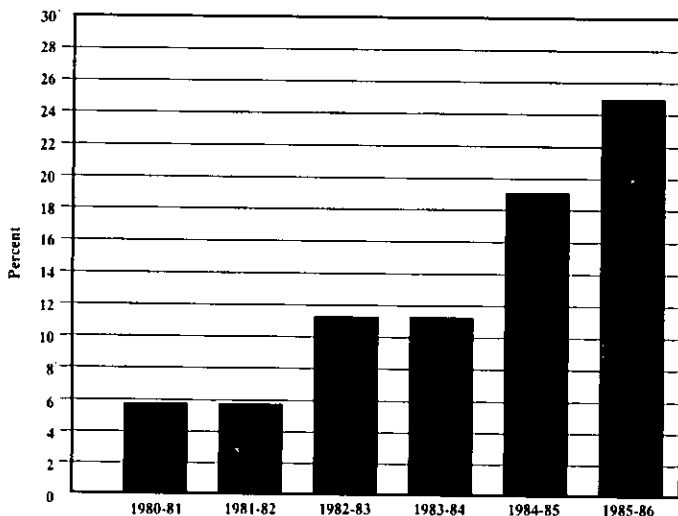
	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
General Fund			\$ 16,272	\$ 35,557	\$ 37,052	\$ 37,880	\$ 38,767
Federal Funds			11,008	23,090	23,820	24,176	24,588
TOTAL			\$ 27,280	\$ 58,647	\$ 60,872	\$ 62,056	\$ 63,355

Program Analysis:

This Program Revision provides for an average five percent grant increase for public assistance recipients, both Aid to Families with Dependent Children (AFDC) and General Assistance (GA), the fourth increase provided by this Administration. Previous increases were implemented in January 1980, July 1982, and October 1984 (See Table).

The Commonwealth currently uses the Comprehensive Poverty Standard (CPS) to define a minimally acceptable standard of health and decency for public assistance recipients. The Bureau of Labor Statistics (BLS) lower budget for a family of four is based on a pricing of all items of consumption in 1969. It has been updated annually since then by applying the Consumer Price Index for each budget item. Also, other family size budgets may be determined by use of an equivalence scale developed by BLS on the basis of its Survey of Consumer Expenditures, 1960-61.

**Cumulative Cash Grant Increase
for a Typical Family of Four**



The BLS lower budget standard was refined by excluding: transportation costs since this is provided by the Public Assistance Transportation Block Grant; medical care because this is provided under the Medical Assistance program; and income taxes and Social Security contributions because these are not incurred by the recipient. In computing benefits against this standard, both the cash grant and food stamp benefits are considered.

It is the intent of this Program Revision to implement this grant increase on January 1, 1986. Grants will be adjusted so that the benefit levels among all family sizes are equal as a higher percentage of the standard. This will result in an increase for all family sizes. Assuming a January 1, 1986 effective date, the total estimated cost of implementing the grant increase in 1985-86 is \$16,272,000 in State funds. This includes \$14,948,000 in the Cash Assistance appropriation and \$1,324,000 in additional Medical Assistance costs.

**Income Maintenance
Program Revision: Cash Grant Increase (continued)**

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Cash Grants.....	<u>.....</u>	<u>.....</u>	<u>\$ 14,948</u>	<u>\$ 29,618</u>	<u>\$ 30,222</u>	<u>\$ 30,682</u>	<u>\$ 31,178</u>

In addition to the amount shown above this Program Revision is also included in the following subcategories.

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Treatment — Outpatient Services							
GENERAL FUND							
Medical Assistance — Outpatient	<u>.....</u>	<u>.....</u>	<u>\$ 347</u>	<u>\$ 2,774</u>	<u>\$ 3,475</u>	<u>\$ 3,641</u>	<u>\$ 3,819</u>

Treatment — Inpatient Services							
GENERAL FUND							
Medical Assistance — Inpatient.....	<u>.....</u>	<u>.....</u>	<u>\$ 977</u>	<u>\$ 3,165</u>	<u>\$ 3,355</u>	<u>\$ 3,557</u>	<u>\$ 3,770</u>

**Income Maintenance
Program Revision: Job Training for Welfare Recipients**

Recommended Program Revision Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund			\$ 1,339	\$ 1,705	\$ 1,733	\$ 1,000	\$ 1,000

Program Analysis:

This proposal will expand employment and training program opportunities for welfare recipients, particularly General Assistance (GA) recipients. Funds will be provided to the Department of Public Welfare to improve assessment and referral of GA recipients to employment and training services. The second program will provide the Department of Labor and Industry with State funds to operate a competitive grant program to expand local Private Industry Councils' employment and training services for welfare recipients.

Pennsylvania has received a Federal grant of \$700,000 to design and operate a "Work Saturation Demonstration Project" for Aid to Families with Dependent Children (AFDC) recipients in Philadelphia. This award is one of two in the nation, granted to demonstrate the concept of providing services to high proportions of AFDC employable recipients on an on-going basis in order to increase employment. Under this project, all participating AFDC recipients' employment skills will be assessed. Recipients will then be placed into one of several programs that will provide the specific services necessary to secure and retain a job. These services will include intensive remedial education, job readiness training, job clubs, classroom skills training, and on-the-job training. Job experience will be provided through the Community Work Experience Program, and "grant diversion", whereby a portion of the recipient's grant is used to supplement an employer's wages will be used in conjunction with State and Federal tax credit programs to increase employability. The results of these various employment and training services will be analyzed in order to determine what types of services best aid recipients and those which are not effective.

A State appropriation of \$339,000 to the Department of Public Welfare is requested to expand the Work Saturation Demonstration Project to include GA recipients. This expansion of the project will insure that GA clients have access to the same types of employment and training services that are being provided to AFDC recipients under the Federal grant project and will allow the department to determine if different types of employment and training services are required for the GA population. The additional State funds will be used to hire staff in the Philadelphia County

Assistance Office to operate the program for GA recipients and to purchase some of the employment and training services from existing programs in the area.

The second portion of this proposal calls for providing \$1,000,000 to the Department of Labor and Industry to make competitive grants to Private Industry Councils (PICs) across the State to serve additional welfare clients with special needs.

Currently, the PICs receive Federal Job Training Partnership Act (JTPA) funds to operate employment and training programs for the economically disadvantaged. Pennsylvania has placed a priority on the provision of these services to welfare recipients, and in the first nine months of JTPA program operations, 57 percent of the clients served in PIC programs were individuals receiving some type of public assistance.

However, Federal JTPA funds are not sufficient to serve the entire welfare population in need of such services, particularly those who have multiple training needs, such as those requiring literacy training, job readiness training and occupational skills training, and those with special problems, such as victims of domestic violence who may require counseling and support services in addition to employment and training services. This competitive grant program will provide PICs with additional State funding to operate prevocational training to welfare recipients who have multiple training needs or who have special problems prior to entering formal classroom or on-the-job training provided by the PIC with JTPA funds.

Applications for grant funds will be submitted jointly by the PIC and at least one County Assistance Office (CAO) in the PIC service delivery area. The proposal will be required to demonstrate that the PIC and the CAO will coordinate the referral of clients and employment and training activities. Applications for the grant will be reviewed jointly by the Departments of Labor and Industry and Public Welfare. This effort will develop a linkage between CAOs and PICs, encourage PICs to increase the number of welfare clients served and expand the CAO referral capability for clients with multiple or special needs.

**Income Maintenance
Job Training for Welfare Recipients (continued)**

Program Revision Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Pennsylvania Employment Program	<u>.....</u>	<u>.....</u>	<u>\$ 339</u>	<u>\$ 705</u>	<u>\$ 733</u>	<u>.....</u>	<u>.....</u>

In addition to the amount shown above this Program Revision is also included in the Employability Development — Socially and Economically Handicapped Subcategory in the Department of Labor and Industry.

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Employability Development — Socially and Economically Handicapped							
GENERAL FUND							
Job Training for Welfare Recipients	<u>.....</u>	<u>.....</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>

Department of Revenue

The Department of Revenue collects all tax levies as well as various fees, fines and other monies due the Commonwealth. The Department also supervises the administration and collection of monies for various special funds.

The Department prepares the official estimates of the tax yield due the Commonwealth while also analyzing the effect on revenues of proposed changes in either the laws or the tax structure of the Commonwealth.

DEPARTMENT OF REVENUE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 63,760	\$ 65,260	\$ 67,885
Commissions — Inheritance and Realty Transfer Tax Collections	1,700	1,700	1,700
Subtotal	<u>\$ 65,460</u>	<u>\$ 66,960</u>	<u>\$ 69,585</u>
Grants and Subsidies			
Distribution of Public Utility Realty Tax	\$ 70,026	\$ 78,619	\$ 82,689
TOTAL STATE FUNDS	<u>\$ 135,486</u>	<u>\$ 145,579</u>	<u>\$ 152,274</u>
Other Funds	\$ 7,416	\$ 8,281	\$ 7,697
GENERAL FUND TOTAL	<u>\$ 142,902</u>	<u>\$ 153,860</u>	<u>\$ 159,971</u>
Motor License Fund			
General Government			
Collection—Liquid Fuels Tax	\$ 4,177	\$ 4,870	\$ 5,007
Refunding Liquid Fuels Tax	6,848	6,865	7,221
MOTOR LICENSE FUND TOTAL	<u>\$ 11,025</u>	<u>\$ 11,735</u>	<u>\$ 12,228</u>
Lottery Fund			
General Government			
General Government Operations	\$ 35,599	\$ 38,550	\$ 39,392
Personal Income Tax for Lottery Prizes	13,899	14,758	15,192
Payment of Prize Money	234,200	234,300	231,703
Payment of Commissions	400	400	400
Refunding Lottery Monies	10	10	10
Subtotal	<u>\$ 284,108</u>	<u>\$ 288,018</u>	<u>\$ 286,697</u>
Grants and Subsidies			
Property Tax and Rent Assistance for the Elderly	\$ 97,231	\$ 113,300	\$ 98,135
Senior Citizens Inflation Dividend	36,642	40,200	36,567
Subtotal	<u>\$ 133,873</u>	<u>\$ 153,500</u>	<u>\$ 134,702</u>
TOTAL STATE FUNDS	<u>\$ 417,981</u>	<u>\$ 441,518</u>	<u>\$ 421,399</u>
Other Funds	\$ 1,085	\$ 1,369	\$ 1,461
LOTTERY FUND TOTAL	<u>\$ 419,066</u>	<u>\$ 442,887</u>	<u>\$ 422,860</u>

DEPARTMENT OF REVENUE

**Summary by Fund and Appropriation
(continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Racing Fund			
General Government			
Collections—Racing	\$ 146	\$ 213	\$ 145
RACING FUND TOTAL	<u>\$ 146</u>	<u>\$ 213</u>	<u>\$ 145</u>
 Department Total — All Funds			
General Fund	\$ 135,486	\$ 145,579	\$ 152,274
Special Funds	429,152	453,466	433,772
Other Funds	8,501	9,650	9,158
TOTAL ALL FUNDS	<u>\$ 573,139</u>	<u>\$ 608,695</u>	<u>\$ 595,204</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 65,460	\$ 66,960	\$ 69,585
Other Funds	7,416	8,281	7,697
TOTAL	<u>\$ 72,876</u>	<u>\$ 75,241</u>	<u>\$ 77,282</u>

Directs enforcement of all tax statutes of the Commonwealth. Major activities include determining and implementing policies and procedures for tax collection and tax settlements, preparing the official Commonwealth revenue estimates, conducting field audits, preparing and mailing out tax forms and instructions, and the processing of returns.

Major taxes administered and enforced include sales tax, personal income tax, corporation taxes and cigarette and beverage taxes.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 63,760	\$ 65,260	\$ 67,885
Executive Authorization:			
Commissions — Inheritance and Realty Transfer Tax			
Collections	1,700	1,700	1,700
Other Funds:			
Audit of State Authorities	1	1	1
Cigarette Fines and Penalties	15	16	16
Reimbursement For Graphic Arts Services .....	.....	.....	.....
Reimbursement For Cost of Services Provided to Special Funds	3,118	3,461	3,475
Reimbursement For Cost of Escheat Sales	389	880	480
Reimbursement For EDP and Staff Support	3,827	3,857	3,659
Reimbursement For Providing Tax Information	66	66	66
TOTAL	<u>\$ 72,876</u>	<u>\$ 75,241</u>	<u>\$ 77,282</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Distribution of Public Utility Realty Tax			
State Funds	\$ 70,026	\$ 78,619	\$ 82,689

Provides for the distribution of the money that local taxing authorities could have received had they been able to tax the realty of public utilities.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Distribution of Public Utility Realty Tax	<u>\$ 70,026</u>	<u>\$ 78,619</u>	<u>\$ 82,689</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Collection—Liquid Fuels Tax			
State Funds	\$ 11,025	\$ 11,735	\$ 12,228

Administers and enforces the Liquid Fuels Tax Act, Fuel Use Tax Act and Motor Carriers Act and Bus Compact. Activities include issuing permits and performing annual audits. Act 78 of 1982 gave the department responsibility for making certain refunds including the Liquid Fuels Tax.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Collection — Liquid Fuels Tax	\$ 4,177	\$ 4,470	\$ 5,007
Collection — Liquid Fuels Tax — Recommended Supplemental .....	. . . .	400	. . . .
Executive Authorization:			
Refunding Liquid Fuels Tax	6,848	6,865	7,221
TOTAL	<u>\$ 11,025</u>	<u>\$ 11,735</u>	<u>\$ 12,228</u>

**LOTTERY FUND
GENERAL GOVERNMENT**

General Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 35,599	\$ 38,550	\$ 39,392
Other Funds	1,085	1,369	1,461
TOTAL	<u>\$ 36,684</u>	<u>\$ 39,919</u>	<u>\$ 40,853</u>

Provides for the operation of the Lottery Bureau and provides for the administration of the Commonwealth's program of property tax and rent rebate for the elderly and the senior citizen's inflation dividend.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorization:			
General Operations	\$ 35,599	\$ 38,550	\$ 39,392
Other Funds:			
License Fees	98	95	95
Reimbursement for Telephone Lines	985	1,274	1,366
Sale of Vehicles	2	.	.
TOTAL	<u>\$ 36,684</u>	<u>\$ 39,919</u>	<u>\$ 40,853</u>

Personal Income Tax For Lottery Prizes	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 13,899	\$ 14,758	\$ 15,192

Act 29 of 1983 exempted Pennsylvania Lottery winnings from the Pennsylvania Income Tax for the prize winner but required a transfer from the Lottery Fund to the General Fund of the tax liability. This appropriation provides for that transfer.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorization:			
Personal Income Tax For Lottery Prizes	<u>\$ 13,899</u>	<u>\$ 14,758</u>	<u>\$ 15,192</u>

OTHER SPECIAL FUNDS

REVENUE

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
Payment of Prize Money	Actual	Available	Budget
State Funds	\$ 234,200	\$ 234,300	\$ 231,703

Provides funds to pay the winners of Commonwealth Lotteries.

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
<i>Source of Funds</i>	Actual	Available	Budget
Executive Authorization:			
Payment of Prize Money	<u>\$ 234,200</u>	<u>\$ 234,300</u>	<u>\$ 231,703</u>

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
Payment of Commissions	Actual	Available	Budget
State Funds	\$ 400	\$ 400	\$ 400

Provides for commissions on sales of lottery tickets.

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
<i>Source of Funds</i>	Actual	Available	Budget
Executive Authorization:			
Payment of Commissions	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 400</u>

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
Refunding Lottery Monies	Actual	Available	Budget
State Funds	\$ 10	\$ 10	\$ 10

Provides for refunds of lottery monies.

	1983-84	(Dollar Amounts in Thousands) 1984-85	1985-86
<i>Source of Funds</i>	Actual	Available	Budget
Executive Authorization:			
Refunding Lottery Monies	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 10</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Assistance for the Elderly			
State Funds	\$ 133,873	\$ 153,500	\$ 134,702

Allows for a partial rebate of both the property taxes and rent that is paid by the elderly. In Decemer 1979, the passage of Act No. 131 established an inflation dividend program to provide additional grants to persons receiving property tax or rent rebates.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorizations:			
Property Tax and Rent Assistance for the Elderly	\$ 97,231	\$ 113,300	\$ 98,135
Senior Citizens Inflation Dividend	36,642	40,200	36,567
TOTAL	<u>\$ 133,873</u>	<u>\$ 153,500</u>	<u>\$ 134,702</u>

RACING FUND GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Collections — Racing			
State Funds	\$ 146	\$ 213	\$ 145

Provides for the financial administration of pari-mutuel betting at racing tracks. Activities include providing forms and maintaining systems of accounting, examining books and records of the corporations conducting harness racing, and collecting taxes from the corporations.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorization:			
Collections — Racing	<u>\$ 146^a</u>	<u>\$ 213</u>	<u>\$ 145</u>

^aDuring the 1983-84 fiscal year, Act 93 of 1983 abolished the Harness Racing Fund and the Horse Racing Fund and replaced them with the Racing Fund. These funds were actually authorized as follows: \$54,000 for Administration of Collections—Harness Racing and \$56,000 for administration of Collections—Horse Racing, and \$36,000 for Collections—Racing.

DEPARTMENT OF REVENUE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 7,360	\$ 7,380	\$ 7,467	\$ 7,616	\$ 7,768	\$ 7,924	\$ 8,082
Fiscal Management	\$ 417,723	\$ 432,228	\$ 437,969	\$ 451,638	\$ 465,663	\$ 480,131	\$ 495,057
Revenue Collection and Administration	347,697	353,609	355,280	364,815	374,498	384,408	394,548
Public Utility Realty Payments	70,026	78,619	82,689	86,823	91,165	95,723	100,509
Homeowners and Renters Assistance	\$ 139,555	\$ 159,437	\$ 140,610	\$ 162,931	\$ 160,704	\$ 158,524	\$ 156,393
Homeowners and Renters Assistance	139,555	159,437	140,610	162,931	160,704	158,524	156,383
DEPARTMENT TOTAL	<u>\$ 564,638</u>	<u>\$ 599,045</u>	<u>\$ 586,046</u>	<u>\$ 622,185</u>	<u>\$ 634,135</u>	<u>\$ 646,579</u>	<u>\$ 659,532</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,360	\$ 7,380	\$ 7,467	\$ 7,616	\$ 7,768	\$ 7,924	\$ 8,082
Other Funds	3,881	4,537	4,397	4,375	4,369	4,366	4,379
TOTAL	<u>\$ 11,241</u>	<u>\$ 11,917</u>	<u>\$ 11,864</u>	<u>\$ 11,991</u>	<u>\$ 12,137</u>	<u>\$ 12,290</u>	<u>\$ 12,461</u>

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected

by the effectiveness of the activities they support. A primary concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 7,360</u>	<u>\$ 7,380</u>	<u>\$ 7,467</u>	<u>\$ 7,616</u>	<u>\$ 7,768</u>	<u>\$ 7,924</u>	<u>\$ 8,082</u>

Revenue Collection and Administration

OBJECTIVE: To assure the availability of resources for the Commonwealth's programs through the equitable and efficient administration of Pennsylvania's revenue system.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 58,100	\$ 59,580	\$ 62,118	\$ 63,326	\$ 64,558	\$ 65,814	\$ 67,097
Special Funds	289,597	294,029	293,162	301,489	309,940	318,594	327,451
Other Funds	4,620	5,113	4,761	4,271	4,306	4,338	4,379
TOTAL	\$ 352,317	\$ 358,722	\$ 360,041	\$ 369,086	\$ 378,804	\$ 388,746	\$ 398,927

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total General Fund state receipts collected by the Department of Revenue (millions)	\$7,755.4	\$8,032.1	\$8,402.8	\$8,934.0	\$9,468.9	\$10,044.4	\$10,653.4
Total Motor License Fund receipts collected by the Department of Revenue (in millions)	\$921.3	\$988.2	\$987.8	\$1,013.6	\$993.2	\$991.8	\$993.1
Total lottery ticket sales (millions)	\$1,235.9	\$1,283.3	\$1,321.0	\$1,361.0	\$1,402.0	\$1,444.0	\$1,487.0
Revenue collection costs per \$100 of General Fund receipts	\$.82	\$.81	\$.80	\$.77	\$.74	\$.71	\$.68
Revenue collection costs per \$100 of Motor License Fund receipts	\$.45	\$.49	\$.50	\$.50	\$.52	\$.53	\$.54
Lottery Bureau operating costs as a percent of ticket sales	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	2.4%
Collections from delinquent accounts (in millions)	\$191.8	\$208.3	\$221.3	\$230.2	\$234.0	\$239.5	\$244.3
Percent of money deposited on the day received	82%	87%	90%	90%	90%	90%	90%
Amounts due as a result of audit assessments (Millions)	\$70.2	\$86.0	\$90.3	\$92.1	\$93.9	\$96.6	\$100.0
Tax returns processed (Thousands)	6,758	6,758	6,758	6,758	6,758	6,758	6,758
Personal Income	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sales and Use	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Corporation	158	158	158	158	158	158	158
Average processing time (in work days)							
Personal Income	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Sales and Use	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Average settlement time for corporation tax documents (in work days)	147	147	147	147	147	147	147
Average processing time for personal income tax refund (in working days)	25	25	25	25	25	25	25

Revenue Collection and Administration (continued)

Program Analysis:

This program provides for the thorough and equitable administration of all the Commonwealth's revenue statutes and for the assessment and collection of various taxes. Among the taxes collected are all corporation taxes, inheritance taxes, the Realty Transfer Tax, Cigarette and Beverage Taxes, the Sales Use and Hotel Occupancy Tax, the Personal Income Tax, taxes imposed under the Liquid Fuels Tax Act, Fuels Use Tax Act, Motor Carriers Road Tax and Bus Compact Fuels Tax, and taxes received from corporations conducting horse and harness racing.

A major program component is assurance that all taxes are economically collected. The department intends to maintain tax administration costs between \$.50 and \$.90 for each \$100 collected in every tax category.

In an effort to improve productivity and efficiency, this program will be expanding the lockbox program, under which employers directly mail Personal Income Tax withholding to regional banks, to include estimated income tax returns filed by individuals. This immediate processing and depositing will not only increase interest earnings, but will also provide for more timely receipt of taxpayer information and, therefore, aid in enforcement activities.

To further enhance revenue collections, funding is provided for a computer assisted collection system for the collection of delinquent Personal Income Taxes and for the reorganization of the Commonwealth's current system of auditing taxpayers. Essentially the reorganization would allow for a more realistic alignment of field offices and also

provide for more convenient access to out-of-state companies enabling the Commonwealth to audit these firms more frequently than has been possible. These activities are reflected in the increase in the measure showing amounts anticipated to be collected from delinquent accounts.

Customer service is a very important element of tax administration and this program will continue past efforts to improve taxpayer services. Funding is provided to improve phone service in order to handle taxpayer inquiries as fast as possible.

Tax record confidentiality is extremely important, and the department has launched an extensive record security program. Electronic security devices will be placed in all office entrances with access to confidential data and only persons with appropriate clearance can enter these areas. This system will be in place by the end of the fiscal year. Computer security also has been improved. Users must change their passwords monthly. Software which monitors user transactions has been installed. And, the Bureau of Computer Services now has a closed shop organizational design, physically and functionally separating operations and programming.

The program administers the Pennsylvania Lottery in addition to tax collections. Not only has the program been successful in efforts to raise funds to benefit senior citizens, it has become one of the world's largest and most efficient lotteries. Quality marketing of new games, maintenance of high standards of integrity and effective use of private retailers are responsible for these achievements.

Revenue Collection and Administration (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 56,400	\$ 57,880	\$ 60,418	\$ 61,626	\$ 62,858	\$ 64,114	\$ 65,397
Commissions — Inheritance and Realty Transfer Tax	1,700	1,700	1,700	1,700	1,700	1,700	1,700
GENERAL FUND TOTAL	\$ 58,100	\$ 59,580	\$ 62,118	\$ 63,326	\$ 64,558	\$ 65,814	\$ 67,097
MOTOR LICENSE FUND							
Collections—Liquid Fuels Tax	\$ 4,177	\$ 4,870	\$ 5,007	\$ 5,107	\$ 5,209	\$ 5,313	\$ 5,419
Refunding Liquid Fuels Taxes	6,848	6,865	7,221	7,300	7,300	7,300	7,300
MOTOR LICENSE FUND TOTAL	\$ 11,025	\$ 11,735	\$ 12,228	\$ 12,407	\$ 12,509	\$ 12,613	\$ 12,719
LOTTERY FUND							
General Operations	\$ 29,917	\$ 32,613	\$ 33,484	\$ 34,153	\$ 34,836	\$ 35,533	\$ 36,244
Personal Income Tax for Lottery Prizes ..	13,899	14,758	15,192	15,652	16,123	16,606	17,101
Payment of Prize Money	234,200	234,300	231,703	238,719	245,911	253,278	260,820
Payment of Commissions	400	400	400	400	400	400	400
Refunding Lottery Monies	10	10	10	10	10	10	10
LOTTERY FUND TOTAL	\$ 278,426	\$ 282,081	\$ 280,789	\$ 288,934	\$ 297,280	\$ 305,827	\$ 314,575
RACING FUND							
Collections — Racing	\$ 146	\$ 213	\$ 145	\$ 148	\$ 151	\$ 154	\$ 157

Public Utility Realty Payments

OBJECTIVE: To provide equitable distribution to all local taxing authorities of the tax on realty of public utilities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 70,026</u>	<u>\$ 78,619</u>	<u>\$ 82,689</u>	<u>\$ 86,823</u>	<u>\$ 91,165</u>	<u>\$ 95,723</u>	<u>\$ 100,509</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Taxing authorities receiving funds.....	3,097	3,099	3,137	3,137	3,137	3,137	3,137

Program Analysis:

Pursuant to an amendment to the State Constitution adopted in 1968, this program provides for the distribution to each reporting local taxing authority of its share of the funds that the local taxing authority would have received from public utilities had they been allowed to tax the realty of the utilities in their respective jurisdictions.

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 tax the realty of public utilities.

During recent years this program has received significant increases in funding for two primary reasons. First, some utilities have undertaken major renovations, thereby increasing the assessed value of their property and, secondly, there have been increases in the tax rates of various taxing authorities.

The measures for the first two years reflect the exact number of taxing authorities receiving funds, while the remaining years indicate the total number of authorities eligible to receive funds. Generally there is less than 100 percent participation as some authorities who are eligible for only nominal amounts do not file a request for their share.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Distribution of Public Utility Realty Tax	<u>\$ 70,026</u>	<u>\$ 78,619</u>	<u>\$ 82,689</u>	<u>\$ 86,823</u>	<u>\$ 91,165</u>	<u>\$ 95,723</u>	<u>\$ 100,509</u>

Homeowners and Renters Assistance

OBJECTIVE: To increase the economic stability of citizens of the Commonwealth by providing to eligible citizens assistance in maintaining their place of residence.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 139,555	\$ 159,437	\$ 140,610	\$ 162,931	\$ 160,704	\$ 158,524	\$ 156,393

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Applications for property tax or rent assistance	458,844	457,300	450,000	513,703	500,580	485,738	471,165
People provided property tax or rent assistance	450,485	450,000	441,000	503,426	490,568	476,023	461,742
Percent provided property tax or rent assistance	98.1%	98.4%	98%	98%	98%	98%	98%
Percent of checks mailed on July 1	82.7%	83.2%	83.7%	84.2%	85%	85%	85%

Program Analysis:

This program aids citizens of the Commonwealth by providing property tax and rent assistance to those who meet certain requirements.

Property tax and rent assistance rebates are available to the elderly, widows and widowers and permanently disabled citizens and are intended to allow these people to lead fuller lives by restoring part of their limited income. Maintaining them in their home, or in rented homes through rent assistance, adds to their personal dignity and emotional security as well as being of financial benefit.

The Property Tax and Rent Assistance for the Elderly program provides a rebate of property tax or rent based on income while the Senior Citizens Inflation Dividend provides

a flat dollar amount per recipient of a rebate.

The historical decline in the eligible population is due primarily to pension increases which put people into higher income categories and ultimately cause some people to lose their eligibility.

In response to this situation, the Administration will be submitting legislation that, effective with tax year 1985, raises the income ceiling from \$12,000 to \$15,000.

This proposed change is the reason the measures showing the applications for property tax or rent assistance and people provided property tax or rent assistance reflect significant increases in 1986-87 over the estimates in last year's budget.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
LOTTERY FUND							
General Operations	\$ 5,682	\$ 5,937	\$ 5,908	\$ 6,026	\$ 6,147	\$ 6,270	\$ 6,395
Property Tax and Rent Assistance for the Elderly	97,231	113,300	98,135	117,216	116,044	114,883	113,735
Senior Citizens Inflation Dividend	36,642	40,200	36,567	39,689	38,513	37,371	36,263
LOTTERY FUND TOTAL	\$ 139,555	\$ 159,437	\$ 140,610	\$ 162,931	\$ 160,704	\$ 158,524	\$ 156,393

Securities Commission

The Securities Commission oversees the State controlled securities industry to ensure compliance with Commonwealth statutes.

SECURITIES COMMISSION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 1,691	\$ 1,949	\$ 2,154
GENERAL FUND TOTAL	\$ 1,691	\$ 1,949	\$ 2,154

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 1,691	\$ 1,949	\$ 2,154

Protects the investing public through the registration and regulation of salesmen and companies dealing in securities. Issues orders to persons and corporations attempting to sell securities without approval and seeks prosecution of violators of the Pennsylvania Securities Act. Determines the eligibility for exemption from registration of securities proposed to be issued in the Commonwealth.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
General Government Operations	<u>\$ 1,691</u>	<u>\$ 1,949</u>	<u>\$ 2,154</u>

SECURITIES COMMISSION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Consumer Protection	\$ 1,691	\$ 1,949	\$ 2,154	\$ 2,240	\$ 2,330	\$ 2,423	\$ 2,520
Regulation of Securities Industry	1,691	1,949	2,154	2,240	2,330	2,423	2,520
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPARTMENT TOTAL	<u>\$ 1,691</u>	<u>\$ 1,949</u>	<u>\$ 2,154</u>	<u>\$ 2,240</u>	<u>\$ 2,330</u>	<u>\$ 2,423</u>	<u>\$ 2,520</u>

Regulation of Securities Industry

OBJECTIVE: To reduce the incidence of fraud to prevent public investors from being unfairly taken advantage of in securities transactions, while at the same time facilitating legitimate capital formation in the State.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 1,691</u>	<u>\$ 1,949</u>	<u>\$ 2,154</u>	<u>\$ 2,240</u>	<u>\$ 2,330</u>	<u>\$ 2,423</u>	<u>\$ 2,520</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Dollar amount of securities applications received (in billions)	90	95	100	102	105	107	110
Dollar amount of securities cleared for sale (in billions)	64	80	100	120	140	160	180
Securities filings received	5,291	6,300	7,500	9,000	10,800	13,000	15,000
Securities filings cleared	4,410	5,300	6,400	7,600	9,300	10,800	13,600
Broker-dealers registered	1,074	1,300	1,600	1,800	2,000	2,200	2,400
Agents registered	30,183	41,000	45,000	49,000	53,000	57,000	61,000
Investment Advisers registered	192	270	290	310	330	350	370

Program Analysis:

The major recent thrust of the Securities Commission has been to enhance the availability of venture capital to small business in Pennsylvania. To facilitate the ability of business to raise capital in Pennsylvania, the Commission has adopted certain regulations to reduce the burdens imposed on issuers. In the area of small business, this budget includes an initiative to establish a Small Business Coordinator within the Commission's Division of Corporation Finance to expedite small business filings, create statistical records on small business securities issues, identify burdensome regulatory requirements and implement small business regulations.

In the area of cutting costs and eliminating duplicate paperwork for Broker-Dealers, the Commission adopted a regulation which permits the use of national uniform forms for the registration and withdrawal from registration for Broker-Dealers and their agents.

The most significant regulatory achievement during the 1983-84 fiscal year was the passage of Act 52 (1984 Amendments to the Securities Act) which was designed to reduce technical burdens on certain classes of issuers registering securities in Pennsylvania, to expedite certain classes of fil-

ings made with the Commission and to make certain exemptions from the registration requirements of the 1972 Act more available to certain classes of issuers.

The primary purpose of the programs of the Pennsylvania Securities Commission is to encourage the financing of legitimate business and industry in the Commonwealth while protecting the investing public from fraudulent and unfair practices in the securities industry. The Commission works toward this objective by requiring the registration of broker-dealers, agents, investment advisers and securities and by establishing regulatory procedures for filings under the law.

In order for securities to be offered for sale in Pennsylvania, the issuer must comply with the registration requirements of the Pennsylvania Securities Act of 1972. Securities offered and sold in Pennsylvania must be registered under this Act unless granted an exemption. This applies to all securities sold in Pennsylvania, including securities which have been registered under Federal requirements. In cases of exemption, a filing must be made with the Pennsylvania Securities Commission. Filings are then analyzed and reviewed for full accurate disclosure of all relevant data to determine completeness, correctness and

Regulation of Securities Industry (continued)

Program Analysis: (continued)

compliance with registration requirements and to determine fairness of the offering.

In addition to the review and analysis of securities filings, the Commission requires certain companies to file post-effective Reporting Forms because such companies are not required to file similar materials with the U.S. Securities and Exchange Commission. These forms disclose, among other things, the amount of securities sold, use of proceeds, financial information, copies of all company communications with stockholders, significant changes in business of the company, changes in management and remuneration, etc. The purpose of these post-effective filings is to determine that monies are used in a manner consistent with the disclosure materials; that the companies are providing investors with accurate reporting of the activities of the companies; and that investors are provided with complete and proper financial information.

In addition to enforcing the Securities Act of 1972, the Commission has the responsibility for administering the provisions of the Takeover Disclosure Law of 1976. This law provides protection for Pennsylvania corporations, shareholders, employees and the public from the use of takeover offers without a complete disclosure of information concerning the offers. The Commission enforces this Act by requiring the offeror to submit extensive financial, personnel and other pertinent data. This information is evaluated to ensure that the information given to the offeree

is correct and reflects the true intent of the takeover corporation.

Through its representation on various committees of the North American Securities Administrators Association, Inc., the Commission has been working with other state, Federal and independent regulatory agencies and the various stock exchanges to develop uniform filing requirements that alleviate the burden on the securities industry by eliminating duplicative examination and registration requirements involved in complying with various state and Federal filing procedures.

The Commission is continuing its policy of maintaining cooperative investigatory programs with Federal, other state and other Commonwealth agencies in pursuing those enforcement activities where securities' violations have occurred. In May of 1982, the Commission became the second Pennsylvania State agency to join the Leviticus Project—a multi-state law enforcement network created to combat coal-related crimes.

The Commission's application for Leviticus membership was prompted by the large number of filings it receives in energy-related offerings being made to Pennsylvanians. During the past fiscal year, the Commission has continued its participation in the Leviticus project.

In the area of securities crime, this budget includes an initiative to hire an Abusive Tax Shelter Analyst.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 1,691</u>	<u>\$ 1,949</u>	<u>\$ 2,154</u>	<u>\$ 2,240</u>	<u>\$ 2,330</u>	<u>\$ 2,423</u>	<u>\$ 2,520</u>

Department of State

The Department of State compiles, publishes and certifies all election returns; issues all commissions to elected and appointed officials; records and punctuates all laws passed by the General Assembly; administers corporate and selected noncorporate business laws; administers the professional and occupational licensing boards; and regulates solicitation activities, boxing and wrestling matches.

The Department of State is administered by the Secretary of the Commonwealth and includes the State Athletic Commission, the Commission on Charitable Organizations, and 24 professional and occupational licensing boards.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revisions:

Appropriation	Title	1985-86 State Funds (in thousands)
General Fund		
General Government Operations	PII—Computerization of the Uniform Commercial Code Files	\$ 176 ^a
DEPARTMENT TOTAL		<u>\$ 176</u>

The Productivity Improvement Initiative provides for the conversion of the Corporation Bureau's Uniform Commercial Code files from a manual to a computerized system.

^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

DEPARTMENT OF STATE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 2,993	\$ 3,075	\$ 3,274
Publishing Constitutional Amendments .....	.....	60	60
Electoral College Expenses .....	.....	6	.....
Subtotal	\$ 2,993	\$ 3,141	\$ 3,334
Grants and Subsidies			
Voting of Citizens in Military Service	\$ 8	\$ 8	\$ 8
Voter Registration by Mail	400	600	350
County Election Expenses	20	.....	.....
Subtotal	\$ 428	\$ 608	\$ 358
TOTAL STATE FUNDS	\$ 3,421	\$ 3,749	\$ 3,692
Other Funds	\$ 9,217	\$ 11,105	\$ 10,621
GENERAL FUND TOTAL	\$ 12,638	\$ 14,854	\$ 14,313

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 2,993	\$ 3,075	\$ 3,274
Other Funds	9,217	11,105	10,621
TOTAL	<u>\$ 12,210</u>	<u>\$ 14,180</u>	<u>\$ 13,895</u>

Provides intra-agency administrative support; maintains current information on corporations and charitable organizations; monitors the election process; and issues commissions to State and local officials. Protects the public from unqualified practitioners in the various professional and skilled service areas licensed by the Department.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 2,993	\$ 3,075	\$ 3,274
Other Funds:			
Fees — Registration of Charitable Organizations	216	250	215
Auctioneers Licenses	88	99	94
Medical, Osteopathic and Podiatry Fees	1,236	1,496	1,314
Boxing and Wrestling Fees	227	190	235
Professional Licensure Augmentation Account	7,450	9,070	8,763
TOTAL	<u>\$ 12,210</u>	<u>\$ 14,180</u>	<u>\$ 13,895</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Publishing Constitutional Amendments			
State Funds	\$ 60	\$ 60

Meets the cost of publishing all proposed constitutional amendments three months prior to the November election and the primary election in at least two newspapers of general circulation in all counties where newspapers are published.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorization:			
Publishing Constitutional Amendments	<u>\$ 60</u>	<u>\$ 60</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget

Electoral College Expenses

State Funds	\$ 6
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Provides for the expenses of the members of the electoral college.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget

Source of Funds

Appropriation:			
Electoral College Expenses .....	.....	<u>\$ 6</u>	<u>.....</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget

Voting of Citizens in Military Services

State Funds	\$ 8	\$ 8	\$ 8
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Reimburses county boards of election at the rate of \$.40 per ballot for each military absentee ballot cast during an election.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget

Source of Funds

Appropriation:			
Voting of Citizens in Military Services	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 8</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Voter Registration by Mail			
State Funds	\$ 400	\$ 600	\$ 350

Reimburses county boards of election and the United States Post Office for all mailing costs incurred in registering voters by mail.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Voter Registration by Mail	\$ 400	\$ 350	\$ 350
Voter Registration by Mail—Recommended Supplemental .....	.....	250	.....
TOTAL	<u>\$ 400</u>	<u>\$ 600</u>	<u>\$ 350</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Special Election Expenses			
State Funds	\$ 20	.....	.....

Provides payment to county boards of election for expenses incurred in special elections.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorization:			
County Election Expenses	<u>\$ 20</u>	<u>.....</u>	<u>.....</u>

DEPARTMENT OF STATE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,030	\$ 989	\$ 1,050	\$ 1,092	\$ 1,136	\$ 1,181	\$ 1,228
Consumer Protection	\$ 1,342	\$ 1,441	\$ 1,536	\$ 1,597	\$ 1,661	\$ 1,727	\$ 1,796
Regulation of Consumer Products and Promotion of Fair Business Practices	1,342	1,441	1,536	1,597	1,661	1,727	1,796
Maintenance of Professional and Occupational Standards ^a .....	.....	.....	.....	.....	.....	.....	.....
Electoral Process	\$ 1,049	\$ 1,319	\$ 1,106	\$ 1,134	\$ 1,163	\$ 1,199	\$ 1,224
Maintenance of Electoral Process	1,049	1,319	1,106	1,134	1,163	1,199	1,224
DEPARTMENT TOTAL	<u>\$ 3,421</u>	<u>\$ 3,749</u>	<u>\$ 3,692</u>	<u>\$ 3,823</u>	<u>\$ 3,960</u>	<u>\$ 4,107</u>	<u>\$ 4,248</u>

^aAll funds are other than General Fund or Special Fund.

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,030	\$ 989	\$ 1,050	\$ 1,092	\$ 1,136	\$ 1,181	\$ 1,228
Other Funds	446	550	550	550	550	550	550
TOTAL	<u>\$ 1,476</u>	<u>\$ 1,539</u>	<u>\$ 1,600</u>	<u>\$ 1,642</u>	<u>\$ 1,686</u>	<u>\$ 1,731</u>	<u>\$ 1,778</u>

Program Analysis:

This subcategory includes the executive offices and the legal and administrative services which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The Department of State, through these administrative support programs, has a planning capability which assists program directors in improving their services to the public. The success or failure of these supportive efforts can only be indirectly reflected

by the effectiveness of the activities they support.

A major change was initiated in 1983-84 to the funding sources for this subcategory. Administrative services (fiscal, personnel, etc.) previously provided from the General Fund in support of the operation of the various professional and occupational boards are now charged to the funds available to the Boards. This amounts to \$550,000 in 1985-86.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 1,030</u>	<u>\$ 989</u>	<u>\$ 1,050</u>	<u>\$ 1,092</u>	<u>\$ 1,136</u>	<u>\$ 1,181</u>	<u>\$ 1,228</u>

Regulation of Consumer Products and Promotion of Fair Business Practices

OBJECTIVE: To prevent fraudulent solicitation or misrepresentation of sporting events and to maintain accurate records of corporate charters.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,342	\$ 1,441	\$ 1,536	\$ 1,597	\$ 1,661	\$ 1,727	\$ 1,796
Other Funds	443	440	450	468	487	506	526
TOTAL	\$ 1,785	\$ 1,881	\$ 1,986	\$ 2,065	\$ 2,148	\$ 2,233	\$ 2,322

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Application reviews of fictitious names, businesses, corporations, trademarks, etc	69,955	72,000	74,000	76,000	78,000	80,000	82,000
Corporation name reservations and information requests issued	146,101	147,000	148,000	149,000	150,000	151,000	152,000
Estimate of currently soliciting groups requiring licensing	12,200	12,300	12,400	12,500	12,600	12,700	12,800
Currently soliciting groups complying with regulations	6,500	7,000	8,000	8,500	9,000	9,500	10,000
Investigations of Charities Act violations ..	30	40	50	60	70	80	90
Cease and desist letters issued	586	300	100	115	110	105	100
Boxing and wrestling events requiring regulation	310	320	320	320	320	320	320

Program Analysis:

This program encompasses the activities of the Corporation Bureau, the Commission on Charitable Organizations and the Athletic Commission.

The Corporation Bureau is responsible for registering all businesses in the Commonwealth, and currently has an estimated 1,731,200 fictitious names, businesses, corporations and secured filings on file. The goal of the Corporation Bureau is to promote a more favorable atmosphere for commerce to enter Pennsylvania. Business registration applications are processed in a manner which allows receipted documents to be returned to applicants within 24 hours. To accommodate the increase in corporate name reservations and information requests, additional direct access phone lines were installed. The increase in the number of corporation name reservations over last years' measure can be attributed to a concerted effort by the department to en-

courage prospective filers to inquire by telephone to confirm the business name that they prefer is not already registered to another corporation. This increased the volume of requests and conversely reduced the rejection rate for new filers.

This budget includes funding for another important initiative in the Corporation Bureau, involving a \$176,000 Productivity Improvement Initiative for conversion of the Uniform Commercial Code card files to computerized forms. Productivity Improvement Initiatives for all agencies are summarized in Volume I.

The Commission on Charitable Organizations is responsible for the registration of charitable organizations, professional fund raisers and solicitors, as well as regulation of the actual solicitation and distribution of collected funds. The measure reflecting the number of currently soliciting

Regulation of Consumer Products and Promotion of Fair Business Practices (continued)

Program Analysis: (continued)

groups represents an educated guess, since accurate statistics are not available. Violations of the Charitable Solicitations Act usually arise from failure to register, renew registration or comply with Cease and Desist Letters. Act 90 of 1982 revised registration requirements and specifically excluded certain organizations from these requirements. Organizations no longer required to register include fire and ambulance companies, veterans' organizations, libraries, hospitals and educational institutions.

The major objective of the Bureau is to increase the awareness and understanding of the Charitable Solicitations Act among Pennsylvania consumers and Charitable organizations. To achieve this objective during 1984-85 increased activity has occurred in seminars, public service announcements and speaking engagements before small groups. Inquiries and investigations of suspected violations are now emphasized. Special efforts are now made to in-

clude outside legal assistance to aid in speedy criminal litigations of charities which continue to operate against a Cease and Desist order. The commission has developed reciprocity with the postal inspector, State District Attorney's Association, and referral to the Attorney General's Office. As the public becomes more aware of the registration requirements to solicit funds, there should be a decrease in the number of cease and desist letters.

The State Athletic Commission is charged with licensing boxers, wrestlers, and officials, as well as the regulation of boxing and wrestling events. The Athletic Commissioners are attempting to stimulate boxing and wrestling activity in Pennsylvania as a means to increase revenue. Potential promoters are being cultivated and negotiations are under way to continue bringing championship events into the Commonwealth.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 1,342	\$ 1,441	\$ 1,536	\$ 1,597	\$ 1,661	\$ 1,727	\$ 1,796

Maintenance of Professional and Occupational Standards

OBJECTIVE: To minimize the number of professional and occupational practitioners and establishments failing to meet specified standards of entry and performance.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Other Funds	<u>\$ 8,328</u>	<u>\$ 10,115</u>	<u>\$ 9,621</u>	<u>\$ 10,006</u>	<u>\$ 10,406</u>	<u>\$ 10,822</u>	<u>\$ 11,255</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Licenses and renewals issued	453,321	217,000	480,000	235,000	485,000	240,000	490,000
Applicants passing examination	24,398	28,500	29,000	29,000	29,000	29,000	29,000
Applicants failing examinations for license .	16,371	16,500	17,000	17,000	17,000	17,000	17,000
Investigations	3,373	4,300	4,500	4,700	4,700	4,700	4,700
Routine inspections	15,296	26,000	28,000	29,000	30,000	30,000	30,000
Complaints processed by legal staff	1,958	2,200	2,200	2,200	2,200	2,200	2,200
Suspensions and revocations by boards	162	165	170	170	170	170	170

Program Analysis:

The focus of this program is one of assuring acceptable professional and technical services to the Commonwealth's residents. To accomplish this, some two dozen boards of the Bureau of Professional and Occupational Affairs utilize licensing, enforcement and administrative powers to regulate and service the various professions.

Mechanisms utilized in controlling the quality of practitioners include regulating age, 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.

The use of the legal and investigatory machinery of the bureau has also been a major means of monitoring the vast numbers of licensees.

The program measures reflect the major functions of the bureau: testing, licensing and enforcement. The first three measures reflect the testing and licensing functions, while the last four reflect the enforcement functions.

The measures dealing with applicants passing the examination have shown a decrease from the previous year. The

decrease can be attributed to a different examination schedule in 1983-84. Several examinations occurred later in the fiscal year than in the past and the examination results were not reported by the testing services before June 30.

Several program enhancements have been implemented during 1984-85 which have improved the productivity of the Law Enforcement and Legal Service areas. These improvements include a complete upgrade of the Law Enforcement position classification specifications, which have enabled the bureau to recruit higher quality personnel to deal with the increasingly complex investigatory demands of the Boards. Additional investigative support is being provided to the boards in this budget as well via an \$85,000 initiative to further expand the Bureau's enforcement activities.

The decrease in the measure dealing with complaints processed by the legal staff can be attributed to a more thorough review upon receipt of the complaint. At that time, some are evaluated as having insufficient merit and are not processed. The increase in the number of suspensions and revocations by the boards can be attributed to the increase in attorney staff, as more and better-documented cases are able to be presented to the boards resulting in more actions being taken by the boards. An effort is underway to focus

Maintenance of Professional and Occupational Standards (continued)**Program Analysis: (continued)**

public attention on the mission of the bureau and the boards, involving initiatives already taken such as installation of a toll free hot-line for consumer complaints, publication of newsletters, preparation of weekly news releases outlining significant activities of the various boards, and advertising in local newspapers punitive actions by the boards against licensees.

Also, the annual re-inspection of licensed establishments will continue to be emphasized as an impetus for establishments to come into compliance with the law and regulations on their own prior to prosecution.

Effective July 1, 1978, Act 124 created a restricted Professional Licensure Augmentation (PLAA) account enabl-

ing this program to be funded from fees and fines collected by the Bureau of Professional and Occupational Affairs. Thus the bureau operates entirely out of earmarked funds, considered for budgetary purposes as "Other" funds, rather than from a General Fund appropriation.

After six year's experience with the PLAA concept and the current exposure to the sunset review process, it has been determined that every individual board should take steps to equalize revenues with expenditures over each two year period by adjusting license fees where required; steps necessary to increase fees in 18 of the 20 PLAA boards are currently underway.

Maintenance of the Electoral Process

OBJECTIVE: To insure that the electoral process conforms to legally defined specifications, that appointed and elected officials meet the legal requirements for their respective positions, and that an official record of the laws and resolutions of the legislative branch and the official acts of the executive branch is maintained.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,049	\$ 1,319	\$ 1,106	\$ 1,134	\$ 1,163	\$ 1,199	\$ 1,224

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Voting age population (in thousands).....	9,060	9,060	9,241	9,241	9,500	9,500	9,500
Percent of voting age population actually voting	30%	48%	30%	47%	30%	49%	30%
Voter registration by mail	588,880	600,000	400,000	560,000	400,000	577,200	400,000
Total voter registration transactions	737,647	800,000	500,000	700,000	500,000	700,000	500,000
Persons filing for vacant offices	2,491	225	1,500	230	2,000	235	2,000
Gubernatorial commissions issued	967	600	500	550	660	600	600
Notary public commissions issued	16,067	15,400	15,500	15,600	15,700	15,800	15,900
Campaign expense audits	38	30	35	28	35	30	35

Program Analysis:

Public policy is formulated by citizens through electoral participation. Because the electoral process is the basic public policymaking mechanism, it is important to insure that this process conforms to legally defined specifications. Abuse of the electoral process causes decline in voter participation. This is particularly distressing in a democracy because those who do not vote may be interested but regard the franchise as a useless exercise. The measures dealing with voter participation reflect the entire voting age population rather than just those who have registered. This more accurately reflects the scope of the voter apathy problem.

Efforts in this program are, therefore, keyed towards ensuring efficiency, honesty and uniformity in the administration of the Election Code. Some of the more serious problems within the election system have included: often burdensome registration and voting procedures; the lack of easily obtainable published information concerning the State's electoral process; instances of unfair and unjust administration of election processes; and a pervading lack of

consistency in activities at all levels of election administration.

A number of programs have been implemented to rectify the problem areas identified. Efficiency-oriented solutions include administration of the voter registration by mail program; enfranchising new groups of citizens not formerly accessible to registration and voting; comprehensive revision of the Election Code; and distribution of various public information publications detailing election laws and procedures. To assure honesty of elections, a monitoring system for campaign finance reports has been implemented; a detailed examination of petitions is conducted to ensure all requirements are met; and continuing certification of ballot information is maintained concerning candidates and their status throughout the election year.

The number of candidates filing for vacant offices in 1983-84 was less than the prior years' projected figure because of changes to political party rules which reduced the number of national convention delegates filing for both

Maintenance of the Electoral Process (continued)

Program Analysis: (continued)

political parties.

Other functions in this program fall under the commissioning area and include commissioning gubernatorial appointees to boards and commissions and preparing commissions for judges, justices of the peace and notaries public. In addition, extraditions are prepared for the Governor and bond issues for the Commonwealth are processed. Finally, a record of all legislation passed by the General Assembly is maintained by docketing the bills and assigning act numbers.

Included in the program measures are data to indicate the number of voter registration transactions that are conducted with mail application forms. There was a larger than expected number of voter registration by mail transactions processed for 1983-84 due primarily to active municipal elections in selected municipalities in 1983. The Mayoral election in Philadelphia had a significant impact on increasing voter registration transactions. The Commonwealth Court issued an order to supply an additional one million forms to Philadelphia. In addition, a portion of activity for the

1984 Presidential election is reflected in the 1983-84 figures. Voter registration activity for the recent Presidential election was the highest in 25 years, due to voter interest and voter registration drives. This is also reflected in the revised measures, which show an increase in the current year estimate of voter registration by mail transactions to 600,000.

The number of notary public commissions issued has exceeded projections by 6 percent. This is not expected to be a trend and, therefore, future projections have not been increased. The number of Gubernatorial commissions issued has significantly increased due to implementation of Act No. 196 of 1982, which revised appointment procedures for Railroad Police. This new procedure took effect in January 1983 and new Commissions were issued for railway police officers through July 1, 1983. Act 196 provides an incentive to railway companies to have their officers commissioned under these new provisions which provide for a perpetual commission.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 621	\$ 645	\$ 688	\$ 716	\$ 745	\$ 775	\$ 806
Publishing Constitutional Amendments ..	.....	60	60	60	60	60	60
Electoral College Expenses .....	.....	6	.....	.....	.....	6	.....
Voting of Citizens in Military Service ...	8	8	8	8	8	8	8
Voter Registration by Mail	400	600	350	350	350	350	350
County Election Expenses	20	.....	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 1,049	\$ 1,319	\$ 1,106	\$ 1,134	\$ 1,163	\$ 1,199	\$ 1,224

State Employes' Retirement System

The State Employes' Retirement System is responsible for administering the State Employes' Retirement Fund; and the supplemental retirement allowances and cost-of-living increases for annuitants.

STATE EMPLOYEES' RETIREMENT SYSTEM

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Grants and Subsidies			
National Guard — Employer Contribution	\$ 1,157	\$ 1,379	\$ 1,403
Pension Increase for Annuitants .....	. . . .	6,500	. . . .
GENERAL FUND TOTAL	\$ 1,157	\$ 7,879	\$ 1,403

GENERAL FUND STATE EMPLOYEES RETIREMENT SYSTEM

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
National Guard — Employer Contribution			
State Funds	\$ 1,157	\$ 1,379	\$ 1,403

Provides for amortization of the present and future deficits in the accounts of certain National Guard members of the system for whom the Federal government is not making the required employer contribution.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
National Guard — Employer Contribution	<u>\$ 1,157</u>	<u>\$ 1,379</u>	<u>\$ 1,403</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Pension Increase for Annuitants			
State Funds	\$ 6,500	.....

Provides for funding of increases in payments to annuitants of the system based on their years of service and years of retirement. This appropriation was distributed to General Fund agencies for the increase in their employer payment to the Fund.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Pension Increase for Annuitants	\$ 8,500	.....
Pension Increase for Annuitants — Supplemental			
Appropriation	<u>.....</u>	<u>-2,000</u>	<u>.....</u>

STATE EMPLOYES' RETIREMENT SYSTEM

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 1,157	\$ 7,879	\$ 1,403	\$ 1,431	\$ 1,460	\$ 1,489	\$ 1,519
General Administration and Support	1,157	7,879	1,403	1,431	1,460	1,489	1,519
DEPARTMENT TOTAL	<u>\$ 1,157</u>	<u>\$ 7,879</u>	<u>\$ 1,403</u>	<u>\$ 1,431</u>	<u>\$ 1,460</u>	<u>\$ 1,489</u>	<u>\$ 1,519</u>

STATE EMPLOYEES' RETIREMENT SYSTEM

General Administration and Support

OBJECTIVE: To provide an effective administration system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,157	\$ 7,879	\$ 1,403	\$ 1,431	\$ 1,460	\$ 1,489	\$ 1,519
Other Funds	3,753	5,630	4,919	5,116	5,320	5,533	5,755
TOTAL	\$ 4,910	\$ 13,509	\$ 6,322	\$ 6,547	\$ 6,780	\$ 7,022	\$ 7,274

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Benefit payments processed	11,084	11,200	11,200	11,200	11,200	11,200	11,200
Average processing time for benefit payments (in days)	12	15	10	10	10	10	10
Return on investment (in millions)	\$358.0	\$393.8	\$433.2	\$476.5	\$524.0	\$576.6	\$634.2

Program Analysis:

The State Employees' Retirement System (SERS) was established to administer the pension plan created by statute in 1924. Contributions by the employee and the employing agency are made to the State Employees' Retirement Fund which uses those moneys and interest earnings for administration of the system and payment of benefits. This special fund presentation is shown in the appendix to Volume I of this Budget.

The Commonwealth's benefits for its annuitants are funded through agency contributions to the State Employees' Retirement System. In 1984-85 agency contributions to the system total over \$400 million; the combined employer/employee cost is over 23 percent of payroll and has been increasing annually.

A major task of State government in the coming year will be to establish a new retirement system for future employees.

The proposed revision to the retirement system for new employees, and those existing employees who elect to join it, would provide adequate benefits at a more fiscally acceptable cost to the Commonwealth. The basic employee contribution to the system, which is now either 5 percent or 6.25 percent of salary, depending on the starting date of employment, would no longer be required.

Legislation establishing such a system has been drafted for the State system and is recommended for the School Employees' Retirement System as well.

The 1985-86 employer retirement contribution has been

budgeted at an overall rate of 18.09 percent with differential billing levels to take into consideration the cost to the system of the age 50 retirement offered to enforcement personnel and legislators. The expected billing rate will be 17.68 percent of payroll for the general population and 5.5 percent higher than the base rate for the affected payrolls of the Department of Public Welfare, Liquor Control Board, Corrections, and the State Police. The rate for the Legislature will be changed proportionately. The rate as determined by the actuary assumes an employee contribution rate of 6.25 percent for employees hired after July 22, 1983 in accordance with Act 31 of 1983.

This budget includes funds to continue the twenty year amortization of the deficiency in National Guard employee accounts created by the Federal government's inadequate employer contributions. Those employees were assured of full retirement benefits when they joined the State system in 1968. Refusal of the Federal government, which is their employer, to increase its contributions as the system's contribution rate increases would result, without the Commonwealth's intervention, in reduced retirement eligibility for those employees as they retire. Although the 1985-86 contribution rate for retirement will be over 17 percent the Federal government refuses to contribute more than the 7 percent they began contributing in 1968 for both retirement and social security. Since Social Security must be funded first and Social Security exceeds 7 percent in this fiscal year

STATE EMPLOYEES' RETIREMENT SYSTEM

General Administration and Support (continued)

Program Analysis: (continued)

there will be no contribution to the system for retirement costs. The funding of that deficit over the next sixteen years will fulfill the State's commitment to employees affected by the deficit.

Administration of the system is funded by interest earnings of the fund; the Legislature annually appropriates the moneys for administration within the fund. That appropriation is shown above as other funds. The administrative budget includes an initiative to enhance the operation of the system by conversion of the records system to microfiche. Funding is also included to continue the pilot field office program which is being established to enhance the retirement counseling function.

Currently one of the largest statewide public plans in the nation, the State Employees' Retirement System serves a membership of over 177,000. Once an employe becomes a member of the system, he begins making contributions from each paycheck. The system, in conjunction with the Commonwealth Management Information Center, maintains on computer approximately 116,000 active account records and credits interest to these accounts each quarter year. Other

functions of the SERS are the processing of applications for reinstatement of prior State service, for purchase of credit for military service, and for conversion of one type of coverage to another.

The Retirement System oversees a portfolio of investments valued at more than 4.7 billion dollars. The Retirement Board and its staff, working with the legal, investment, and actuarial advisors to the system, strive to maintain a system that is financially sound, efficient and responsive to the requirements of its membership.

The projected return on investments measure is significantly lower than projections made in the fiscal year 1984-85 budget, which included realized gains from the sale of investments in the actual year. Data for this budget has been revised to properly reflect only investment income as return on investments. The growth in return on investments has been decreased from 11 percent in the last budget submission to 10 percent in this budget, in order to reflect a more realistic economic outlook and the shift in composition of the fund from fixed income to equity holdings.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
National Guard—Employer Contribution	\$ 1,157	\$ 1,379	\$ 1,403	\$ 1,431	\$ 1,460	\$ 1,489	\$ 1,519
Pension Increase for Retired Teachers and Annuitants .....	.....	6,500	.....	.....	.....	.....	.....
TOTAL	<u>\$ 1,157</u>	<u>\$ 7,879</u>	<u>\$ 1,403</u>	<u>\$ 1,431</u>	<u>\$ 1,460</u>	<u>\$ 1,489</u>	<u>\$ 1,519</u>

State Police

The State Police enforce the law and preserve the peace through the detection of crime and the apprehension of criminals, the patrol of highways, the enforcement of the Vehicle Code and the abatement of certain fire hazards.

The State Police receive a General Fund appropriation for criminal law enforcement and a Motor License Fund transfer for traffic patrol activities. In 1985-86 the ratio will be 31 percent General Fund and 69 percent Motor License Fund. In addition, the State Police receive augmentations from the Turnpike Commission for turnpike patrol and from the sale of patrol cars replaced by new vehicles.

PROGRAM REVISION

Budgeted Amounts Include the Following Program Revision:

Appropriation	Title	1985-86 State Funds (in thousands)
General Government Operations	PII—Initial Crime Report Automation	\$ 65 ^a

This Productivity Improvement Initiative will allow for the computerization and automation of selected intelligence, investigative and criminal history information presently on file.

DEPARTMENT TOTAL	<u>\$ 65</u>
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^aThis is only one of numerous productivity improvement initiatives which are being provided one-time funding to achieve long-term cost savings and efficiency benefits. The entire Program Revision Request is summarized in Volume I.

STATE POLICE

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 54,234	\$ 58,000	\$ 65,600
Municipal Police Training	1,140	3,728	2,247
In-Service Training of Municipal Police	113	.....	.....
TOTAL STATE FUNDS	<u>\$ 55,487</u>	<u>\$ 61,728</u>	<u>\$ 67,847</u>
Federal Funds	\$ 1,451	\$ 2,836	\$ 1,570
Other Funds	9,959	10,400	11,294
GENERAL FUND TOTAL	<u>\$ 66,897</u>	<u>\$ 74,964</u>	<u>\$ 80,711</u>
Motor License Fund			
General Government			
Transfer to General Fund — General Government Operations ..	\$ 121,682	\$ 130,286	\$ 145,866
Transfer to General Fund — Municipal Police Training	1,206	1,267	2,246
Transfer to General Fund — In-Service Training of Municipal Police	113	.....	.....
MOTOR LICENSE FUND TOTAL	<u>\$ 123,001</u>	<u>\$ 131,553</u>	<u>\$ 148,112</u>
Department Total — All Funds			
General Fund	\$ 55,487	\$ 61,728	\$ 67,847
Special Funds	123,001	131,553	148,112
Federal Funds	1,451	2,836	1,570
Other Funds	9,959	10,400	11,294
TOTAL ALL FUNDS	<u>\$ 189,898</u>	<u>\$ 206,517</u>	<u>\$ 228,823</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
General Government Operations			
State Funds	\$ 55,487	\$ 61,728	\$ 67,847
Federal Funds	1,451	2,836	1,570
Other Funds	132,960	141,953	159,406
TOTAL	\$ 189,898	\$ 206,517	\$ 228,823

Provides administrative support for all line and staff activities of the Department. Seeks to reduce traffic accidents through highway patrol, operator qualifications examinations and periodic investigation of vehicle inspection stations. Maintains a juvenile crime prevention program as well as a criminal law enforcement program, which includes training of municipal police, in an effort to reduce crime and instances of civil disorder. Provides assistance during natural disasters and any other emergencies. Inspects all proposed flammable tank installations.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
General Government Operations	\$ 54,234	\$ 58,000	\$ 65,600
Municipal Police Training	1,140	3,728	2,247
In-Service Training of Municipal Police	113	.....	.....
Federal Funds:			
FHWA — Northwestern University Traffic Institute Training ..	37	40	.....
FHWA — Highway Traffic Safety Educational Training Program	38	57	40
FHWA — Summer Slowdown — 55	429	457	475
FHWA — Upgrading of Breath Testing Equipment	185	40	25
FHWA — Operation C.A.R.E.	174	408	325
FHWA — Program Management	12	20	20
FHWA — Evaluation Project Grant	16	.....	.....
LEAA — Aid to Local Law Enforcement	18	.....	.....
NHTSA — Evaluation Grant	4	7	10
NHTSA — Increased DUI Enforcement	29	371	500
NHTSA — Evaluation Grant III .....	.....	10	30
NHTSA — Spare Line Painting .....	.....	475	.....
NHTSA — Speed Enforcement Task Force .....	.....	585	.....
NHTSA — Driver Improvement Course .....	.....	11	.....
NHTSA — Increased DUI Enforcement	199	.....	.....
NHTSA — Traffic Accident Prevention	8	28	.....
NHTSA — Alcohol Safety Program .....	.....	.....	65
NHTSA — Evaluation Project Grant .....	.....	17	.....
NHTSA — Alcohol Safety Training .....	.....	.....	20

GENERAL FUND **STATE POLICE**

	(Dollar Amounts in Thousands)		
<i>Source of Funds (continued)</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds: (continued)			
FHWA — Alcohol Safety Training	\$ 38	\$ 95	\$ 60
FHWA — DUI Enforcement	199	. . . .	. . . .
FHWA — Municipal Police Officers Education and Training ..	15	20	. . . .
FHWA — DUI Awareness Training	50	. . . .	. . . .
FHWA — Speed Training Devices .....	. . . .	195	. . . .
Other Funds:			
Transfer From Turnpike Commission for Traffic Control	8,668	9,170	10,116
Transfer From Motor License Fund — General Government Operations ^a	121,682	130,286	145,866
Transfer From Motor License Fund — Municipal Police Training ^a	1,206	1,267	2,246
Transfer to General Fund — In-Service Training ^a	113	. . . .	. . . .
Reimbursement for Tuition of Municipal Police	254	265	250
Sale of Automobiles	645	600	600
Reimbursement for Electronic Surveillance Training	37	40	40
Criminal History Record Information Fee	245	250	250
Photo License Centers Billings	16	28	. . . .
Training School Fees	34	5	5
Information Services — Maglocen	22	. . . .	. . . .
Donations	1	. . . .	. . . .
Computer Services PCCD	25	25	25
Reimbursement for Services	12	17	8
TOTAL	\$ 189,898	\$ 206,517	\$ 228,823

^aThe transfers from the Motor License Fund are not carried forward to the Summary By Fund and Appropriation to avoid double counting.

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Highway Activities			
State Funds	\$ 123,001	\$ 131,553	\$ 148,112

Provides reimbursement to the General Fund for State Police relating to highway safety, traffic patrol and municipal police training.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
<i>Source of Funds</i>			
Appropriations:			
Transfer to General Fund — General Government Operations . .	\$ 121,682	\$ 130,286	\$ 145,866
Transfer to General Fund — Municipal Police Training	1,206	1,267	2,246
Transfer to General Fund — In-Service Training of Municipal Police	113	.....	.....
TOTAL	<u>\$ 123,001</u>	<u>\$ 131,553</u>	<u>\$ 148,112</u>

STATE POLICE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 23,350	\$ 24,262	\$ 26,980	\$ 28,059	\$ 29,181	\$ 30,348	\$ 31,563
Traffic Safety and Supervision	\$ 106,867	\$ 114,424	\$ 129,004	\$ 134,165	\$ 139,531	\$ 145,112	\$ 150,916
Operator Qualifications Control	4,835	5,015	5,543	5,767	5,995	6,235	6,485
Vehicle Standards Control	2,361	2,449	2,771	2,880	2,998	3,117	3,240
Traffic Supervision	99,671	106,960	120,690	125,518	130,538	135,760	141,191
Control and Reduction of Crime	\$ 47,360	\$ 53,614	\$ 58,926	\$ 61,283	\$ 63,734	\$ 66,284	\$ 68,936
Crime Prevention	651	636	722	751	781	812	845
Criminal Law Enforcement	46,709	52,978	58,204	60,532	62,953	65,472	68,091
Maintenance of Public Order	\$ 446	\$ 432	\$ 459	\$ 477	\$ 496	\$ 516	\$ 537
Emergency Assistance	446	432	459	477	496	516	537
Community Safety	\$ 465	\$ 549	\$ 590	\$ 614	\$ 638	\$ 664	\$ 690
Fire Prevention	465	549	590	614	638	664	690
DEPARTMENT TOTAL	<u>\$ 178,488</u>	<u>\$ 193,281</u>	<u>\$ 215,959</u>	<u>\$ 224,598</u>	<u>\$ 233,580</u>	<u>\$ 242,924</u>	<u>\$ 252,642</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,216	\$ 7,133	\$ 7,872	\$ 8,187	\$ 8,514	\$ 8,855	\$ 9,209
Special Funds	16,134	17,129	19,108	19,872	20,667	21,493	22,354
Federal Funds	69	77	60	20	20	20	20
TOTAL	\$ 23,419	\$ 24,339	\$ 27,040	\$ 28,079	\$ 29,201	\$ 30,368	\$ 31,583

Program Analysis:

General Administration and Support provides direction and coordination for all line and staff activities of the State Police, including the administrative and overhead systems for the operation of the various substantive law enforcement programs. Included in this subcategory are the provision of protection to the Governor and visiting dignitaries, security of the executive residence, and background investigations on State job applicants. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support.

This budget provides \$1,544,000 to implement the third

year of a four year program to train 160 State Police Cadets per year to help maintain a sufficient level of enlisted personnel. The recommended amount has been prorated throughout all subcategories to illustrate more specific funding requirements, and is funded from both the General and Motor License Funds.

Funds have also been provided to continue the "White Collar Crime Unit", to investigate criminal wrongdoing within the white collar area and related areas such as public corruption and misconduct and to maintain the State Police at present operational levels.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 7,216	\$ 7,133	\$ 7,872	\$ 8,187	\$ 8,514	\$ 8,855	\$ 9,209
MOTOR LICENSE FUND							
Transfer to General Fund—General Government Operations	\$ 16,134	\$ 17,129	\$ 19,108	\$ 19,872	\$ 20,667	\$ 21,493	\$ 22,354

Operator Qualifications Control

OBJECTIVE: To minimize the number of traffic accidents attributable to physically and mentally unqualified operators.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 4,835	\$ 5,015	\$ 5,543	\$ 5,767	\$ 5,995	\$ 6,235	\$ 6,485
Federal Funds	8	28	.....	.....	.....	.....	.....
Other Funds	16	28	.....	.....	.....	.....	.....
TOTAL	<u>\$ 4,859</u>	<u>\$ 5,071</u>	<u>\$ 5,543</u>	<u>\$ 5,767</u>	<u>\$ 5,995</u>	<u>\$ 6,235</u>	<u>\$ 6,485</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Accidents investigated by State Police attributable to unqualified drivers	48,498	51,000	51,000	51,000	51,000	51,000	51,000
Licensed operators	7,450,530	7,426,823	7,427,338	7,420,773	7,421,278	7,449,053	7,523,543
Reexamined operators	134,988	140,000	140,000	140,000	140,000	140,000	140,000
Safety education classes held	5,305	5,411	5,519	5,629	5,741	5,855	5,972

Program Analysis:

The Commonwealth's Driver Licensing Program has been developed to assure that persons operating vehicles on the highways of the Commonwealth are physically and mentally qualified to do so in a safe manner. For this reason, it has been and continues to be necessary to examine new driver license applicants and reexamine existing licensed drivers to determine their driving ability, physical and mental qualifications, and knowledge of the rules of safe driving.

The driver licensing program is a combined effort of the State Police and the Department of Transportation. The Department of Transportation performs administrative direction and maintains records, while the State Police performs the actual task of examining new applicants and reexamining existing licensed drivers. Driver examinations are conducted for new operators, school bus operators, motorcycle operators, applicants desiring to operate trucks, truck tractors and semi-trailers, pedalcycle operators and special driver examinations as directed by the Department of Transportation's Bureau of Traffic Safety Operations. These special examinations are normally: (1) random operator reexaminations which entail a vision test by State Police Driver License Examiners and a physical examination by a physician to certify that there is no medical condition which would impair the operator's driving ability; and (2) required reexaminations for those drivers who have accumulated ex-

cessive points under the Commonwealth's point system for driver control.

The State Police operate 42 off-street, 35 on-street and three visual examination sites throughout the State, thereby providing convenient accessibility to all citizens of the Commonwealth. Forty-eight enlisted and 99 civilian Driver License Examiners are stationed at various locations around the State to administer the driver license examinations. Personnel performing the driver licensing examinations have received, in the past few years, a considerable amount of training in the operation of the various types of vehicles for which a driver's license is required. Specific training has been received from the Motorcycle Safety Foundation in the safe operation of motorcycles and the Pennsylvania Motor Truck Association in the operation of trucks, truck-tractors and semi-trailers. School bus seminars have also been held in conjunction with the Department of Transportation to continually improve testing procedures for school bus drivers.

Expansion of the State Police's automated driver testing program is continuing in an effort to provide a uniform system of testing throughout the State and to enable more driver license examiners to be available for the driving portions of a driver's examination. The State Police now have 21 examination points equipped with those testing units and one mobile van which will be utilized in the rural areas of

Operator Qualifications Control (continued)

Program Analysis: (continued)

the State. Additionally, Federal funds have enabled the State Police to acquire new vision testing equipment and automated testing equipment.

The traffic safety education programs of the State Police are an integral part of the Operator Qualifications Program. Each county troop has a Safety Education Officer assigned who, as part of his activities, presents defensive driving and other traffic safety education programs geared to meet specific traffic safety needs of a particular age group or geographical area. Special emphasis is placed on youthful drivers, ages 16 to 24, who, statistics indicate, have more accidents than older drivers. Specific programs are provided on drunk driving, motorcycle safety, bicycle safety and pedestrian safety programs and selected accident prevention programs which are all a part of the total highway safety effort.

Total accidents showed an increase from the previous year and miles driven in the State also increased by a billion miles. It is assumed that both increases are a direct result of the upturn in the economy and the access to cheaper and more accessible fuel supplies. An increase in licensed operators is also reflected in driver licensing activities, the result of a large number of teenagers reaching the driving age. Teenagers contributed to a disproportionate number of alcohol-related fatal accidents in 1983. The overall increase in accidents signifies the need to maintain increased special

enforcement efforts and also to continue the efforts to encourage the general public to abide by the 55 MPH National Speed Limit. Since 1981 there has been a considerable increase in the number of operators re-examined as a result of the point program which now requires re-exams rather than attendance at driver improvement schools. In the 1983-84 fiscal year, however, there was a decrease in the number of re-exams which may signify that a leveling off point has been achieved.

The driver licensing program responsibility of the State Police is conducted by both enlisted and civilian Driver License Examiners. In the last several years the State Police has been able to hire and train a number of new civilian Driver License Examiners which has allowed them to reduce enlisted personnel temporarily assigned to this function and to replace some enlisted members who had been permanently assigned as Driver License Examiners.

The number of safety education programs and those attending those programs decreased in 1983-84 due to the assigning of officers to patrol, other enforcement, and special assignment duties.

Additional funds have been provided in this budget to implement the third year of a four year program to train 160 State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at satisfactory operational levels.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Transfer to General Fund —							
General Government Operations	\$ 4,835	\$ 5,015	\$ 5,543	\$ 5,767	\$ 5,995	\$ 6,235	\$ 6,485

Vehicle Standards Control

OBJECTIVE: To minimize the number of traffic accidents attributable to vehicle mechanical defects.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 2,361	\$ 2,449	\$ 2,771	\$ 2,880	\$ 2,998	\$ 3,117	\$ 3,240

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Accidents investigated by State Police attributable to mechanical failure	3,322	3,500	3,500	3,500	3,500	3,500	3,500
Certified inspection stations	20,615	21,000	21,000	21,000	21,000	21,000	21,000
Inspection station visitations	17,525	17,500	17,500	17,500	17,500	17,500	17,500

Program Analysis:

The vehicle inspection program within the Commonwealth is currently conducted jointly by the Pennsylvania Department of Transportation and the Pennsylvania State Police. The Department of Transportation performs administrative functions such as issuing certificates of appointment to inspection stations and selling and distributing the inspection stickers.

Seventy enlisted members are currently assigned as Inspection Station Supervisors with fifty-nine alternates providing additional help as needed. The field work performed by State Police Inspection Station Supervisors consists primarily of visiting each inspection station once a year, and investigating applicants for inspection stations. During these unannounced visits, the station is checked for sufficient and proper tools, qualified mechanics, accurate record keeping and an exact inventory of, and sufficient security for, inspection stickers. Inspection Station Supervisors are also responsible for examining mechanics desiring to be certified to perform vehicle inspections, investigating applicants for car dealer licenses, messenger services and full agents for issuance of temporary registration plates, inspecting specially constructed and reconstructed vehicles, and personally performing the annual inspection of all school buses. Other duties involve the examination of vehicles involved in fatal accidents for which vehicle failure was listed as the cause, the investigation of complaints about improper inspections and fraudulent repairs, checking and verifying serial numbers on stolen vehicles or out-of-state vehicles with serial plates missing, and the inspection of salvage lots. The State

Police are also required to supervise the vehicle inspection programs mandated for all mass transit vehicles in the Commonwealth, and all new holders of public convenience certificates (taxicabs) in cities of the first class.

School bus safety inspections are a major portion of State Police mandated responsibilities, with troopers performing the actual safety inspection prior to operation during the school year. This responsibility was entrusted to the State Police as many of the school bus mechanical systems had been neglected in the past resulting in unsafe conditions for the children riding these buses. The inspections are normally conducted in July and August of each year with monthly school bus spot checks conducted during each school year. The State Police also has one member assigned fulltime to the Southeastern Pennsylvania Transit Authority (SEPTA) to oversee their vehicle inspection program, with other mass transit systems throughout the Commonwealth overseen on an as-needed basis.

The vehicle inspection program, mandated by the Pennsylvania Vehicle Code, is a key element of the highway safety efforts of the Commonwealth. Accidents attributable to mechanical failure are low in comparison to those attributable to unqualified drivers and the actions of motor vehicle operators; however, the program's objective is to prevent accidents by keeping mechanically defective vehicles off the Commonwealth's highways. Since no data are available concerning the number of accidents prevented through the vehicle inspection process, the effectiveness of the program can only be determined through analysis of the number of

Vehicle Standards Control (continued)

Program Analysis: (continued)

accidents which have occurred as a result of mechanical failure.

Additional funds have been provided in this budget to implement the third year of a four year program to train 160

State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at satisfactory operational levels

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Transfer to General Fund—General							
Government Operations	<u>\$ 2,361</u>	<u>\$ 2,449</u>	<u>\$ 2,771</u>	<u>\$ 2,880</u>	<u>\$ 2,998</u>	<u>\$ 3,117</u>	<u>\$ 3,240</u>

Traffic Supervision

OBJECTIVE: To minimize the number of traffic accidents and to aid local police in traffic law enforcement through proper training and traffic assistance.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 99,671	\$ 106,960	\$ 120,690	\$ 125,518	\$ 130,538	\$ 135,760	\$ 141,191
Federal Funds	1,374	2,731	1,510	1,275	1,275	1,275	1,275
Other Funds	9,275	9,725	10,672	11,073	11,477	11,891	12,319
TOTAL	\$ 110,320	\$ 119,416	\$ 132,872	\$ 137,866	\$ 143,290	\$ 148,926	\$ 154,785

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Accidents investigated by State Police attributable to actions of the operator ...	18,152	19,000	19,000	19,000	19,000	19,000	19,000
Traffic citations issued	341,427	375,00	375,000	380,00	380,000	380,000	380,000
Arrests for hazardous moving violations ...	245,912	270,000	270,000	280,000	280,000	280,000	280,000
Incidents of motorist assistance	96,269	100,000	100,000	100,000	100,000	100,000	100,000
State Police arrests for intoxication	4,677	5,000	5,500	5,500	5,500	5,500	5,500
Tests administered by State Police for intoxication	3,216	3,800	4,100	4,100	4,100	4,100	4,100
Tests administered by State Police for municipalities	1,755	2,100	2,100	2,100	2,100	2,100	2,100
Local police trained in basic course	525	995	1,000	1,000	1,000	1,000	1,000
Responses by State Police for assistance in traffic cases	55,344	55,000	55,000	55,000	55,000	55,000	55,000

Program Analysis:

Enforcing the Commonwealth's traffic laws is a major responsibility of the Pennsylvania State Police. The emphasis of the department is reducing traffic accidents and bringing the motoring public into voluntary compliance with all traffic laws through patrol and enforcement activities. Traffic patrol and enforcement are provided by the State Police throughout the State in those municipalities where there are no full-time police departments, and on all Interstate highways. Traffic assistance is also provided, upon request, to municipalities with full-time police departments.

The Pennsylvania State Police utilize various patrol and enforcement techniques; however, the very presence of visible police patrols continues to have the greatest impact in the reduction of traffic accidents. In this regard, the State

Police attempt to allocate patrol activities to those areas and locations with high traffic and accident volume. Additional programs have also been incorporated into enforcement activities which have had a positive effect. Specifically, the Aerial Speed Enforcement Program and the use of unconventional patrol vehicles have been effective in combating those speeders that utilize CB radios and radar detecting devices. The State Police also provide enforcement activities in commercial vehicle weight enforcement, and will ultimately provide vehicle noise enforcement as mandated by the Vehicle Code.

The Aerial Speed Enforcement Program currently utilizes seven State Police helicopters statewide on designated highways identified by the Department of Transportation

Traffic Supervision (continued)

Program Analysis: (continued)

as having a high incidence of speeding or speed related accidents. The State Police have also acquired three fixed wing aircraft with Federal funds specifically for 55 miles-per-hour enforcement.

Federal funds also continue to enable the State Police to conduct various enforcement programs and acquire new and replacement equipment. These programs include: providing a concentrated accident reduction effort over major holiday periods on Interstate highways; utilizing off-duty enlisted personnel during the summer weekends for 55 miles-per-hour enforcement on non-Interstate highways; acquiring replacement radar for units currently in use and for special alcohol enforcement efforts. Additionally, the State Police continue to utilize 30 unconventional vehicles of various makes and models throughout the State for 55 miles-per-hour enforcement. All of these programs are aimed at enforcing the 55 miles-per-hour national maximum speed limit and increasing highway traffic safety.

The Vehicle Weight Enforcement Program, which is a combined effort of the State Police and the Department of Transportation, consists of thirty mobile weighing teams working throughout the State enforcing the Commonwealth's vehicle weight and size limitations. There is also one permanent weigh station located on Interstate 80, which is the first of six planned permanent sites. State Police members provide the enforcement activity while Transportation personnel are responsible for the scale operations.

The State Police perform other non-enforcement activities in this program, including the investigation of accidents, providing assistance to motorists, the control and orderly movement of traffic, serving of warrants for traffic violations, and assisting the Department of Transportation in picking up suspended driver licenses and recovering monies due the Commonwealth because of bad checks issued for driver licenses or vehicle registrations.

The State Police also provide a number of traffic services even to those municipalities with full-time police departments. Assistance is provided in accident investigation, traffic direction, traffic control for major activities which the local department cannot handle, radar enforcement on local highways with a high incidence of speed violations,

helicopter patrol, breath testing services, and, in some situations, communications. Additionally, the State Police provide basic police training for municipal police officers and offer an assortment of short traffic courses for in-service training. Recent amendments to Act 120 have added the City of Philadelphia to the municipal police training program resulting in a dramatic increase in officers trained as demonstrated in the program measures. These courses are offered at the State Police Academy in Hershey and at four regional training centers located in Wyoming, Collegetown, Greensburg, Meadville, and other certified training institutions throughout the Commonwealth.

Program measure statistics for fiscal year 1983-84 varied considerably from last year. Increased alcohol enforcement was responsible for substantial increases in the number of arrests for intoxication by the State Police and the number of intoxication tests administered by the State Police for municipalities. The largest increase was in the number of intoxication tests administered for the State Police which more than doubled. The State Police anticipate the number of alcohol arrests to continue to increase in future years as driving under the influence is receiving increased emphasis and also because the State Police is upgrading its breathtesting instruments in the field. An important statistic resulting from increased alcohol enforcement is the realization that teenage drivers are involved in a disproportionate number of fatal accidents attributed to alcohol.

There was also a significant increase in assistance provided to local police departments in traffic cases. Total accidents remained fairly constant while miles driven during this period increased by a billion miles. Measures, such as the number of traffic citations issued and arrests for hazardous moving violations, showed a decrease. However a review of the previous five years indicates that this is a temporary decrease and it is expected that these two measures will continue to increase in the future.

Additional funds have been provided in this budget to implement the third year of a four year program to train 160 State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at satisfactory operational levels.

Traffic Supervision (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Transfer to General Fund—General							
Government Operations	\$ 98,352	\$ 105,693	\$ 118,444	\$ 123,182	\$ 128,109	\$ 133,234	\$ 138,563
Transfer to General Fund—Municipal							
Police Training	1,206	1,267	2,246	2,336	2,429	2,526	2,628
Transfer to General Fund—In-Service							
Training	113	.....	.....	.....	.....	.....	.....
MOTOR LICENSE FUND TOTAL...	<u>\$ 99,671</u>	<u>\$ 106,960</u>	<u>\$ 120,690</u>	<u>\$ 125,518</u>	<u>\$ 130,538</u>	<u>\$ 135,760</u>	<u>\$ 141,191</u>

Crime Prevention

OBJECTIVE: To minimize the incidence of crime through a reduction in the opportunity for potential violators to commit unlawful acts and by motivating juvenile violators to avoid any future unlawful activity.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 651</u>	<u>\$ 636</u>	<u>\$ 722</u>	<u>\$ 751</u>	<u>\$ 781</u>	<u>\$ 812</u>	<u>\$ 845</u>

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
National juvenile crime rate (per 100,000 population)	2,788	2,700	2,700	2,600	2,600	2,500	2,500
State juvenile crime rate (per 100,000 population)	2,313	2,200	2,200	2,200	2,200	1,900	1,900
Juveniles arrested by State Police	8,749	8,000	8,000	7,500	7,500	7,000	7,000
Juveniles receiving State Police preventive contacts	3,667	3,740	3,815	3,891	3,969	4,404	4,129
Juvenile offenders handled informally	2,974	3,033	3,094	3,155	3,218	3,282	3,348
Liaison visits to courts, schools, police departments, etc.	5,883	6,000	6,100	6,150	6,200	6,225	6,250
Attendance at youth aid programs	42,772	43,627	44,499	45,388	46,295	47,221	48,165
Attendance at crime prevention programs ..	178,180	179,000	180,000	180,500	181,000	181,500	182,000

Program Analysis:

Combating crime is not the responsibility of police alone. It requires the active, organized involvement of the public if any significant results are to be realized. Crime decreased by 6.5 percent in 1983 and initial statistics for the first half of 1984 reveal a decrease of 5.0 percent. In order to maintain this encouraging downward trend, persons of all ages, sex, and socioeconomic backgrounds need to be made aware of, and become involved in, crime prevention.

Since many crimes are preventable, the State Police have elicited citizen participation by providing guidance as to: precautions the average individual may take to protect his/her person, family, and property from crime; steps that neighbors may take towards protecting one another from crime; measures which individuals may take to reduce physical danger and property loss should they become a victim of crime; and steps citizens may take to help police solve crimes. The State Police have specific programs to deal with

rape, burglary, child molestation, and bunco. These programs are presented to "target audiences" composed of the category of persons most likely to be victims of that particular crime. Additionally, communities, neighborhood groups and citizens are encouraged, through the State Police public education and awareness programs, to participate in other crime prevention activities such as crime watch groups, operation identification, and block parents. Further emphasis is provided through the news media by utilizing news releases to issue crime prevention tips, and to alert the public to any crimes which may be occurring frequently during a given time period within a community.

Youth aid continues to be a part of crime prevention activities, even though it has been combined with community relations activities. This activity includes: the counseling of juveniles who appear to be drifting toward a conflict with the law, and in those cases when increased parental guidance

Crime Prevention (continued)**Program Analysis: (continued)**

is indicated, counseling with the juvenile's parents or guardians; conducting liaison visits with the courts, schools and police departments relative to juvenile problems which are of a common interest; and the development of Youth Aid Programs. Additionally, the State Police is participating in a new "Operation Home Free" program which is designed to provide for the return of runaway/missing children.

The decrease in both the juveniles arrested by State Police and the national and state juvenile crime index arrest rates reflected the current downward trend in crime. This downward trend is partly attributable to the decline in the juvenile population and the State Police crime prevention programs which are targeted primarily at juvenile audiences. Attendance at crime prevention presentations and juvenile offenders handled informally have remained fairly constant for the last several years. Several measures that showed an

increase in the 1983-84 fiscal year after showing a decrease for several years are: juveniles receiving State Police contacts; and, liaison visits to courts, schools, police departments. The fingerprinting of 70,266 children in 1983 by State Police Community Relations and/or Safety Education Officers, performed as a service to parents in case their children become lost or missing, is partly responsible for these temporary first-time increases. It is anticipated that the number of juveniles fingerprinted in the future will level off and remain fairly constant.

Additional funds have been provided in this budget to implement the third year of a four year program to train 160 State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at satisfactory operational levels.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 651</u>	<u>\$ 636</u>	<u>\$ 722</u>	<u>\$ 751</u>	<u>\$ 781</u>	<u>\$ 812</u>	<u>\$ 845</u>

Criminal Law Enforcement

OBJECTIVE: To maximize the percentage of sound crime case clearances and the percentage of convictions.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 46,709	\$ 52,978	\$ 58,204	\$ 60,532	\$ 62,953	\$ 65,472	\$ 68,091
Other Funds	668	647	622	642	668	693	720
TOTAL	\$ 47,377	\$ 53,625	\$ 58,826	\$ 61,174	\$ 63,621	\$ 66,165	\$ 68,811

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Statewide crimes against persons	40,638	38,000	38,000	38,000	38,000	38,000	38,000
Statewide crimes against property	341,057	320,000	320,000	320,000	320,000	320,000	320,000
Crimes against persons investigated by State Police:							
Total	2,331	2,100	2,100	2,100	2,100	2,100	2,100
Percent resulting in arrests	60.4%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%
Percent of those arrested who are convicted	49.7%	60%	60%	60%	60%	60%	60%
Crimes against property investigated by State Police:							
Total	37,044	35,000	35,000	35,000	35,000	35,000	35,000
Percent resulting in arrests	19.9%	20%	20%	20%	20%	20%	20%
Percent of those arrested who are convicted	78.7%	80%	80%	80%	80%	80%	80%
Criminal investigations regarding arson	3,332	3,500	3,500	3,500	3,500	3,500	3,500
Arson arrests	456	450	450	450	450	450	450

Program Analysis:

State Police activities in this program are geared toward controlling the incidence of crime. Many factors affect the type and volume of crime that occurs within the Commonwealth: density and size of community population, economic conditions, cultural conditions, and effective strength of law enforcement agencies.

There are two ways in which to measure the productivity of the police effort in the criminal justice system. There is the clearance rate, which is the percentage of reported crimes for which an arrest is made, and the conviction rate, which is the percentage of convictions resulting from total arrests. Clearance rates for crimes of violence (murder, rape, robbery, kidnapping and assault) are consistently higher than other crimes for several reasons: there is a victim; there is usually a witness (often the victim); and the occurrence of

these types of crimes afford the investigator more substantial evidence with which to conduct the investigation. On the other hand, crimes against property (burglary, larceny, auto theft, etc.) have a lower clearance rate because there is usually no witness to the crime and there is less concrete evidence with which the investigator can work.

The State Police are responsible for conducting criminal investigations anywhere in the Commonwealth where there is no organized police agency, and also for providing investigative and technical assistance to any full-time municipal police department on request. Additionally, the State Police provide investigative assistance in the areas of drugs and narcotics, organized crime, white collar crime, public corruption, arson, etc. Investigations of these particular activities involve covert operations, intelligence

Criminal Law Enforcement (continued)

Program Analysis: (continued)

gathering and reporting, surveillance, and expertise in a specific field.

The White Collar Crime Unit is involved in many major criminal investigations throughout the Commonwealth. The Pennsylvania State Police Division of Drug Law Enforcement continues to combat the importation, manufacture, distribution and use of illegal drugs in the Commonwealth through overt and covert operations initiated and conducted by enlisted members both alone and in conjunction with other municipal, State and Federal agencies. Since 1980 fraud investigation units have been concentrating on covert investigations such as sting operations and infiltration of highly structured criminal groups who specialize in stealing truck tractors and trailers and other types of heavy construction equipment. These units have been operating in the densely populated sections of Pennsylvania and have recovered millions of dollars worth of stolen property.

Arson investigation has also become increasingly emphasized and specialized over the last several years due to a large increase nationwide in the incidence of arson. The State Police utilize 43 Fire Marshals in the field and three administrative personnel at department headquarters who actively investigate and coordinate all arson or suspicious fire-related occurrences. These Fire Marshals are augmented by 55 trained alternates, some of whom are being utilized almost full time, to perform fire investigative services when required. In addition, the State Police have improved their arson analysis capabilities through the acquisition of a mass spectrometer funded through the Pennsylvania Commission on Crime and Delinquency and the purchase of hydrocarbon indicators for use by investigators in the field.

The State Police Fire Marshals, in addition to conducting inspections of flammable and combustible liquid installations and inspections of areas or buildings for fire hazards, are responsible for arson investigations. These investigations have increased considerably since 1976 due to an escalation of deliberately set fires occurring within the Commonwealth. However, since 1980 there have been fluctuations indicating a leveling off of investigations, possibly due to better investigative techniques, better equipment, and the greater public awareness that has been accomplished by the cooperation of law enforcement agencies. This is evidenced by a decrease in initial arson investigations by 20 percent over the previous year and a decrease of 14 percent in arson arrests. This is an indication of the effectiveness of the emphasis which has been placed on the crime of arson by the criminal justice system in apprehending and convicting the perpetrators and by the insurance companies in making it increasingly difficult to collect insurance where a fire is questionable.

The Pennsylvania State Police are now actively involved in conducting a course of training in the legal and technical aspects of wiretapping and electronic surveillance for in-

vestigative and law enforcement officers of the Commonwealth. The training, under regulations and standards established by the Attorney General and the Commissioner of the State Police, provides for the certification and periodic recertification of Commonwealth investigative or law enforcement officers eligible to conduct wiretapping or electronic surveillance. The State Police have a number of Criminal Investigation Unit members who are certified to conduct wiretapping and electronic surveillance and who have been called upon to conduct one party consent and court-ordered wiretaps and electronic surveillance for municipal, county and State agencies of the Commonwealth.

The State Police serve as the Commonwealth's central repository for criminal history record information, which includes criminal identification records, fingerprint records and gun registration records. The State Police have traditionally provided criminal investigative training courses to municipal police. Local police have access to the Commonwealth Law Enforcement Assistance Network (CLEAN) and the statewide crime laboratories of the State Police.

The Motor Vehicle Theft Unit provides investigative assistance to all police agencies of the Commonwealth and Federal investigative agencies by providing investigative expertise in motor vehicle theft operations, the identification of suspect vehicles and current modus operandi of professional vehicle theft rings and vehicle thieves. This unit also provides assistance to all levels of police authority in instances where vehicles are involved in the commission of a crime. Working with the Department of Transportation's Bureau of Motor Vehicles, the assistance is rendered in a timely fashion so as to enhance the investigation of vehicle related crime.

The total number of crimes reported in 1983 decreased 6.5 percent from the number reported in 1982, according to the Pennsylvania Uniform Crime Report. Part I Offenses, the more serious offenses, decreased by 2.3 percent, while Part II Offenses, the lesser offenses, decreased by 5.9 percent. Through the first six months of 1984, crime in Pennsylvania continued to show a decline with Part I Offenses down by 3.5 percent and Part II Offenses off by 6.9 percent. A survey of some of the municipalities in the Commonwealth that have reported decreases in crime for 1984 indicates that many of them credit neighborhood crime watches for much of the decrease. It is anticipated that the downward trend in crime will bottom out in the near future, and then rates will remain relatively constant over the next several years.

To update the criminal information system, \$65,000 has been included as a Productivity Improvement Initiative to allow for computerization and automation of selected intelligence, investigative and criminal history information presently on file. A summary of all Productivity Improvement Initiatives appears in Volume 1.

Criminal Law Enforcement (continued)

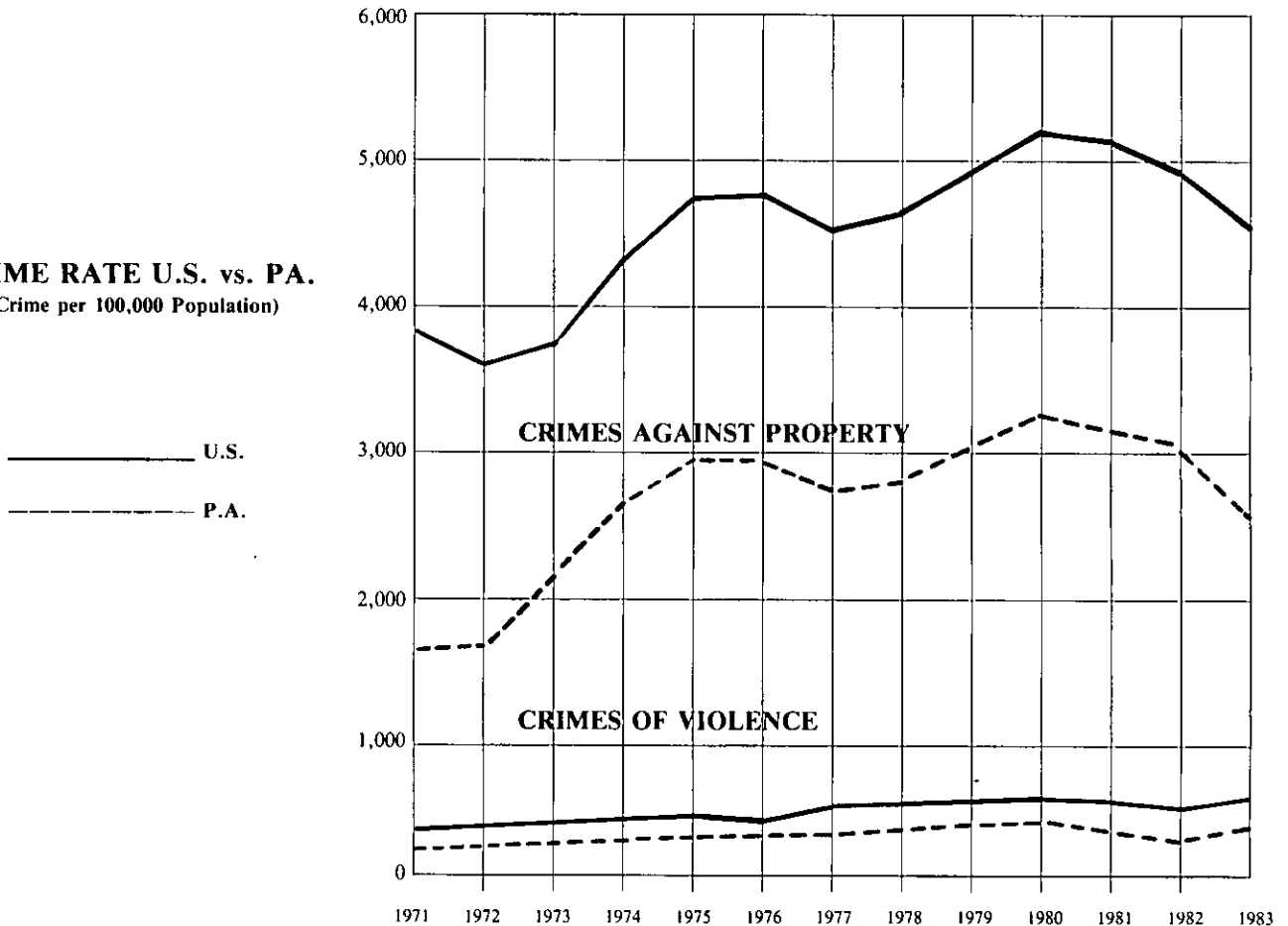
Program Analysis: (continued)

Additional funds have been provided in this budget to implement the third of a four year program to train 160 State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at

satisfactory operational levels.

Funds have also been provided to implement a "Missing Person's Program" concentrating on the large number of children that disappear annually.

CRIME RATE U.S. vs. PA.
(Crime per 100,000 Population)



Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 45,456	\$ 49,250	\$ 55,957	\$ 58,195	\$ 60,523	\$ 62,944	\$ 65,462
Municipal Police Training	1,140	3,728	2,247	2,337	2,430	2,528	2,629
In-Service Training	113	.....	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	\$ 46,709	\$ 52,978	\$ 58,204	\$ 60,532	\$ 62,953	\$ 65,472	\$ 68,091

Emergency Assistance

OBJECTIVE: To respond to special situations in order to minimize loss of life, bodily injury, property loss and other economic losses through the prevention of civil disorder, the control of riotous and natural or man made disaster situations.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 446	\$ 432	\$ 459	\$ 477	\$ 496	\$ 516	\$ 537

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Emergency assistance situations requiring State Police response	19	50	50	50	50	50	50
Arrests by State Police stemming from emergency assistance situations	52	50	50	50	50	50	50
Total person hours spent on disorders	7,954	10,000	10,000	10,000	10,000	10,000	10,000

Program Analysis:

The State Police are normally called upon whenever any special situations occur within the Commonwealth. The department has responsibilities to be properly trained and prepared to respond to special situations which may arise, to gather intelligence for determining potential trouble areas or problems, and to perform prevention activities which may diffuse any anticipated civil disorder.

Community Relations Officers assigned to each Troop provide the majority of the efforts relative to civil disorders. They are responsible for maintaining liaison with communities in developing plans to minimize community tension, maintaining communications between the State Police and disaffected community groups during civil disorders, and being aware of the presence of tension and tension-inducing factors within the community.

Emergency assistance can be defined as special situations that would include a substantial disturbance and/or a breach of the peace or public disorder and are normally the result of group disorders. The more recent civil disorders that have occurred have evolved out of strikes. Disorders in the other categories are somewhat less frequent and less predictable than strikes. The State Police must be prepared to handle any civil disorder or emergency which may occur. Toward this end, each troop has developed a Civil Disorder/Emergency Plan for its area of responsibility which is updated yearly and provides information relative to needs

or operational considerations should a situation occur. Additionally, all State Police members have been trained in the effective handling of civil disorders, disturbances, emergency responses and the attitudes and responsibilities expected of each.

Two accident areas which require specialized training for emergency responses are nuclear and hazardous substance accidents. The State Police have instituted a Radiological Monitoring Course for all cadets to cover nuclear transportation accidents and their response plans for nuclear accidents. In order to minimize the chances of such transportation accidents the Radiation Protection Act of 1984 requires that the State Police escort all shipments of spent nuclear fuel through or within the Commonwealth.

Activities in this program can vary considerably from year to year due to the uncertainties surrounding the many causes which produce special situations. Although there was a slight increase in activity in fiscal year 1982-83 compared to 1981-82, overall activity during the last several years has been rather low in comparison to earlier years. This has largely been due to relatively calm labor years in terms of strikes, the absence of fuel shortages and the lessening of anti-nuclear demonstrations. Any large strikes such as occurred several years ago in the coal and trucking industries, would increase activity considerably in comparison to past fiscal years where only a few sporadic labor strikes and various

Emergency Assistance (continued)

Program Analysis: (continued)

demonstrations required State Police involvement.

As in previous years, the needs, outputs and impacts of this program for future years cannot be accurately projected. Individual civil disorders tend to occur over particular actions or inactions on the part of individuals or groups. Certain events can somewhat be anticipated in advance, such as impending strikes which can develop into civil disorders, and appropriate action may be taken to try and avoid any

disturbances. Other instances are spontaneous and cannot initially be eliminated through preventive contacts.

Additional funds have been provided in this budget to implement the third year of a four year program to train 160 State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at satisfactory operational levels.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 446</u>	<u>\$ 432</u>	<u>\$ 459</u>	<u>\$ 477</u>	<u>\$ 496</u>	<u>\$ 516</u>	<u>\$ 537</u>

Fire Prevention

OBJECTIVE: To minimize fire hazards endangering persons or property.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 465	\$ 549	\$ 590	\$ 614	\$ 638	\$ 664	\$ 690

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Approvals of flammable liquid tank installations	1,119	1,200	1,200	1,200	1,200	1,200	1,200
Corrections formally ordered and made ...	9	10	10	10	10	10	10
Accidental fires reported to State Police ...	677	650	650	650	650	650	650

Program Analysis:

Currently, fire prevention activities involve primarily the inspection of flammable tank installations, including modifications to existing installations, and the enforcement of the regulations governing the storage and handling of flammable liquids.

Applicants proposing to install flammable liquid storage facilities must obtain written construction approval indicating compliance with established regulations. Once the storage facility has been constructed, a State Police Fire Marshal makes a safety inspection of the facility to determine if it is properly installed and conforms with the approved construction plan. If any unsafe conditions are found, corrections are ordered and the facility is then reinspected.

Other duties performed by State Police Fire Marshals within this program include the investigation of reported fire hazards, the presentation of fire prevention programs to community groups, and the coordination of fire prevention

activities with local, State and private-related organizations. The State Police also have a statewide chain of 1,905 assistants to the Fire Marshal, normally local Fire Chiefs or Assistant Fire Chiefs appointed by the Commissioner, who are provided training along with locally appointed Fire Marshals on fire investigation techniques and cause recognition. Assistance is also provided to local Fire Marshals, when requested, in the investigation of fires of undetermined origin.

State Police activities in the inspection of flammable liquid installations are projected to remain somewhat constant. This is basically the result of decreased construction of service station facilities within the Commonwealth.

Additional funds have been provided in this budget to implement the third year of a four year program to train 160 State Police cadets per year to help maintain a sufficient level of enlisted personnel and to maintain the State Police at satisfactory operational levels.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	\$ 465	\$ 549	\$ 590	\$ 614	\$ 638	\$ 664	\$ 690

Tax Equalization Board

The State Tax Equalization Board determines annually the aggregate market value of assessed taxable real property throughout the Commonwealth for use in determining the amount and allocation of Commonwealth subsidies to school districts, for use in determining State support of public libraries, and in determining certain tax limitations.

TAX EQUALIZATION BOARD

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
General Government Operations	\$ 896	\$ 941	\$ 974
 GENERAL FUND TOTAL	<u>\$ 896</u>	<u>\$ 941</u>	<u>\$ 974</u>

GENERAL GOVERNMENT

		(Dollar Amounts in Thousands)	
General Government Operations	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 896	\$ 941	\$ 974

Determines the aggregate market value of assessed taxable real property in each political subdivision and school district in the Commonwealth for use in determining Commonwealth subsidies to school districts and public libraries and for determining certain tax limitations.

		(Dollar Amounts in Thousands)	
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation: General Government Operations	<u>\$ 896</u>	<u>\$ 941</u>	<u>\$ 974</u>

TAX EQUALIZATION BOARD

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 896	\$ 941	\$ 974	\$ 1,013	\$ 1,053	\$ 1,095	\$ 1,140
General Administration and Support	\$ 896	\$ 941	\$ 974	\$ 1,013	\$ 1,053	\$ 1,095	\$ 1,140
DEPARTMENT TOTAL	<u>\$ 896</u>	<u>\$ 941</u>	<u>\$ 974</u>	<u>\$ 1,013</u>	<u>\$ 1,053</u>	<u>\$ 1,095</u>	<u>\$ 1,140</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	<u>\$ 896</u>	<u>\$ 941</u>	<u>\$ 974</u>	<u>\$ 1,013</u>	<u>\$ 1,053</u>	<u>\$ 1,095</u>	<u>\$ 1,140</u>

Program Analysis:

The State Tax Equalization Board is an independent administrative board created to ensure equitable distribution of tax funds among the State's school districts. The Board determines annually the aggregate market value of taxable real property in each of the more than 2,500 municipalities and 501 school districts in the Commonwealth and certifies the market value to the Secretary of Education. The results are used in determining distribution of State subsidies to

school districts and local libraries, in lieu of tax payments under Project 70 Land Acquisitions, limitations on real estate taxes in school districts lying in more than one county, tax limitations in financing community colleges and overall tax limitations for political subdivisions and school districts. The program includes holding of hearings and analysis of real estate values and transactions.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
General Government Operations	<u>\$ 896</u>	<u>\$ 941</u>	<u>\$ 974</u>	<u>\$ 1,013</u>	<u>\$ 1,053</u>	<u>\$ 1,095</u>	<u>\$ 1,140</u>

Department of Transportation

The responsibility of the Department of Transportation is to provide for the fast, efficient and safe movement of people and goods within the Commonwealth through a balanced transportation system. The Department was formed July 1, 1970 by an act of the Legislature combining the former Department of Highways with other transportation-related activities in various departments.

Restricted revenue appropriated for aviation operations, airport development and the real estate tax rebate program and executively authorized for the bridge improvement and local road turnback programs are shown as "Other Funds — Restricted Revenue" on the Summary by Fund and Appropriation and Detail pages and as "Other Funds" in the appropriate subcategories.

DEPARTMENT OF TRANSPORTATION

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
Mass Transportation Operations	\$ 1,000	\$ 1,060	\$ 1,218
Comprehensive Rail Study .....	.....	250	250
Ridership Verification .....	.....	.....	130
Transfer to Motor License Fund — Vehicle Sales Tax			
Collection	1,432	1,432	1,461
Pennsylvania Coordinate System	153	100	159
High Speed Intercity Rail Passenger Commission .....	.....	1,600	1,100
Indiantown Gap National Cemetery .....	.....	8	.....
Subtotal	<u>\$ 2,585</u>	<u>\$ 4,450</u>	<u>\$ 4,318</u>
Grants and Subsidies			
Mass Transportation Assistance	\$ 161,288	\$ 166,531	\$ 174,524
Rural and Intercity Rail and Bus Transportation	3,472	5,677	5,500
Freight Rail Assistance	3,488	4,389	4,594
Accelerated Rail Maintenance .....	.....	40	.....
Civil Air Patrol	100	200	100
Port of Philadelphia	3,000	3,000	1,000
Port of Erie	1,650	1,125	375
Port of Pittsburgh	1,750	750	250
Subtotal	<u>\$ 174,748</u>	<u>\$ 181,712</u>	<u>\$ 186,343</u>
TOTAL STATE FUNDS	<u>\$ 177,333</u>	<u>\$ 186,162</u>	<u>\$ 190,661</u>
Federal Funds	\$ 55,371	\$ 41,424	\$ 8,648
Other Funds	528	1,216	655
GENERAL FUND TOTAL	<u>\$ 233,232</u>	<u>\$ 228,802</u>	<u>\$ 199,964</u>

DEPARTMENT OF TRANSPORTATION

Summary by Fund and Appropriation (Continued)

	1983-84 Actual	(Dollar Amounts in Thousands) 1984-85 Available	1985-86 Budget
Motor License Fund			
General Government			
General Government Operations	\$ 19,550	\$ 20,353	\$ 20,545
Refunding Monies Collected Through the Department of Transportation	1,544	2,000	1,725
Highway and Safety Improvement	93,000	116,200	129,000
Advanced Construction Interstate .....	. . . . .	3,800	15,800
Highway Maintenance	518,600	567,000	548,181
Salt Storage Buildings .....	. . . . .	. . . . .	1,500
Heavy Equipment Acquisition .....	. . . . .	. . . . .	15,000
Secondary Roads — Maintenance and Resurfacing	49,311	51,572	51,819
Safety Administration and Licensing	40,868	43,836	47,764
Subtotal	<u>\$ 722,873</u>	<u>\$ 804,761</u>	<u>\$ 831,334</u>
Debt Service Requirements			
State Highway and Bridge Authority Rentals	<u>\$ 30,165</u>	<u>\$ 29,800</u>	<u>\$ 29,200</u>
Grants and Subsidies			
Local Road Maintenance and Construction Payments	\$ 144,200	\$ 150,998	\$ 148,721
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Philadelphia Payment — Franchise Tax	728	1,114	929
Subtotal	<u>\$ 149,928</u>	<u>\$ 157,112</u>	<u>\$ 154,650</u>
TOTAL STATE FUNDS	<u>\$ 902,966</u>	<u>\$ 991,673</u>	<u>\$1,015,184</u>
Federal Funds	\$ 378,890	\$ 741,785	\$ 819,520
Other Funds	16,025	21,801	21,364
Other Funds—Restricted Revenue	44,715	159,323	127,877
MOTOR LICENSE FUND TOTAL	<u>\$1,342,596</u>	<u>\$1,914,582</u>	<u>\$1,983,945</u>

DEPARTMENT OF TRANSPORTATION

**Summary by Fund and Appropriation
(Continued)**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Lottery Fund			
Grants and Subsidies			
Free Transit for the Elderly	\$ 64,091	\$ 80,326	\$ 86,443
Demand Response Equipment Grants .....	.....	2,300	2,300
Transfer to Motor License Fund — Vehicle Registration — Elderly	3,400	3,400	2,500
Total Lottery Fund	<u>\$ 67,491</u>	<u>\$ 86,026</u>	<u>\$ 91,243</u>
 Department Total — All Funds			
General Fund	\$ 177,333	\$ 186,162	\$ 190,661
Special Funds	970,457	1,077,699	1,106,427
Federal Funds	434,261	783,209	828,168
Other Funds	16,553	23,017	22,019
Other Funds — Restricted Revenue	44,715	159,323	127,877
TOTAL ALL FUNDS	<u>\$1,643,319</u>	<u>\$2,229,410</u>	<u>\$2,275,152</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Mass Transportation Operations			
State Funds	\$ 1,000	\$ 1,310	\$ 1,598
Federal Funds	49,853	33,869	1,968
Other Funds	250	316	188
TOTAL	<u>\$ 51,103</u>	<u>\$ 35,495</u>	<u>\$ 3,754</u>

Provides administrative coordination, planning and support for all urban, rural and intercity mass transportation as well as rail freight transportation. Efficient and effective urban mass transportation is promoted through analysis of local transit operations and procedures, coordination and funding of urban area planning and study projects, and review of local operating subsidy and capital project requests. Activities designed to continue and improve rail and bus service between Pennsylvania's urbanized areas and bus service in rural areas include: preparing and coordinating needs studies; analyzing existing and proposed service levels; and evaluating the overall effectiveness of the program. Administrative direction of the Elderly Transit program is also funded as part of this General Fund appropriation, while the actual subsidies to transit operators are paid from the Lottery Fund.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Mass Transportation Operations	\$ 1,000	\$ 1,060	\$ 1,218
Comprehensive Rail Study .....	.....	250	250
Ridership Verification .....	.....	.....	130
Federal Funds:			
Urban Mass Transportation Technical Studies Grants	475	700	509
Title IV Rail Assistance — Program Operations and Planning ..	505	200	106
Capital Assistance Elderly and Handicapped Programs — Administration	40	45	40
Surface Transportation Assistance — Program Operations and Planning	493	525	419
Ride Sharing — Operation and Planning	23	46	49
Bus Pool Purchase — Administration .....	.....	.....	.....
Urban Mass Transportation Capital Assistance	48,058	28,188	.....
Energy Conservation — Ridesharing	26	.....	.....
High Speed Rail Corridor Study	200	.....	.....
Urban Mass Transportation Capital Grants	33	25	5
Urban Mass Transportation Capital Improvement Grants .....	.....	4,100	800
Petroleum Violation Escrow Account .....	.....	40	40
Other Funds:			
Reimbursements from Aviation Restricted Revenue	44	60	63
Reimbursement from Capital Facilities Fund	120	140	.....
Lease Recovery Costs — Ridesharing	54	70	77
MLF Reimbursement — Schuylkill Expressway Project .....	.....	.....	8
Ridesharing — State Employees Program — User Fees	32	46	40
TOTAL	<u>\$ 51,103</u>	<u>\$ 35,495</u>	<u>\$ 3,754</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Vehicle Sales Tax Collection			
State Funds	\$ 1,432	\$ 1,432	\$ 1,461

The Department of Transportation assumed responsibility for the collection of motor vehicle sales taxes in 1981-82, as part of a revised vehicle title application system.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Transfer to Motor License Fund — Vehicle Sales Tax			
Collection	<u>\$ 1,432</u>	<u>\$ 1,432</u>	<u>\$ 1,461</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Pennsylvania Coordinate System			
State Funds	\$ 153	\$ 100	\$ 159

With the passage of Act 251 in 1982, the Department of Transportation assumed the Commonwealth's coordinate system responsibility. This function involves placing of survey markers at various locations throughout the State for the purpose of developing maps and determining boundary lines.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Pennsylvania Coordinate System	<u>\$ 153</u>	<u>\$ 100</u>	<u>\$ 159</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
High Speed Intercity Rail Passenger Commission			
State Funds	\$ 1,600	\$ 1,100

Provides for the continued funding of the High Speed Intercity Rail Passenger Commission which is empowered to investigate, study, and make recommendations concerning the need for and establishment and operation of a high speed intercity rail passenger system in the Commonwealth.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
High Speed Intercity Rail Passenger Commission	<u>.....</u>	<u>\$ 1,600</u>	<u>\$ 1,100</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Indiantown Gap National Cemetery			
State Funds	\$ 8	.....

Provides funds for the placing of signs on Interstate Route 81 indicating Indiantown Gap National Cemetery.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Indiantown Gap National Cemetery	<u>.....</u>	<u>\$ 8</u>	<u>.....</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Mass Transportation Assistance			
State Funds	\$ 161,288	\$ 166,531	\$ 174,524

Assists in developing improved, coordinated, and efficient mass transportation systems in the Commonwealth's urban areas through subsidization of public carriers' operating losses.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Mass Transportation Assistance	<u>\$ 161,288</u>	<u>\$ 166,531</u>	<u>\$ 174,524</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Rural and Intercity Rail and Bus Transportation			
State Funds	\$ 6,960	\$ 10,106	\$ 10,094
Federal Funds	5,518	7,555	6,680
Other Funds	278	900	467
TOTAL	<u>\$ 12,756</u>	<u>\$ 18,561</u>	<u>\$ 17,241</u>

Ensures continuation of vital rail services by assisting financially in the purchase, rehabilitation and subsidization of rail lines that were not included in the Consolidated Rail Corporation (ConRail) system; and provides operating subsidies for passenger rail and bus service in small urban and rural areas and between urbanized areas that lack adequate public transportation. Also included in this appropriation is the project grant portion of the Rural Transportation Program.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Port Facilities			
State Funds	\$ 6,400	\$ 4,875	\$ 1,625

Assists in the expansion and improvement of the port facilities at Philadelphia, Erie and Pittsburgh.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Port of Philadelphia	\$ 3,000 ^a	\$ 3,000 ^a	\$ 1,000
Port of Erie	1,650 ^a	1,125 ^a	375
Port of Pittsburgh	1,750 ^a	750 ^a	250
TOTAL	<u>\$ 6,400</u>	<u>\$ 4,875</u>	<u>\$ 1,625</u>

^aActually appropriated to Department of Commerce.

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Government Operations			
State Funds	\$ 21,094	\$ 22,353	\$ 22,270
Federal Funds .....	. . . .	320	286
Other Funds	819	800	440
TOTAL	<u>\$ 21,913</u>	<u>\$ 23,473</u>	<u>\$ 22,996</u>

Develops basic policy guidelines for the highway program, while directing and coordinating specific construction, maintenance and safety and licensing activities. Among the various managerial responsibilities, support is provided in legal, budgetary, accounting, personnel, procurement, information systems and public relations matters. In addition to supervisory functions performed by departmental employees, the work of the Inspector General's office, the State Transportation Commission and the Advisory Committee are included within this program. Transportation also provides certain reproduction services to other State agencies on a reimbursable basis.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
General Government Operations	\$ 19,550	\$ 20,353	\$ 20,545
Executive Authorization:			
Refunding Monies Collected Through Department of Transportation	1,544	2,000	1,725
Federal Funds:			
Highway Research, Planning and Construction .....	. . . .	320	286
Other Funds:			
Reimbursements from General Fund — Mass Transportation...	91	75	100
Reimbursements for Commonwealth Duplicating Services	204	215	220
Reimbursements for Commonwealth Photographic Services	160	200	. . . .
Reimbursements — CETA	6	. . . .	. . . .
Reimbursements from Aviation Restricted Revenue	115	110	120
Reimbursement For Video Services.....	243	200	. . . .
TOTAL	<u>\$ 21,913</u>	<u>\$ 23,473</u>	<u>\$ 22,996</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Highway and Safety Improvement			
State Funds	\$ 93,000	\$ 120,000	\$ 144,800
Federal Funds	290,168	586,000	665,300
Other Funds	3,441	5,000	5,000
Other Funds—Restricted Revenue ^a	26,727	120,000	68,400
TOTAL	\$ 413,336	\$ 831,000	\$ 883,500

Provides for the improvement of highways and bridges that contribute to the economic growth of the Commonwealth and the mobility of the State's citizens, while undertaking safety improvements that reduce personal injury and property damage. The scope of this program covers all 67 counties within the State and includes Federal Interstate, Primary, Secondary, Urban and Appalachia Roads as well as roads on the 100 percent State system. Within the limitations of funding available from Federal aid, local construction contributions and State current revenues, Transportation is charged with the responsibility of developing and executing a program that will correct the most critical deficiencies on the State-administered highway system.

The highway improvement process begins with research, involving long range planning of highway needs and testing of materials and methods to improve the quality and safety of highways improved. To achieve a safe and efficient highway system, plans are formulated for the design, redesign and location of roadways, bridges and structures. Technical matters involved in the acquisition of necessary rights-of-way are also handled. Finally, the construction, reconstruction and safety improvement of roads and bridges on the State highway system are supervised by Transportation personnel who inspect these activities for adherence to established standards.

The Highway and Safety Improvement program also involves improvements to those State-owned bridges enumerated in the "Highway Bridge Capital Budget Act of 1982-83." These improvements are funded from truck axle tax revenues deposited in a restricted account within the Motor License Fund and with Federal funds. Bond expenditures which are scheduled to begin in 1986-87 are shown in the Capital Budget section of this budget. Debt Service expenditures from the restricted revenues are shown in the Treasury Department as "Other Funds — Restricted Revenue." State funds expended from the restricted account are shown above as "Other Funds — Restricted Revenue" and the accompanying Federal funds are also shown in the amounts above.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Highway and Safety Improvement	\$ 93,000	\$ 116,200 ^b	\$ 129,000
Advanced Construction Interstate .....	.....	3,800 ^b	15,800
Federal Funds:			
Highway Research, Planning and Construction	204,962	445,600	485,000
Federal-Aid-Highway Bridge Projects	43,891	103,000	163,300
Appalachia Development Highway System	40,780	37,000	16,600
Forest Highways .....	.....	100	100
Highway Safety Program	498	300	300
Reimbursement From Economic Development Administration ..	37	.....	.....
Other Funds:			
Highway Bridge Projects ^a	26,727	120,000	68,400
Highway Construction Contributions	3,085	4,760	4,760
Reimbursements from Aviation Restricted Revenues.....	171	80	80
Reimbursements from General Fund — Mass Transportation...	156	140	140
Reimbursements from CETA	22	.....	.....
Rental Reimbursement — Photo ID Program	7	20	20
TOTAL	\$ 413,336	\$ 831,000	\$ 883,500

^aExecutive Authorization from restricted revenue account.
^bCurrently appropriated as \$120 million for Highway and Safety Improvement.

MOTOR LICENSE FUND

TRANSPORTATION

Highway Maintenance	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 567,911	\$ 618,572	\$ 616,500
Federal Funds	86,395	150,000	151,400
Other Funds	7,208	10,700	10,700
TOTAL	\$ 661,514	\$ 779,272	\$ 778,600

Performs maintenance activities necessary to keep roadway surfaces in a safe and usable condition. Work carried out by Transportation forces or by contract includes patching, surface treatment, resurfacing, restabilization and minor betterment projects, plus repair of bridges, tunnels and minor storm damage. Snow and ice control services are performed on all State-administered highways as well as on an additional one thousand miles of selected city streets which were assigned to the Department by Act 60 of the 1970 Legislative Session. Other important maintenance activities, not involved directly with the roadway surface itself, include washing, manufacturing and repairing highway signs, repainting pavement markings, and repairing or replacing such safety features as traffic signals, guardrails, median barriers and right-of-way fences.

Repairs to flood-damaged highways are financed through this program, with most of these costs being reimbursed by the Federal Government. Federal assistance is also available for resurfacing, restoration, rehabilitation and reconstruction (4-R Program) work.

Separate authorization and accounting is provided under this program for the one cent of the gasoline tax used for secondary roads maintenance and resurfacing funds as required by Act 161 of the 1974 session of the Legislature.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Highway Maintenance	\$ 518,600	\$ 567,000	\$ 548,181
Salt Storage Buildings .....	.....	.....	1,500
Heavy Equipment Acquisition .....	.....	.....	15,000
Executive Authorization:			
Secondary Roads — Maintenance and Resurfacing	49,311	51,572	51,819
Federal Funds:			
Highway Research, Planning and Construction	84,986	149,900	150,000
State and Community Highway Safety	45	100	150
Highway Emergency Relief .....	.....	.....	250
Federal Emergency Management Agency	1,364	.....	1,000
Other Funds:			
CETA — Title VI	450	.....	.....
Highway Maintenance Contributions	1,743	2,050	2,050
Reimbursements from Other State Agencies — Equipment			
Rental	25	25	25
Sale of Automobiles	140	150	150
Sale of Equipment	247	250	250
Vendor Surcharge — Breach of Contract .....	.....	10	10
Reimbursements for Heavy Hauling — Bonded Roads	401	2,000	2,000
Reimbursements — Manufacture and Sale of Signs	118	75	75
Reimbursements — Accident Damage Claims	3,980	5,900	5,900
Reimbursements — Aviation Restricted Revenue .....	.....	25	25
Fees for Signs — Other State Agencies	16	30	30
Fees for Signs — Non State Agencies	76	120	120
Reimbursements — Rental Photo ID Program	12	15	15
Keep Pennsylvania Beautiful Contributions .....	.....	50	50
TOTAL	\$ 661,514	\$ 779,272	\$ 778,600

MOTOR LICENSE FUND **TRANSPORTATION**

Safety Administration and Licensing	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Funds	\$ 40,868	\$ 43,836	\$ 47,764
Federal Funds	1,117	1,150	1,100
Other Funds	4,706	5,872	5,831
TOTAL	<u>\$ 46,691</u>	<u>\$ 50,858</u>	<u>\$ 54,695</u>

Provides for processing applications and collecting fees for all vehicle registration and operator licenses. Additional functions are to enforce the driver point system; to keep records of State vehicle safety and emission inspections, to maintain a public safety education and information section; and to supply certified copies of records of traffic accidents to other agencies both within and outside the State. Other responsibilities include: providing assistance to Commonwealth agencies, municipalities and nonprofit organizations, regulating the transportation of hazardous substances on the highway and operating a data collection system for accident analysis. Location and cause of accident information is utilized to arrange a priority listing of dangerous road sections; actual safety improvement work is funded within the Highway and Safety Improvement program and Highway Maintenance program.

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Safety Administration and Licensing	\$ 40,868	\$ 43,836	\$ 47,764
Federal Funds:			
State and Community Highway Safety	1,031	1,150	1,100
Reimbursements For Vehicle Emission Inspection	86	. . . .	. . . .
Other Funds:			
Reimbursements from Other State Agencies — Computer Support	90	140	150
Reimbursements — Photo ID Program	3,164	3,285	3,200
Reimbursements — CETA .....	. . . .	. . . .	. . . .
Reimbursements From General Fund — Motor Vehicle Sales Tax ^a	1,432	1,432	1,461
Sale of Equipment	8	. . . .	. . . .
Reimbursement — Emission Mechanic Training Courses	12	15	20
Reimbursement — Motorcycle Safety Program .....	. . . .	1,000	1,000
TOTAL	<u>\$ 46,691</u>	<u>\$ 50,858</u>	<u>\$ 54,695</u>

^aThis transfer from the General Fund is not carried forward to the Summary by Fund and Appropriation to avoid double counting.

Aviation Operations	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds	\$ 958	\$ 3,315	\$ 1,134
Other Funds	1,283	861	854
Other Funds — Restricted Revenue ^a	5,375	5,473	5,907
TOTAL	<u>\$ 7,616</u>	<u>\$ 9,649</u>	<u>\$ 7,895</u>

Maintains and operates the Bureau of Aviation within the Department of Transportation, and all State-owned airports—the two largest being Harrisburg International (HIA) and Capital City. In addition to the costs shown, bond funds are used to finance direct capital project costs within this program. Bond expenditures are reflected in the Capital Budget section of this budget. Restricted revenue appropriated for Aviation Operations is shown as “Other Funds — Restricted Revenue.”

Source of Funds	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Federal Funds:			
Airport Development Aid Program	\$ 27	\$ 313	\$ 128
Federal Aid — HIA	274	812	893
Federal Aid — Other State Airports	657	2,190	113
Other Funds:			
Aviation Operations ^a	5,375	5,473	5,907
Reimbursements for Cost of Utility Services — HIA	896	501	494
Reimbursements for Cost of Utility Services — Other	58	60	60
Reimbursements — Flight Operations	285	300	300
Sale of Automobiles and Other Vehicles	43	.....	.....
Sale of Publications	1	.....	.....
TOTAL	<u>\$ 7,616</u>	<u>\$ 9,649</u>	<u>\$ 7,895</u>

^aAppropriation from restricted revenue account.

DEBT SERVICE REQUIREMENTS

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
State Highway and Bridge Authority Rentals			
State Funds	\$ 30,165	\$ 29,800	\$ 29,200

Makes rental payments to the State Highway and Bridge Authority for highways and bridges constructed with funds borrowed by the Authority as a means of expanding the construction program beyond the level permitted by current revenues in previous years.

Bond borrowings since 1968 were made as General Obligations of the Commonwealth, for which debt service requirements are appropriated to the Treasury Department. State Highway and Bridge Authority rentals will continue for those projects currently under rental.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
State Highway and Bridge Authority Rentals	<u>\$ 30,165</u>	<u>\$ 29,800</u>	<u>\$ 29,200</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Local Road and Bridge Assistance			
State Funds	\$ 149,928	\$ 157,112	\$ 154,650
Federal Funds	252	1,000	300
Other Funds — Restricted Revenue ^a	10,638	31,650	50,600
TOTAL	<u>\$ 160,818</u>	<u>\$ 189,762</u>	<u>\$ 205,550</u>

Provides financial aid to local municipalities to assist them in the maintenance and construction of their portion of the total highway system. With the passage of Act 32 of 1983 the local subsidy was set at 20 percent of the flat fuel tax and 20 percent of a portion (3.5 percent) of the current 6 percent oil franchise tax paid into the Motor License Fund. As part of the 1981 oil franchise tax legislation (which pre-empted all other similar taxes within the Commonwealth) Philadelphia receives a separate appropriation annually in an amount equal to two percent of the retail sales within the city less the increased allocation to Philadelphia. In addition, the General Assembly established in 1980 an annual appropriation of \$5 million to be returned to local governments for further highway improvements.

Payment of the funds to municipalities is closely regulated and controlled to determine that monies are expended for maintenance and construction of roads according to law. The distribution is made on a 50 percent mileage and 50 percent population formula.

Provides grants to local governments of up to 80 percent of the non-Federal cost of repairing, removing or replacing local bridges enumerated in the Highway Bridge Capital Budget Act of 1982-83. These grants are made from a restricted revenue account in the Motor License Fund and are shown above as "Other Funds—Restricted Revenue." Accompanying Federal funds are also shown in the amounts above.

Also provides funds from a recently created restricted revenue account in the Motor License Fund for restoration projects and annual maintenance payments associated with the local turnback program. State funds expended from the restricted account are shown above as "Other Funds—Restricted Revenue."

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Local Road Maintenance and Construction Payments	\$ 144,200	\$ 146,439	\$ 148,721
Local Road Maintenance and Construction Payments— Recommended Supplemental .....	.....	4,559	.....
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000
Executive Authorization:			
Philadelphia Payment — Franchise Tax	728	1,114	929
Federal Funds:			
Federal Aid — Local Grants for Bridge Projects	252	1,000	300
Other Funds:			
Local Grants for Bridge Projects ^a	1,969	19,000	36,700
Annual Maintenance Payments — Highway Transfer ^a	1,049	2,600	4,375
Restoration Projects — Highway Transfer ^a	7,620	10,050	9,525
TOTAL	<u>\$ 160,818</u>	<u>\$ 189,762</u>	<u>\$ 205,550</u>

^aExecutive Authorizations from Restricted Revenue Accounts.

**LOTTERY FUND
GRANTS AND SUBSIDIES**

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Free Transit for the Elderly			
State Funds	\$ 64,091	\$ 82,626	\$ 88,743

Allows elderly citizens to ride the Commonwealth's transit systems without charge during non-peak hours through the week and all day on weekends and holidays by providing the systems with cash subsidies. Also provides demand-responsive services and equipment grants particularly in rural areas that do not have fixed route systems.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorizations:			
Free Transit for the Elderly	\$ 64,091	\$ 80,326	\$ 86,443
Demand Response Equipment Grants .....	.....	2,300	2,300
TOTAL	<u>\$ 64,091</u>	<u>\$ 82,626</u>	<u>\$ 88,743</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Vehicle Registration			
State Funds	\$ 3,400	\$ 3,400	\$ 2,500

Transfers to the Motor License Fund as general revenue the amount of fees lost as a result of lower vehicle registration fees paid by the Commonwealth's Senior Citizen population.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Executive Authorization:			
Transfer to Motor License Fund — Vehicle Registration — Elderly	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ 2,500</u>

Restricted Receipts Not Included in Department Total

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
Federal Grants — Capital Assistance Elderly and Handicapped Programs	\$ 335	\$ 800	\$ 850
Van Pool Leases — Contingency Costs	2	10	10
Federal Grants — Railroad Freight Rehabilitation	240	2,000	2,000
Federal Grants — Ridesharing Program	23	550	575
Local Share — Railroad Freight Rehabilitation	2	400	100
Reimbursements from Grantees — Ridesharing	112	105	125
User Fees — Ridesharing — State Employees .....	.....	10	25
GENERAL FUND TOTAL	\$ 714	\$ 3,875	\$ 3,685
Motor License Fund			
Federal Reimbursements to Political Subdivisions — Highway Safety Program	\$ 2,876	\$ 4,000	\$ 4,000
Federal Reimbursements to Political Subdivisions — TOPICS ..	1,887	2,200	2,000
Federal Grants — Airport Development Aid Program	129	1,600	500
Federal Reimbursements for Roads off the State System Costs ..	7,819	5,775	8,100
Federal Urban System Funds	20,980	27,000	27,000
Reimbursements to Municipalities — Vehicle Code Fines and Penalties	9,343	11,000	9,700
Reimbursement for Right-of-Way Costs	18	25	20
Federal Reimbursements — Flood Related Costs	1,575	2,000	2,000
Reimbursement to Other States — Apportioned Registration Plan	3,110	3,200	3,200
Land Use Under Elevated Highways	52	.....	50
Federal Advances — Delaware Housing .....	.....	.....	.....
Federal Reimbursements — Bridge Projects	1,012	20,000	20,000
Motorcycle Safety Education .....	.....	100	110
MOTOR LICENSE FUND TOTAL	\$ 48,801	\$ 76,900	\$ 76,680
DEPARTMENT OF TRANSPORTATION TOTAL	\$ 49,515	\$ 80,775	\$ 80,365

DEPARTMENT OF TRANSPORTATION

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Administration and Support	\$ 21,237	\$ 22,453	\$ 22,385	\$ 23,212	\$ 24,072	\$ 24,966	\$ 25,895
Transportation Systems and Services	\$1,014,282	\$1,107,512	\$1,131,374	\$1,091,037	\$1,085,196	\$1,078,209	\$1,079,498
State Highway Improvement	105,082	139,908	163,234	139,009	130,678	121,240	115,995
State Highway Maintenance	555,206	611,694	600,500	580,500	577,500	575,500	574,000
Local Highway Assistance	149,928	157,112	154,650	154,918	155,356	155,613	155,850
Urban Mass Transportation	161,700	166,968	175,038	182,039	189,321	196,894	204,769
Rural and Intercity Rail and Bus Transportation	7,309	12,377	11,927	11,346	10,616	10,637	10,659
Air and Water Transportation	6,500	5,075	1,725	1,725	1,725	1,725	1,725
State Bridges	28,557	14,378	24,300	21,500	20,000	16,600	16,500
Highway Safety	\$ 44,684	\$ 47,768	\$ 51,850	\$ 49,453	\$ 48,131	\$ 50,085	\$ 52,119
Highway Safety Projects	2,384	2,500	2,625	2,756	2,894	3,039	3,191
Safety Administration and Licensing ..	42,300	45,268	49,225	46,697	45,237	47,046	48,928
Elderly Transit	\$ 67,587	\$ 86,128	\$ 91,479	\$ 94,966	\$ 97,263	\$ 100,751	\$ 103,460
Elderly Transit	67,587	86,128	91,479	94,966	97,263	100,751	103,460
DEPARTMENT TOTAL	<u>\$1,147,790</u>	<u>\$1,263,861</u>	<u>\$1,297,088</u>	<u>\$1,258,668</u>	<u>\$1,254,662</u>	<u>\$1,254,011</u>	<u>\$1,260,972</u>

General Administration and Support

OBJECTIVE: To provide an effective administrative system through which the substantive programs of the Agency can be achieved.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 143	\$ 100	\$ 115	\$ 120	\$ 125	\$ 130	\$ 135
Special Funds	21,094	22,353	22,270	23,092	23,947	24,836	25,760
Federal Funds		320	286				
Other Funds	863	850	789	832	903	894	926
TOTAL	\$ 22,100	\$ 23,623	\$ 23,460	\$ 24,044	\$ 24,975	\$ 25,860	\$ 26,821

Program Analysis:

General Administration and Support provides for the administrative and overhead systems which support the operations of programs necessary for the achievement of Commonwealth and Agency objectives. The success or failure of these supportive efforts can only be indirectly reflected by the effectiveness of the activities they support. A primary

concern of the Commonwealth and each agency is to minimize these administrative costs in relation to the costs of provided services. This budget proposes that the Commonwealth Media Center be transferred to the Department of General Services.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Mass Transportation Operations	\$ 143	\$ 100	\$ 115	\$ 120	\$ 125	\$ 130	\$ 135
MOTOR LICENSE FUND							
General Government Operations	\$ 19,550	\$ 20,353	\$ 20,545	\$ 21,367	\$ 22,222	\$ 23,111	\$ 24,035
Refunding Monies Collected Through the Department of Transportation	1,544	2,000	1,725	1,725	1,725	1,725	1,725
MOTOR LICENSE FUND TOTAL...	\$ 21,094	\$ 22,353	\$ 22,270	\$ 23,092	\$ 23,947	\$ 24,836	\$ 25,760

State Highway Improvement

OBJECTIVE: To provide a highway system capable of meeting the more vital economic and recreational needs of the Commonwealth by affording a reasonably accessible means of transporting passengers and cargo.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 153	\$ 108	\$ 159	\$ 165	\$ 172	\$ 179	\$ 186
Special Funds	104,929	139,800	163,075	138,844	130,506	121,061	115,809
Federal Funds	172,768	413,700	438,070	289,113	376,229	377,315	356,971
Other Funds	5,723	8,179	7,877	7,859	7,670	7,707	7,746
TOTAL	\$ 283,573	\$ 561,787	\$ 609,181	\$ 435,981	\$ 514,577	\$ 506,262	\$ 480,712

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Vehicles miles traveled:							
Interstate highways (billions)	8.581	8.667	8.753	8.841	8.929	9.019	9.019
All other highways (billions)	46.181	46.643	47.109	47.580	48.056	48.536	49.022
Miles of highway requiring construction or reconstruction	935	915	908	888	868	843	828
Miles of highway constructed or reconstructed	38	47	100	100	105	95	107
Value of highway projects designed (thousands)	\$400,000	\$680,000	\$660,000	\$450,000	\$ 295,000	\$ 230,000	\$ 215,000
Value of highway construction lettings (thousands)	\$390,000	\$385,000	\$630,000	\$295,000	\$350,000	\$335,000	\$215,000
Advanced Construction Interstate:							
Current Revenues (thousands) .....	.....	\$ 3,800	\$ 15,800	.....	.....	.....	.....
FRANS (thousands) .....	.....	.....	29,500	\$ 30,200	.....	.....	.....
TOTAL .....	.....	\$ 3,800	\$ 45,300	\$ 30,200	.....	.....	.....

Program Analysis:

The State Highway Improvement program involves major construction and reconstruction of the Interstate highway system and the construction of high priority missing links. Bridge projects are included in the State Bridge subcategory.

A top priority of the Administration's transportation program continues to be the accelerated restoration of the interstate system and completion of the remaining Interstate gaps. The department estimates that current Federal apportionment of Interstate restoration funds will allow only about half of the needed restoration work. In order to meet the Commonwealth's needs, the department must take advantage of the Federal provision permitting additional Interstate construction funds to be made available to the Interstate restoration program. However, this transfer of

Federal funds from Interstate completion to Interstate restoration projects would hinder Transportation's ability to get high priority gaps in the Interstate highway system under construction. Therefore, this budget proposes to use another provision of Federal Law which allows the Commonwealth to utilize 100 percent State funds in anticipation of future Federal reimbursements (Congress has authorized Interstate completion funds only to 1990). Under the Advanced Construction Interstate (ACI) states can front end projects with current revenues or with minimal issuance of Federal Revenue Anticipation Notes (FRANS) until sufficient Federal obligation authority is available to permit reimbursements from the Federal Highway Trust Fund. Under ACI the Commonwealth will be able to proceed on both the

State Highway Improvement (continued)

Program Analysis: (continued)

interstate restoration and completion programs in a timely manner. In order to take advantage of this Federal ACI provision this budget proposes the establishment of a separate restricted revenue account within the Motor License Fund in order to segregate and manage this program. The funding level as proposed would require a mix of current revenues and FRANS the actual split of which is reflected in the above program measures.

The department's Interstate Completion Program includes I-78 in Lehigh and Northampton Counties, I-95 in Philadelphia, the I-279/579 complex in Pittsburgh, I-476 (Blue Route) in Delaware County and I-676 (Vine Street) in Philadelphia. There is also much major Interstate reconstruction presently underway in the Commonwealth. This effort will continue. It is necessary to maintain the Interstate highway system at a high servicability level and through the Interstate reconstruction program, this goal will be attained.

Economic revitalization of the Commonwealth will be further stimulated by the completion of various non-Interstate "missing links". These include the Allegheny Valley Expressway in the Tarentum area, the Pottstown Expressway, the Route 22-220 complex in Blair and Cambria Counties, the Donora to I-70 Connector in Westmoreland County and the State College Bypass.

With the passage of Act 251 in 1982, the department assumed the Commonwealth's "non-highway" coordinate system responsibility. This function involves the placing of survey markers at various locations throughout the State for the purpose of developing maps and determining boundary lines.

The Recommended Program Costs include as part of Other Funds expenditures from the Highway Beautification Fund. These funds are expended by the department for control of outdoor advertising, control of junkyards, and landscaping and scenic development.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Pennsylvania Coordinate System	\$ 153	\$ 100	\$ 159	\$ 165	\$ 172	\$ 179	\$ 186
Indiantown Gap National Cemetery .....	.....	8	.....	.....	.....	.....	.....
GENERAL FUND TOTAL	<u>\$ 153</u>	<u>\$ 108</u>	<u>\$ 159</u>	<u>\$ 165</u>	<u>\$ 172</u>	<u>\$ 179</u>	<u>\$ 186</u>
MOTOR LICENSE FUND							
Highway and Safety Improvement	\$ 74,764	\$ 106,200	\$ 118,075	\$ 110,744	\$ 104,106	\$ 96,361	\$ 97,309
Advanced Construction Interstate .....	.....	3,800	15,800	.....	.....	.....	.....
State Highway and Bridge Authority							
Rentals	30,165	29,800	29,200	28,100	26,400	24,700	18,500
MOTOR LICENSE FUND TOTAL ...	<u>\$ 104,929</u>	<u>\$ 139,800</u>	<u>\$ 163,075</u>	<u>\$ 138,844</u>	<u>\$ 130,506</u>	<u>\$ 121,061</u>	<u>\$ 115,809</u>

State Highway Maintenance

OBJECTIVE: To provide general routine maintenance, betterments and resurfacing necessary to preserve the quality of existing State-administered roads and to provide prompt winter services to enable the safe passage of vehicles.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 555,206	\$ 611,694	\$ 600,500	\$ 580,500	\$ 577,500	\$ 575,500	\$ 574,000
Federal Funds	67,621	121,365	137,400	136,150	136,150	136,150	136,150
Other Funds	8,783	12,700	12,700	12,700	12,700	12,700	12,700
TOTAL	\$ 631,610	\$ 745,759	\$ 750,600	\$ 729,350	\$ 726,350	\$ 724,350	\$ 722,850

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Miles of State maintained highways	44,312	43,613	43,139	42,784	42,483	42,241	41,998
Miles of State maintained highway improved:							
Resurfaced	341	629	625	620	615	610	605
Surface treated	4,699	6,171	6,109	6,048	5,982	5,928	5,869
Total	5,040	6,800	6,734	6,668	6,597	6,538	6,474
Maintenance:							
Tons of patching material applied	211,833	185,000	185,000	185,000	185,000	185,000	185,000
Miles of shoulder grading and cutting ...	28,062	27,000	27,000	27,000	27,000	27,000	27,000
Value of major maintenance contract lettings (in thousands)	\$132,100	\$201,700	\$214,700	\$205,700	\$205,700	\$205,700	\$205,700
Value of other maintenance contracts (in thousands)	\$43,500	\$62,300	\$65,600	\$65,600	\$65,600	\$65,600	\$65,600
Hauling and Occupancy Permits Issued:							
Over weight/over size	151,000	150,000	149,000	148,000	147,000	146,000	145,000
Posted Highway/Bridge/Hill	750	750	750	750	750	750	750
Occupancy	20,725	20,500	20,500	20,500	20,500	20,500	20,500
Truck weight and safety enforcement							
Trucks weighed	388,000	392,000	396,000	400,000	404,000	408,000	412,000
Weight violations	5,700	5,600	5,700	5,800	5,900	6,000	6,100
Trucks inspected	30,000	30,500	31,500	32,000	32,000	32,500	33,000
Safety violations	8,000	8,500	9,000	9,500	10,000	10,500	11,000

Program Analysis:

Pennsylvania, with one of the largest State maintained highway systems in the nation and one which is subjected to severe winters, is faced with significant and challenging maintenance demands.

Revenue initiatives passed by the General Assembly in 1983 have assured the critical funding necessary for surface improvements and general maintenance.

The 1985-86 highway maintenance budget will allow the

department to continue to emphasize Pennsylvania's program for durable resurfacing of high-volume primary highways. Pennsylvania has about 10,000 miles of primary highways which carry high volumes of truck traffic. The department has labelled these highways the Priority Commercial Network. Rehabilitation projects on the Priority Commercial Network, which cost \$250,000 per mile and up, involve drainage improvements, base repair, guiderail in-

State Highway Maintenance (continued)

Program Analysis: (continued)

stallation, shoulder stabilization, and bituminous overlays of 1.5-5 inches or joint repair/slab replacement for certain concrete sections.

The department no longer uses thin bituminous overlays which had been used both on primary highways and secondary roads prior to 1979. These applications had an unacceptably high failure rate with failures creating a series of shallow potholes. Instead, the department has extended its surface treatment program along the lines of other states and many local governments. Surface treatment projects, which cost \$20,000 per mile and up, involve drainage improvements, base repair, bituminous "scratch coat" where needed to restore the road's cross-section, and an oil-aggregate application. Double oil-aggregate applications and pre-coated aggregate can be used on higher volume roads. Over 30,000 miles of the State system can be economically repaired using surface treatment techniques (surface treatment is not applicable to the State's 2,000 miles of stabilized roads).

Department efforts have been reoriented toward preventive maintenance on all roads. Drainage-related activities are those which get water off the road and keep it off the road. These include pipe replacement, ditch cleaning, shoulder cutting/grading, oil and aggregate skin patching and joint/crack sealing.

The department has set a goal of over 6,500 miles of surface improvement for 1985-86. The appropriation request of \$600 million will provide for approximately 625 miles of resurfacing and approximately 6,109 miles of surface treatment and surface repairs. All the higher cost per mile resurfacing and approximately 50 percent of the surface treatment miles will be completed by contract. The decline in total miles of State highways maintained for the future years that would normally be evident with a modest decline in funding is minimized by applying projected productivity savings to the surface improvement program and moving aggressively

on the State highway turnback program. The peak in the 1985-86 for "value of major contract lettings" is attributed to the distribution late in 1984-85 of \$10 million for contracts that was not included in the original 1984-85 rebudget. The data shown for "value of major maintenance contract lettings" is low for 1983-84 in comparison to the current and future years due the lateness of the 1983 tax package enactment. A number of major highway maintenance projects made possible because of this increased funding in 1983 are actually being completed in the current year. The level of resurfacing and surface treatment as projected in future years provide for a desired 15-20 year and 5-7 year improvements cycle, respectively.

The budget proposes \$1.5 million for replacement of department owned environmentally inadequate salt storage buildings and \$15 million for the purchase of heavy equipment which will be deferred from the current year.

The department issues special permits to truck operators in the cases of weight restrictions or special operating restrictions on certain highways and bridges. By issuing these permits the department is able to facilitate economic growth in the Commonwealth without adversely affecting the structural integrity of the highways and bridges or the safe and convenient passage of traffic. The future year data for "over weight/over size" permits issued assumes larger trucks allowed on the Commonwealth's highways due to projected changes in Federal law.

The truck weight and safety enforcement program is credited with reducing maintenance costs for highways and bridges and increasing the safety of the public by minimizing the number of dangerously overloaded trucks. Weigh teams also spot check critical safety items on vehicles in conjunction with weight enforcement.

State bridge projects funded out of the Highway Maintenance appropriation are shown within the State Bridge subcategory.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Highway Maintenance	\$ 505,895	\$ 560,122	\$ 532,181	\$ 527,072	\$ 523,902	\$ 521,793	\$ 521,694
Secondary Roads—Maintenance and							
Resurfacing	49,311	51,572	51,819	51,928	52,098	52,207	52,306
Salt Storage Buildings .....	.....	.....	1,500	1,500	1,500	1,500	.....
Heavy Equipment Acquisition .....	.....	.....	15,000	.....	.....	.....	.....
MOTOR LICENSE FUND TOTAL...	<u>\$ 555,206</u>	<u>\$ 611,694</u>	<u>\$ 600,500</u>	<u>\$ 580,500</u>	<u>\$ 577,500</u>	<u>\$ 575,500</u>	<u>\$ 574,000</u>

Local Highway Assistance

OBJECTIVE: To assist local governments in the maintenance and construction of their portion of the total highway system.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 149,928	\$ 157,112	\$ 154,650	\$ 154,918	\$ 155,356	\$ 155,613	\$ 155,850
Federal Funds	252	1,000	300	500	500	500	500
Other Funds	74,434	120,626	141,000	136,450	134,000	131,550	134,100
TOTAL	\$ 224,614	\$ 278,738	\$ 295,950	\$ 291,868	\$ 289,856	\$ 287,663	\$ 290,450

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Miles of highway locally administered:							
Total	67,700	68,660	69,415	70,090	70,730	71,320	71,910
Percent of all highways in the							
Commonwealth	60.4%	61.1%	61.7%	62.1%	62.5%	62.8%	63.1%
Miles of local highways improved	1,550	1,400	1,300	1,200	1,150	1,100	1,100
Local bridges:							
Total	28,505	28,510	28,515	28,520	28,525	28,530	28,535
Substandard	10,824	11,148	11,460	11,730	12,027	12,371	12,702
Brought up to standard through axle-tax							
bridge program	51	63	105	78	31	44	30

Program Analysis:

The Commonwealth provides a number of financial programs to municipalities to assist them in the maintenance and construction of their highway bridge systems.

Nearly twenty percent of Pennsylvania's twelve cents per gallon liquid fuels tax and twenty percent of the thirty-five mills of the oil franchise tax is currently made available to local governments for use on their roads as a result of the following legislatively mandated programs. The first one-half cent of the twelve cent gallonage tax is deposited directly into the Liquid Fuels Tax Fund and apportioned to the 67 counties. Of the remaining eleven and one-half cent fuels tax, twenty percent is distributed from the Motor License Fund to 2,572 municipalities. Also included in the distribution to municipalities is twenty percent of 3.5 percent of the current 6 percent oil franchise tax. As part of the oil franchise tax legislation, Philadelphia receives a separate payment annually in an amount equal to two percent of the retail sales within the City less the increased allocation to Philadelphia. In addition, the General Assembly established in 1980 an annual appropriation of \$5 million to be returned to local governments for further highway improvements.

Since the distribution of the above mentioned State grants between maintenance and construction activities is determined by local governments, the number of local miles improved shown for 1984-85 and future years represents a rough estimate of program outputs based on 1983-84 program levels. It is assumed that in the future all estimated road improvements will begin to decrease as the local municipalities place more of an emphasis on road maintenance as opposed to road reconstruction.

Act 32 of 1983 established a local highway turnback program by authorizing the establishment of a separate restricted revenue account within the Motor License Fund. Funding for this program currently consists of three mills of the oil franchise tax. Funds collected into this account are used for restoration work to bring the road up to acceptable standard and to provide an annual maintenance payment in the amount of \$2,500 per mile. The Department now has the funding mechanism and legal authority to pursue a long standing proposal to return approximately 12,000 miles of functionally-local highways to the Commonwealth's municipalities. At the current level of funding about 5,000 miles of State roads will eventually be turned back to local

Local Highway Assistance (continued)

Program Analysis: (continued)

governments. The restoration and annual maintenance payment executive authorizations are shown only as a part of Other Funds in the Recommended Program Costs.

Currently approximately 38 percent of the over 28,000 local bridges are substandard. In recognition of this bridge problem at the local, as well as the State level, the General Assembly passed the Highway Bridge Capital Act of 1982-83. Armed with this legislation, the Department of Transportation has taken an active role in assisting Pennsylvania's municipalities in the replacing and rehabilitation of their bridges. The department possesses the authority to grant monies to local governments for the replacement and repair of more than 400 local bridges throughout the Commonwealth. The 1983-84 and 1984-85 data for local bridges

brought up to standard through the axle tax bridge program is lower than what was shown in last years budget due to short terms start-up delays experienced by some of the participating municipalities. The local bridge executive authorization from the axle tax-bridge restricted revenue account is shown only as a part of Other Funds in the Recommended Program Costs.

As authorized in Act 234 of 1982, a \$36 per axle tax on heavy trucks is being used as the mechanism to fund the local and State bridge projects. This tax is currently being challenged in the courts. In the event this revenue generating provision is determined to be unconstitutional alternative financing will be sought to continue the necessary replacement and rehabilitation bridge projects.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Local Road Maintenance and Construction Payments	\$ 144,200	\$ 150,998	\$ 148,721	\$ 149,035	\$ 149,526	\$ 149,827	\$ 150,108
Supplemental Local Road Maintenance and Construction Payments	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Philadelphia Payment — Franchise Tax	728	1,114	929	883	830	786	742
MOTOR LICENSE FUND TOTAL	<u>\$ 149,928</u>	<u>\$ 157,112</u>	<u>\$ 154,650</u>	<u>\$ 154,918</u>	<u>\$ 155,356</u>	<u>\$ 155,613</u>	<u>\$ 155,850</u>

Urban Mass Transportation

OBJECTIVE: To provide frequent, fast, inexpensive transit services between residential neighborhoods and employment centers at a level sufficient to alleviate prevailing pressures on urban road systems caused by congestion and lack of parking facilities.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 161,700	\$ 166,968	\$ 175,038	\$ 182,039	\$ 189,321	\$ 196,894	\$ 204,769
Federal Funds	48,525	32,868	1,235	405	422	438	456
Other Funds	578	1,741	1,724	1,815	1,899	1,991	2,082
TOTAL	\$ 210,803	\$ 201,577	\$ 177,997	\$ 184,259	\$ 191,642	\$ 199,323	\$ 207,307

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Urban mass transit person-trips:							
Millions annually	385.3	383.2	386.7	390.1	394.0	398.9	404.8
Percent of urban trips ^a	4.6%	4.5%	4.5%	4.5%	4.4%	4.5%	4.5%
Percent of urban work trips ^a	7.8%	7.7%	7.7%	7.7%	7.6%	7.7%	7.7%
Percent of Philadelphia and Pittsburgh work trips ^a	15.3%	15.2%	15.2%	15.3%	15.4%	15.5%	15.5%
Urban passengers carried by State-assisted operators: (millions annually)	366.7	365.3	370.8	376.0	382.1	388.4	394.3
Cost of average urban mass transit trips: ^b							
To user	71.0¢	70.8¢	66.7¢	68.8¢	70.8¢	74.0¢	77.4¢
To Commonwealth	57.7¢	60.5¢	65.5¢	67.9¢	70.0¢	72.2¢	74.5¢
To Federal Government	18.3¢	15.0¢	14.8¢	14.6¢	14.5¢	14.4¢	14.2¢
To local governments	18.1¢	18.8¢	19.9¢	20.7¢	21.6¢	22.4¢	23.3¢
Total cost	\$1.60	\$1.62	\$1.70	\$1.77	\$1.84	\$1.91	\$1.99

^aAuto and transit trips only.

^bState-assisted carriers only.

Program Analysis:

One of the major achievements of the Commonwealth's transit program has been the formulation and passage by the General Assembly of a predictable funding program for urban transit agencies.

Prior to the passage of Act 101 of 1980 transit operators were subsidized up to 66½ percent of their actual net fare-box loss—expenses less fares, Lottery Fund grants and Federal subsidies—with the remaining 33½ percent furnished by local governments. The State subsidy under Act 101 was changed to a minimum of 66½ percent of the calculated loss, with certain efficiency incentives established that, if met, enabled the operators to be subsidized by the Commonwealth for as much as 75 percent of their losses, thereby

reducing the local government share to 25 percent. These efficiency incentives have generally proven to be easy to attain, resulting in a significant transfer of funding from local governments to the Commonwealth.

In recognition of the evergrowing cost of providing adequate mass transit services, Act 49 of 1984 revised upward the assumed revenue factor used in calculating State grants to the transit agencies. While this change was intended to recognize the higher efficiencies and fare box revenues being realized by mass transit agencies, Act 49 did allow transit agencies to utilize actual revenues in excess of assumed revenues for any purpose for the furtherance of service. Additionally, Act 49 increased the Lottery Fund fare reim-

Urban Mass Transportation (continued)

Program Analysis: (continued)

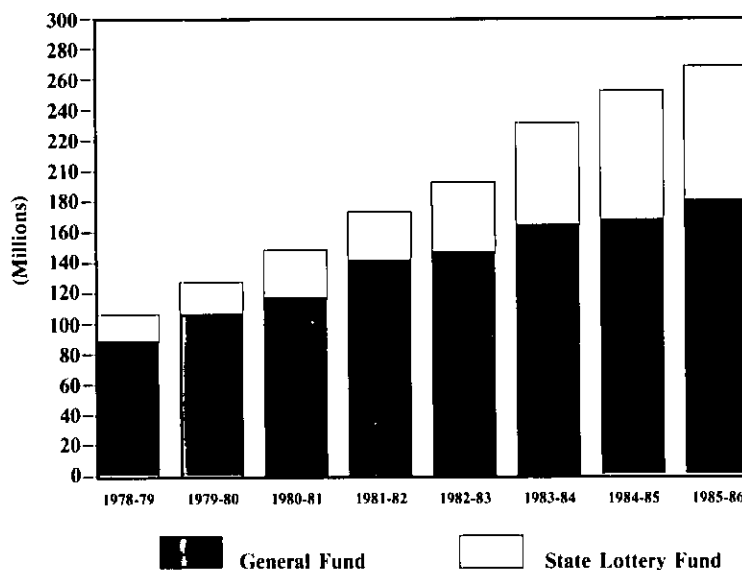
bursments for the free transit program from 75 percent to 100 percent. This increase in Lottery funds has assisted the urban transit systems in reducing their operating deficits.

This budget proposes a General Fund subsidy of \$174.5 million which represents a 4.8 percent increase over the available year and \$86.4 million from the Lottery Fund, a 7.6 percent increase. In addition a capital budget of \$12.5 million is proposed for transit equipment and related infrastructure improvements. The Lottery Fund grant amounts are reflected in the Elderly Transit subcategory Recommended Program Costs (see chart below for total General Fund and Lottery Fund transit subsidies). This

represents a sizeable State commitment to mass transit. Local transit tax enabling legislation should be considered to provide a long-term source of funding for mass transit. A stable locally-enacted revenue source would make possible a true State-local partnership in what is threatening to become a predominately State-dominated program.

The data for the "Cost of average urban transit trips to user" shows a reduction in 1985-86 due to applying a ceiling on eligible operating expenses as required in Act 49 of 1984. The slight increases in future years are attributed to application of an inflation factor.

Mass Transportation Assistance



Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Mass Transportation Operations	\$ 412	\$ 437	\$ 514	\$ 535	\$ 557	\$ 579	\$ 601
Mass Transportation Assistance	161,288	166,531	174,524	181,504	188,764	196,315	204,168
GENERAL FUND TOTAL	\$ 161,700	\$ 166,968	\$ 175,038	\$ 182,039	\$ 189,321	\$ 196,894	\$ 204,769

Rural and Intercity Rail and Bus Transportation

OBJECTIVE: To facilitate the development of improved rail passenger and cargo service between major urban areas of the Commonwealth, thereby providing relief for the frequent utilization beyond capacity of intercity highway and air systems, and to provide bus service that will increase the mobility of those rural Pennsylvanians who lack access to an automobile.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 7,309	\$ 12,377	\$ 11,927	\$ 11,346	\$ 10,616	\$ 10,637	\$ 10,659
Federal Funds	6,846	8,556	7,413	7,771	8,337	8,966	9,544
Other Funds	520	3,300	2,567	2,716	2,875	3,108	3,341
TOTAL	\$ 14,675	\$ 24,233	\$ 21,907	\$ 21,833	\$ 21,828	\$ 22,711	\$ 23,544

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Bus Transportation:							
Rural and small urban passengers	3,355,000	3,535,000	3,665,000	3,958,000	4,156,000	4,364,000	4,582,000
Intercity passengers	229,000	322,000	338,000	371,800	390,890	409,910	430,000
Total cost per passenger:							
Rural and small urban	\$2.02	\$2.04	\$2.05	\$2.15	\$2.22	\$2.30	\$2.35
Intercity	\$9.74	\$7.95	\$8.35	\$8.75	\$9.20	\$9.65	\$9.75
Average fare:							
Rural and small urban	\$.88	\$.89	\$.89	\$.90	\$.90	\$.92	\$.92
Intercity	\$5.35	\$3.95	\$4.05	\$4.20	\$4.35	\$4.50	\$4.65
Rail Passenger:							
Average fare	\$8.70	\$9.15	\$9.60	\$10.10	\$10.25	\$10.40	\$10.50
State cost per patron on assisted runs ...	\$4.61	\$5.46	\$7.18	\$7.18	\$7.18	\$7.18	\$7.18
Rail Freight:							
Miles of rail lines:							
State assisted	369	287	287	287	287	287	287
State owned	181	181	181	181	181	181	181
Miles of rail lines rehabilitated:							
Federal/local assistance program	15	25	25	25	25	25	25
Emergency rail freight assistance program	117	25	25	25	25	25	25

Program Analysis:

Commonwealth activities involve four separate intercity and/or rural transportation programs: rural and small urban area public transit similar in nature, if not in scope, to SEPTA in Philadelphia and PAT in Pittsburgh; intercity bus service of the nature operated by Greyhound and Trailways; intercity rail passenger service operated by Amtrak and rail freight service of importance to local shippers on the State's Rail Branchline System.

Act 10 of 1976 provided the Pennsylvania Department of Transportation with the legislative authorization to provide financial assistance to the Commonwealth's small urban and rural public transportation systems. In 1978, the Federal government passed similar legislation which made Federal funding available for rural and small urban transit systems. The Federal funds are apportioned to each state based on rural population distribution as determined by the U.S. Cen-

Rural and Intercity Rail and Bus Transportation (continued)

Program Analysis: (continued)

sus Bureau. The Pennsylvania Department of Transportation administers the Federal funding apportioned to Pennsylvania.

Through 1983-84, approximately \$12 million in Federal funds has been obligated in the Commonwealth for rural transit operating assistance. During 1982-83, approximately \$2.6 million in Federal funding and \$1.1 million in State funding was utilized to provide nearly 3 million rides on the Commonwealth's twenty rural transit projects.

Congress has annually passed appropriations acts which provide a relatively stable allotment of funding. This fact, coupled with the enactment of the Surface Transportation Act of 1982 has resulted in an optimistic outlook among rural transit systems in the State.

The department rewards rural transit systems which exhibit improved performance and efficiency through a program of incentive grants. Systems which show improved performance through increases in ridership per hour of service offered, revenue per hour of service, or a decrease in subsidy per passenger, are awarded additional State operating assistance. The 1985-86 Budget includes a small allowance for the State share of small capital projects (total cost less than \$100,000) not eligible for bond financing under the State's system of capital project budgeting.

The 1985-86 Budget will enable the department to support continuation of essential intercity bus services on a minimum of twelve routes, with provision for at least one new project. It is estimated that approximately 340,000 passengers will utilize these services during 1985-86.

Effects of the Bus Regulatory Reform Act of 1982 are reflected in the 1985-86 Budget. The department has experienced a significant increase in the number of inquiries regarding intercity bus operating assistance. With the regulation of service termination having been relaxed considerably, there has been a trend toward redirection of resources toward the more profitable charter market at the expense of scheduled public transportation services. There are numerous routes throughout the Commonwealth which transport a substantial number of passengers but operate below the break-even point. As private operators propose termination of such services, the department will continue to evaluate the economic and social impacts of service termination and the merits of public subsidy. Where warranted and providing adequate funding is available, the department will consider providing financial support to continue these services based on the following criteria: strong ridership base, reasonable cost recovery through passenger fares, reasonable expenses, availability of alternative modes of travel within the corridor and preserving the spirit of competition encouraged by deregulation.

The department recently completed an inventory and evaluation of the intercity bus industry in Pennsylvania. During the current year, the results of this study will be utilized to review and revise (if appropriate) program policies to assure a viable network of intercity bus service throughout the Commonwealth, within the limits of available funding.

The program measure for average fare: intercity bus drops in the current year due to discontinuance of some lines.

Intercity rail passenger service in Pennsylvania as distinguished from local or regional commuter service is presently provided by the National Railroad Passenger Corporation (Amtrak). The majority of it is operated as part of Amtrak's National System without financial assistance from the Commonwealth. However, service frequency or scheduling on some Amtrak routes has been found to be insufficient to meet Pennsylvania's needs, and in other cases, communities on routes not on the Amtrak System have asked that service be established. To meet such needs, the department has taken advantage of Federal law which directs the Corporation to cooperate with a state which makes application for additional service or establishment of a new route. Funds are included in Amtrak's annual budget to finance its share of capital costs and operating deficits incurred to equip and operate such service, as long as matching State funding is available. As a result of Congressional changes in Amtrak's law, the funding ratio for operating deficits applicable to Pennsylvania's sponsored services planned for 1985-86 is 35 percent Amtrak, 65 percent State for established service and 55 percent Amtrak, 45 percent State for the first twelve months of new services.

Current state-supported service includes one daily round trip between Pittsburgh and New York City (the Pennsylvanian) and thirteen weekly one-way trips between Harrisburg and Philadelphia (Keystone). It is anticipated that the budget amount will also support 12 months of one additional daily round trip between Pittsburgh and Philadelphia. The program measures do not reflect funding for potential experimental services or an increased level of Commonwealth-supported marketing activities.

The program measure for rail passengers: State cost per patron on assisted runs is lower for 1983-84 and 1984-85 than shown in last years budget due to cancellation of planned State-aided lines.

The vast majority of the rail freight projects that have been implemented since 1976 were funded through the Federal Local Rail Service Assistance program, which provided from 70 to 100 percent Federal share of project costs (depending on the program year and type of project). Since lines that were excluded from the Conrail system ceased to be eligible for additional Federal funding in 1981, only those

Rural and Intercity Rail and Bus Transportation (continued)

Program Analysis: (continued)

lines were continued that had a good chance at long-term operation. Those lines are being continued with a combination of State and local funds and have been acquired with Federal, State and local funds. In addition, operating assistance is being provided to the Delaware and Hudson Railway with State funds.

The Delaware & Hudson provides essential freight services to a number of communities in northeastern Pennsylvania. It also provides a through-route to New England which has the potential of being an important route for Pennsylvania coal. Twenty-two branch lines are receiving some sort of assistance (maintenance, rehabilitation and/or operating subsidies). The nineteen active lines being served carry approximately 25,000 carloads annually to 90 shippers. For the lines continuing in the program that were acquired by the Commonwealth or are already publicly owned, the State will fund one-half of the operating deficit (excluding maintenance-of-way). The State will bear 80 percent of the maintenance-of-way costs. The Federal program has been restructured, and continued Federal funds will be

available for only rehabilitation, construction and acquisitions, at 70 percent of total project costs. Depending on the type and cost of projects selected for Federal funding, some Act 119 funds will be used as a partial match. Larger projects will be funded through a restricted receipt account with no State funding involved.

As a result of the Northeast Rail Service Act of 1981, Conrail was granted an expedited abandonment procedure. Conrail has abandoned in excess of 1,200 miles in Pennsylvania of which 370 miles were determined eligible for State assistance if purchased privately from Conrail. The Department has provided assistance for emergency accelerated maintenance work on twenty-eight branch lines totalling 151 miles purchased privately from Conrail. This assistance was at the 80 percent level. Currently, the department is monitoring the second round of the expedited abandonments by Conrail and is developing preservation strategies for branch lines acquired by local groups. Also, technical assistance is being provided by the department to any local groups that are interested in retaining rail freight service.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Mass Transportation Operations	\$ 349	\$ 421	\$ 483	\$ 502	\$ 522	\$ 543	\$ 565
Comprehensive Rail Study .....	.....	250	250	250	.....	.....	.....
Rural and Intercity Rail and Bus							
Transportation	3,472	5,677	5,500	5,500	5,500	5,500	5,500
Accelerated Rail Maintenance .....	.....	40	.....	.....	.....	.....	.....
Freight Rail Assistance	3,488	4,389	4,594	4,594	4,594	4,594	4,594
High Speed Intercity Rail Passenger							
Commission .....	.....	1,600	1,100	500	.....	.....	.....
GENERAL FUND TOTAL	\$ 7,309	\$ 12,377	\$ 11,927	\$ 11,346	\$ 10,616	\$ 10,637	\$ 10,659

Air and Water Transportation

OBJECTIVE: To promote the development of a system of airport and port facilities adequate to meet the passenger and cargo needs of the Commonwealth's citizens.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 6,500	\$ 5,075	\$ 1,725	\$ 1,725	\$ 1,725	\$ 1,725	\$ 1,725
Federal Funds	958	3,315	1,134	425	225	150	150
Other Funds	8,762	10,134	10,231	11,775	12,069	12,374	12,692
TOTAL	\$ 16,220	\$ 18,524	\$ 13,090	\$ 13,925	\$ 14,019	\$ 14,249	\$ 14,567

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Total landing areas:							
Public use	176	177	178	179	180	181	182
Personal use	634	668	700	732	764	796	851
Harrisburg International Airport:							
Passengers handled.....	647,707	699,520	755,481	815,919	881,192	951,687	1,027,822
Flights handled	124,431	141,851	161,710	184,349	210,157	239,579	273,120
Tons of cargo handled	17,752	18,639	19,570	20,548	21,575	22,653	23,785
Operating surplus	\$535,000	\$635,000	\$635,000	\$1,124,000	\$361,000	\$591,000	\$591,000
Capital expenditures.....	\$495,160	\$907,800	\$1,179,000	\$229,000	\$600,000	\$600,000	\$600,000
Value of airport development grants (thousands)	\$1,975	\$2,200	\$2,750	\$3,500	\$3,500	\$3,500	\$3,500
Tonnage of cargo handled (thousands):							
Port of Philadelphia	60,500	64,000	68,000	72,000	76,000	80,000	84,000
Port of Erie.....	697	698	698	698	698	698	698
Port of Pittsburgh	65,000	65,000	65,000	65,000	65,000	65,000	65,000

Program Analysis:

Aviation plays a major role in the movement of passengers and cargo throughout the Commonwealth. With 810 landing areas, Pennsylvania is fifth nationally in both the number of airports and in landing facilities per square mile. In addition to facilitating the movement of people and goods, air transportation facilities bring substantial benefits to the State directly through air transportation or related jobs and indirectly through additional incentives to industry to locate and conduct business in Pennsylvania. To insure these benefits of air transportation, the Department of Transportation currently operates four airports and participates each year in the funding of numerous improvement projects at non-State owned public airports.

Air passenger service in Pennsylvania is provided by nine of the nation's eleven domestic trunkline carriers, two local service airlines, four international carriers and six foreign

airlines. The State has two of the most active airports in the country—Pittsburgh ranks 12th and Philadelphia ranks 14th nationally in terms of originating passengers. These two airports account for 90 percent of all airline enplanements in Pennsylvania. Four additional public airports provide scheduled passenger service with air carriers; 12 other public airports are served with commuter airlines. The other 139 public use airports in the State are general aviation fields, and the approximately 373 remaining airports in Pennsylvania are privately-owned and operated for corporate, agricultural, recreational or experimental use. In addition, 265 heliports and 15 seaplane bases provide for a total of 810 landing facilities in Pennsylvania. A landing facility is defined as any area suitable for landing aircraft and licensed as such by the Department of Transportation's Bureau of Aviation.

Air and Water Transportation (continued)

Program Analysis: (continued)

With the exception of Harrisburg International Airport (HIA), which is owned by the Commonwealth all airline service airports in Pennsylvania are operated by local governments or authorities.

While air cargo has received less public attention than passenger service, airline freight has resumed the consistent growth pattern of the early 1970's and a promising future is predicted for air cargo. Given the aviation industry's inherent time advantages and the increased capability in handling cargo containers, tonnage is expected to rise. This increased activity is being experienced in particular at the Harrisburg International Airport and is reflected in the program measures. However, the "tons of cargo handled" data is lower than what was shown in last year's budget due to higher statewide activity estimated at that time on the part of the department. Harrisburg International Airport is also continuing to show steady growth in passengers handled. The number of passengers handled in 1983 at this State owned facility increased 14.25 percent over 1982. The data shown for "passengers handled" and "flights handled" is higher than the data shown in last year's budget due to an improving national economy and increased airline services at the Harrisburg International Airport. The data shown for "Harrisburg International Airport: Operating Surplus" is generally higher than in last year's budget due to recent increases in rental rates and landing fees and the fact that the department is holding the line on all unnecessary expenditures.

The Pennsylvania Transportation Commission's 12 year Aviation Program, combined with the Statewide Aviation Plan, provides basic guidelines for allocation of those resources available to the Commonwealth for aviation activities. However, economic and energy problems and the use of more fuel efficient aircraft have in the past had a deleterious effect on the restricted revenue account that provides funds for these programs. In recognition of this the General Assembly recently passed a comprehensive funding program. Act 164 of 1984 increased both the aviation and

jet fuels taxes and created the following new programs: a rebate program for real estate taxes paid by privately-owned public use airports, a revolving loan program for airport development, a runway marking program, a highway directional sign program to install directional signs to airports and a high visibility marker program to mark power lines near runways.

The pattern of air passenger service today continues to involve a heavy concentration of scheduled service for major cities, particularly Philadelphia and Pittsburgh, with reduced service between cities of moderate size. Improved North-South service is needed in central Pennsylvania. The small to medium size communities that provide commuter service have fairly adequate service to the major terminals. As a result, the present system is apparently adequate to meet current needs of those citizens who utilize the major trunk line routes, but is less than satisfactory to meet the needs of medium-sized and small communities.

Future needs of Pennsylvania's citizens will exceed the existing system, particularly adding to the congestion already affecting major air terminals. The continued increase of air passenger travel has added to the congestion of large city airport facilities, while creating additional demand for better facilities to serve smaller airports. The State aviation system plan does provide the basis for future development of adequate air passenger service for the Commonwealth.

Appropriations from aviation restricted revenues are shown only as part of Other Funds in the Recommended Program Costs.

Also included are appropriations for the Ports of Philadelphia, Erie, and Pittsburgh. The funds are used to support efforts initiated by the separate Port Authorities to upgrade and expand their facilities, including maintenance, repair and administrative actions oriented toward increasing the import/export activity in these international shipping centers.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Civil Air Patrol.....	\$ 100	\$ 200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Port of Philadelphia	3,000	3,000	1,000	1,000	1,000	1,000	1,000
Port of Erie.....	1,650	1,125	375	375	375	375	375
Port of Pittsburgh	1,750	750	250	250	250	250	250
GENERAL FUND TOTAL	\$ 6,500	\$ 5,075	\$ 1,725	\$ 1,725	\$ 1,725	\$ 1,725	\$ 1,725

State Bridges

OBJECTIVE: To provide a highway bridge system capable of meeting the more vital economic and recreational needs of the Commonwealth by affording a reasonably accessible means of transporting passengers and cargo.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 28,557	\$ 14,378	\$ 24,300	\$ 21,500	\$ 20,000	\$ 16,600	\$ 16,500
Federal Funds	129,463	190,335	230,100	162,700	135,000	73,300	53,000
Other Funds	26,727	120,000	68,400	145,500	100,500	45,500	30,500
Subtotal	\$ 184,747	\$ 324,713	\$ 322,800	\$ 329,700	\$ 255,500	\$ 135,400	\$ 100,000
Bond Funds ^a				\$ 100,000	\$ 60,000	\$ 11,000	
TOTAL	<u>\$ 184,747</u>	<u>\$ 324,713</u>	<u>\$ 322,800</u>	<u>\$ 429,700</u>	<u>\$ 315,500</u>	<u>\$ 146,400</u>	<u>\$ 100,000</u>

^aExcluded from all summary presentations.

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Bridges maintained	26,470	26,485	26,500	26,515	26,530	26,545	26,560
Bridges with weight restrictions	1,187	1,167	1,147	1,127	1,107	1,087	1,067
Bridges replaced or repaired	268	292	295	205	175	182	250
Bridges designed	549	407	262	207	182	250	250
Value of bridges designed (in thousands) ..	\$799,000	\$520,000	\$220,000	\$120,000	\$70,000	\$100,000	\$100,000
Value of bridge lettings (in thousands)	\$176,000	\$304,000	\$325,000	\$125,000	\$75,000	\$70,000	\$100,000

Program Analysis:

Pennsylvania with over 26,000 bridges has one of the largest state owned bridge systems in the nation. Many of these bridges are either structurally deficient, functionally obsolete or restricted because of vehicle weight considerations.

Recognizing the importance of bridges to the Commonwealth's transportation network, in 1982 the General Assembly passed companion bills (Acts 234 and 235) establishing a restricted revenue account within the Motor License Fund for the purpose of financing over 500 specified State bridge projects. Necessary funding for these projects is being generated through a \$36 per axle fee on all heavy trucks travelling within the Commonwealth's borders. In addition to State bridge projects funded through the axle-tax

bridge program, bridge funding will also continue to be available within the Highway Maintenance and Highway Improvement appropriations.

With the additional axle-tax revenues authorized by the State Legislature, the Department of Transportation has embarked on the most comprehensive bridge replacement/rehabilitation program in the nation. The Department's program will affect bridges of all sizes and in every region of the Commonwealth. Efforts will be concentrated on opening closed bridges and on repairing bridges in order to remove posted weight restrictions. In total some 857 State bridges are programmed for repair/replacement during the five year period beginning July, 1985. Some of the major bridges under construction include Towanda Bridge in Brad-

State Bridges (continued)

Program Analysis: (continued)

ford County, Clarks Ferry Bridge in Dauphin County, Bloomfield Bridge in Allegheny County and the Charleroi-Monessen Bridge in Washington County. Major bridge projects scheduled for construction in 1985-86 include Mon-City Bridge in Allegheny County, Bainbridge Street Bridge in Northumberland County, Walnut Street Bridge in Philadelphia County, Rochester-Monaca Bridge in Beaver County and the Port Vue Bridge in Allegheny County. The program measures for bridges designed are lower than what were shown in last year's budget because of unanticipated slippages in bridge project lettings.

The program measures for "bridges replaced or repaired, bridges designed, value of bridges designed and value of

bridge lettings" show increases in the latter planning years. This reflects a more flat funding program without the large expenditures in the early and mid 1980s that have been possible because of axle tax revenues.

As mentioned above, the axle-tax is a major funding source for the State's bridge program. This tax is currently being challenged in the courts. In the event this revenue generating provision is determined to be unconstitutional, alternative funding will be sought to continue the necessary replacement and rehabilitation of State bridge projects.

Executive authorizations from the axle-tax restricted revenue account are shown as other funds in the recommended program costs.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Highway and Safety Improvement	\$ 15,852	\$ 7,500	\$ 8,300	\$ 5,500	\$ 4,000	\$ 600	\$ 500
Highway Maintenance	12,705	6,878	16,000	16,000	16,000	16,000	16,000
MOTOR LICENSE FUND TOTAL...	<u>\$ 28,557</u>	<u>\$ 14,378</u>	<u>\$ 24,300</u>	<u>\$ 21,500</u>	<u>\$ 20,000</u>	<u>\$ 16,600</u>	<u>\$ 16,500</u>

Highway Safety Projects

OBJECTIVE: To decrease the incidence and severity of traffic accidents, injuries and fatalities on highways by improving highway design and traffic flow.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Special Funds	\$ 2,384	\$ 2,500	\$ 2,625	\$ 2,756	\$ 2,894	\$ 3,039	\$ 3,191
Federal Funds	6,711	10,600	11,130	11,687	12,271	12,885	13,529
Other Funds	2,876	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL	\$ 11,971	\$ 17,100	\$ 17,755	\$ 18,443	\$ 19,165	\$ 19,924	\$ 20,720

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Traffic fatalities (Rate per 100 million vehicle miles)	2.42	2.40	2.35	2.30	2.25	2.25	2.20
Traffic fatalities attributable to roadway factors	59	56	53	50	45	40	40
Traffic accidents attributable to roadway factors	14,900	15,000	15,000	14,500	14,000	13,500	13,000
Traffic accidents:							
Interstate highways	6,076	6,260	6,200	6,000	5,750	5,500	5,250
Rate on interstate highways (per 100 million vehicle miles)	70.8	70.0	68.0	66.0	62.0	60.0	58.0
All other highways	124,400	124,000	124,000	122,000	118,000	114,000	110,000
Rate on all other highways (per 100 million vehicle miles)	195.2	194.0	190.0	186.0	180.0	175.0	170.0

Program Analysis:

Highway accidents are generally the result of one or more of the following factors: driver error, vehicle failure, or hazardous roadway conditions. Although driver error remains by far the leading causal factor of traffic accidents, injuries and fatalities, highway safety improvement projects offer the greatest potential return on investment of all highway safety efforts. The reduction in accidents which has been realized at safety project sites has consistently exceeded the safety benefits associated with driver education and enforcement efforts.

Logically, accidents attributable to driver error or vehicular failure should occur in random location patterns. Therefore, at those locations with disproportionately high numbers of accidents, it may be assumed that the roadway itself is a prime contributing factor to the accidents. Over 8,000 high accident locations on the State highway system are identified through the computerized accident records

system. Major and minor safety and traffic flow improvement projects are developed to be implemented as funds become available. Federal funds for these projects are provided from the 1982 Surface Transportation Act.

The Department of Transportation projects that this program will prevent eleven traffic fatalities, 255 traffic injuries, and 270 reportable traffic accidents at the recommended program level. The recommended program level is based on the amount of Federal funds available, the Department's continued emphasis on restoration of the existing highway network, and application of the current highway capital guidelines to this program. Under these definitions, the majority of the safety improvement projects will be accomplished as "betterments" using the Highway Maintenance appropriation rather than the Highway and Safety Improvement appropriation and are reflected in the Highway Maintenance subcategory.

Highway Safety Projects(continued)

Program Analysis: (continued)

The data shown in the program measures for traffic fatalities, injuries and accidents in the current budget and future years represent the best estimates available of the impact of planned increases in special enforcement, changing economic and traffic patterns, and increased awareness and

enforcement of the Commonwealth's drunk driving laws. The downward revision of data shown for traffic accidents attributable to roadway factors versus last year's budget is the result of the department improving the causal factor selection process.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
MOTOR LICENSE FUND							
Highway and Safety Improvement	<u>\$ 2,384</u>	<u>\$ 2,500</u>	<u>\$ 2,625</u>	<u>\$ 2,756</u>	<u>\$ 2,894</u>	<u>\$ 3,039</u>	<u>\$ 3,191</u>

Safety Administration and Licensing

OBJECTIVE: To minimize traffic accidents attributable to driver error and mechanically defective vehicles and to promote highway safety programs.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 1,432	\$ 1,432	\$ 1,461	\$ 1,519	\$ 1,580	\$ 1,643	\$ 1,709
Special Funds	40,868	43,836	47,764	45,178	43,657	45,403	47,219
Federal Funds	1,117	1,150	1,100	1,120	1,140	1,170	1,200
Other Funds	3,274	4,440	4,370	4,370	4,370	4,370	4,370
TOTAL	\$ 46,691	\$ 50,858	\$ 54,695	\$ 52,187	\$ 50,747	\$ 52,586	\$ 54,498

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
State heavy truck registrations	82,000	81,000	81,000	81,000	81,000	81,000	81,000
State motor vehicle registrations	7,562,726	7,707,775	7,784,853	7,862,702	7,942,115	8,021,536	8,100,751
Vehicles inspected:							
Safety inspection	7,520,000	7,524,000	7,525,000	7,525,500	7,526,000	7,526,500	7,527,000
Emission inspection		3,100,000	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
Vehicles repaired:							
Safety inspection	2,575,000	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000
Emission inspection		651,000	651,000	651,000	651,000	651,000	651,000
Licensed operators	7,450,530	7,426,823	7,427,338	7,420,773	7,421,278	7,449,053	7,523,543
Operator licenses revoked, suspended, re-examined or restricted	548,738	590,000	600,000	610,000	615,000	620,000	625,000
Motor vehicle titles/sales tax returns processed	2,792,010	2,792,010	2,792,010	2,792,010	2,792,010	2,792,010	2,792,010
International Registration Plan audits (truck fleets)	600	600	600	600	600	600	600

Program Analysis:

A primary responsibility of the Department of Transportation within the Safety Administration and Licensing program is to process applications and collect fees for all vehicle registrations and operator licenses. These vehicle and operator licensing activities produce more than 28 percent of all Motor License Fund receipts.

The testing, inspection and revocation aspects of the operator and vehicular licensing activities within this program provide many opportunities to enforce safety standards. Another major activity, the accident analysis program, deals entirely with safety by assembling listings of high accident locations which are used to establish priorities for

improvements funded through the Highway Safety Projects program.

Driver error continues to be the most prevalent cause of traffic accidents on Pennsylvania highways. The operator licensing program is designed to screen out applicants with insufficient driving knowledge or skills, as well as to identify those with mental or physical disabilities. The State Police currently perform the task of examining applicants.

The objective of the driver point system is to discourage licensed operators from violating traffic laws. Illegal actions by motorists, particularly drunken driving, constitute a significant percentage of the accidents in which driver er-

Safety Administration and Licensing (continued)

Program Analysis: (continued)

ror is the principal causal factor. The department is empowered to suspend or revoke the licenses of motor vehicle operators who have reached the eleven point limit or have committed certain severe traffic violations. Concern over the large number of vehicle accidents that involve drunk drivers caused the General Assembly to enact a strict drunk driving law in 1982.

The safety inspection program for the Commonwealth's 7.5 million motor vehicles is intended to minimize traffic accidents due to mechanical failure. The department licenses inspection stations and trains and licenses vehicle inspectors while maintaining all necessary records. The State Police periodically check inspection stations and the work of mechanics to assure compliance with approved safety standards. Based on a random sample of inspection station reports, an estimated 2.6 million vehicles will be repaired during the current fiscal year as a result of the inspection system. The norm for the past two years had been a 35 percent failure rate; current year statistics do not indicate that the failure rate will change under the annual inspection program.

The emission inspection program for the Commonwealth inspects 3.1 million vehicles annually and is intended to reduce subject vehicle carbon monoxide and hydrocarbon pollutants and improve the air quality. The areas affected are the Pittsburgh and Allentown-Bethlehem-Easton metropolitan areas (specific zip codes) and the Philadelphia region consisting of five counties. The department licenses inspection stations, trains and licenses vehicle inspection mechanics and periodically checks inspection stations, records and work of the mechanics to assure compliance with approved emission program requirements. Based on Federally mandated standards approximately 651,000 vehicles will be subject to adjustments or repairs beginning in 1984-85 as a result of the emission inspection program.

Enhancements to the vehicle registration system are continuing. A statistical quality control program is underway

to provide more consistently error-free processing of title tituning. A statistical quality control program is underway to provide more consistently error-free processing of title and registration applications. The International Registration Program has expanded with the addition of four states in 1983. A new data processing system has been developed to provide more efficient handling of International Registration applications. A fleet registration system is under development. The department has also begun efforts to decentralize vehicle registration and driver license services. A feasibility study exploring additional ways to provide more direct, local services was recently completed. The department is currently planning a phase-in of a decentralized system beginning in 1986-87. In preparation for this phase-in of a decentralized vehicle registration and driver license system this budget includes second year funding of 1984-85 initiatives costing \$3.8 million and \$800 thousand respectively.

As part of the International Registration Plan agreement with other participating states, the Commonwealth is conducting an ongoing audit of all Pennsylvania-based truck fleets participating in this program.

The department has achieved considerable success in its data collection system for accident analysis by identifying high frequency accident locations. Computer programs have been written to arrange in priority order those highway locations which have experienced statistically more accidents than similar highways with similar traffic volumes. Another priority list arranges locations that have had an inordinate number of accidents in which vehicles ran off the road or hit fixed objects. Such ranking of nearly 9,000 high accident locations provides the department with a systematic means of selecting the highest priority locations for those actual improvements carried out within the Highway Safety Projects subcategory.

The increase in the data shown for "motor vehicle titles/sales tax returns processed" (versus last years budget) reflects higher than anticipated vehicle sales.

Program Costs by Appropriation:

	1983-84	1984-85	(Dollar Amounts in Thousands)				
			1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Collections — Vehicle Sales Tax	\$ 1,432	\$ 1,432	\$ 1,461	\$ 1,519	\$ 1,580	\$ 1,643	\$ 1,709
MOTOR LICENSE FUND							
Safety Administration and Licensing	\$ 40,868	\$ 43,836	\$ 47,764	\$ 45,178	\$ 43,657	\$ 45,403	\$ 47,219

Elderly Transit

OBJECTIVE: To increase the mobility of the aged, enabling persons sixty-five and older to participate more fully in community life.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 96	\$ 102	\$ 236	\$ 203	\$ 207	\$ 212	\$ 217
Special Funds	67,491	86,026	91,243	94,763	97,056	100,539	103,243
TOTAL	\$ 67,587	\$ 86,128	\$ 91,479	\$ 94,966	\$ 97,263	\$ 100,751	\$ 103,460

Program Measures:

	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Free transit trips by the elderly	64,021,000	64,021,000	71,258,000	72,842,000	73,634,000	75,573,000	76,739,000
Trips on State assisted demand responsive vehicles	2,866,000	4,651,000	4,883,000	5,127,000	5,384,000	5,653,000	5,935,000
Cost to the Commonwealth per trip:							
Fare	81¢	87¢	87¢	88¢	89¢	89¢	90¢
On State assisted demand responsive vehicles	\$3.94	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01	\$5.01

Program Analysis:

The Commonwealth's senior citizens have benefited from State lottery proceeds since 1973 with the implementation of the Free Transit Program for Senior Citizens. Under this program senior citizens are eligible for free rides on participating local fixed route operations during off-peak hours on weekdays and all day on weekends and holidays. In July 1980, the free service was extended to commuter rail lines and the fare program was expanded to fund reduced fares for senior citizens on shared-ride demand responsive services. These programs recognize the limited availability of private transportation for Pennsylvania's senior citizens and their heavy reliance upon public transportation facilities. It further recognizes that many retired persons must live within a fixed and limited income and cannot afford to use public transit as often as they would like. These programs increase the mobility of the Commonwealth's citizens 65 years of age and older.

Currently more than 70 participating transit agencies are under contract with the Commonwealth. Ridership has increased significantly over the years to its projected level of approximately 71 million (including transfers) free rides. The reimbursement rate in 1983-84 increased from 75 percent to 100 percent of the average fare with an adjustment made for transfers. The adjustment for transfers is eliminated in 1985-86. The increase in per trip cost to the Commonwealth

from 1983-84 to 1984-85 reflects the increase in SEPTA's base fare from 75¢ to 85¢.

The reduced fare shared-ride demand responsive transit program for senior citizens is now a viable program in most parts of the Commonwealth. During 1983-84 a total of 70 operators provided an estimated 2.9 million senior citizen rides for a reimbursement total of \$11.4 million. Since many providers were not in full operation during the entire 1983-84 year, ridership levels had not stabilized by the end of June 1984. It is anticipated that most providers will realize a leveling off of ridership during 1984-85. Assuming this and with the inclusion of additional providers, ridership is expected to almost double to about 4.7 million senior citizen trips in 1984-85. The projected increase in ridership and the increase in reimbursement as of July 1, 1984 from 75 percent to 90 percent of the fare for senior citizen trips are the most significant factors resulting in the increase in funding levels from 1983-84 to 1984-85. The increase in the cost to the Commonwealth per trip is directly related to the increase in trips provided by carriers with higher than average fares. With the department's direct control over fares as a result of Act 49 of 1984, and with implementation of ridership verification procedures, it is anticipated that the program's growth should level out during the 1985-86 fiscal year. A moderate growth is still likely to occur due to a small number of new

Elderly Transit (continued)

Program Analysis: (continued)

providers and a larger number of passenger trips because of the reduced senior citizen cost per trip. The cost to the Commonwealth per trip should remain stable.

Act 49 of 1984 also provides for an annual \$2.3 million executive authorization for demand response equipment grants.

Also, Act 171 of 1982 authorizes the Governor to annually

transfer from the Lottery Fund to the Motor License Fund the amount of fees lost as a result of reduced vehicle registration fees paid by certain eligible senior citizens.

The 1985-86 recommended budget provides \$130,000 for the first year audit of transit operators participating in the senior citizen free ride program and a senior citizen reduced fare ridership verification plan.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Mass Transportation Operations	\$ 96	\$ 102	\$ 106	\$ 110	\$ 114	\$ 119	\$ 124
Ridership Verification			130	93	93	93	93
GENERAL FUND TOTAL	<u>\$ 96</u>	<u>\$ 102</u>	<u>\$ 236</u>	<u>\$ 203</u>	<u>\$ 207</u>	<u>\$ 212</u>	<u>\$ 217</u>
LOTTERY FUND							
Free Transit for the Elderly	\$ 64,091	\$ 80,326	\$ 86,443	\$ 89,963	\$ 92,256	\$ 95,739	\$ 98,443
Transfer to Motor License Fund—							
Vehicle Registration—Elderly	3,400	3,400	2,500	2,500	2,500	2,500	2,500
Demand Response Equipment Grants		2,300	2,300	2,300	2,300	2,300	2,300
LOTTERY FUND TOTAL	<u>\$ 67,491</u>	<u>\$ 86,026</u>	<u>\$ 91,243</u>	<u>\$ 94,763</u>	<u>\$ 97,056</u>	<u>\$ 100,539</u>	<u>\$ 103,243</u>

Legislature

The General Assembly of Pennsylvania formulates and enacts the public policy of the Commonwealth. Through legislation and resolution, it defines the functions of the State Government, provides for revenue for the Commonwealth and appropriates money for the operation of State agencies and other purposes.

The General Assembly is composed of two bodies — the Senate and the House of Representatives. Its sessions begin on the first Tuesday of each year unless otherwise convened by the proclamation of the Governor.

LEGISLATURE

Summary by Fund and Appropriation

	1983-84	(Dollar Amounts in Thousands) 1984-85		1985-86
	Actual	Available		Budget
General Fund				
General Government				
Senate	\$ 21,185	\$ 23,813		\$ 25,003
House of Representatives	43,808	52,324		57,368
Legislative Reference Bureau	3,060	3,244		3,183
Legislative Budget and Finance Committee	1,800	1,257		1,282
Legislative Data Processing	1,428	1,650		2,000
Legislative Miscellaneous and Commissions	5,041	5,900		6,102
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TOTAL STATE FUNDS	<u>\$ 76,322</u>	<u>\$ 88,188</u>		<u>\$ 94,938</u>
Other Funds	\$ 5	\$ 5		\$ 5
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GENERAL FUND TOTAL	<u>\$ 76,327</u>	<u>\$ 88,193</u>		<u>\$ 94,943</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Senate			
State Funds	\$ 21,185	\$ 23,813	\$ 25,003

Performs the duties and functions required of the Senate by Articles II and III of the Constitution of Pennsylvania.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Salaries			
Fifty Senators	\$ 2,166	\$ 2,400	\$ 3,000
Employees of Senate President	130	130	140
Employees of Chief Clerk	1,705	1,875	1,875
Salaried Officers and Employees	2,170	2,500	2,600
Postage			
Chief Clerk and Legislative Journal	80	80	80
Contingent Expenses			
President	5	5	5
President Pro Tempore	20	20	20
Floor Leader (D)	6	6	6
Floor Leader (R)	6	6	6
Whip (D)	3	3	3
Whip (R)	3	3	3
Chairman of the Caucus (D)	3	3	3
Chairman of the Caucus (R)	3	3	3
Secretary of the Caucus (D)	3	3	3
Secretary of the Caucus (R)	3	3	3
Chairman of the Appropriations Committee (D)	6	6	6
Chairman of the Appropriations Committee (R)	6	6	6
Chairman of the Policy Committee (D)	2	2	2
Chairman of the Policy Committee (R)	2	2	2
Caucus Administrator (D)	2	2	2
Caucus Administrator (R)	2	2	2
Miscellaneous Expenses			
Incidental Expense	550	600	600
Committee on Appropriations (D)	518	604	604
Committee on Appropriations (R)	518	604	604
Expenses — Senators	675	825	600
Legislative Printing and Expenses	3,350	3,900	3,725
Special Leadership Account (D)	2,284	2,550	2,800
Special Leadership Account (R)	2,284	2,550	2,800
Legislative Management Committee (D)	2,340	2,560	2,750
Legislative Management Committee (R)	2,340	2,560	2,750
TOTAL	<u>\$ 21,185</u>	<u>\$ 23,813</u>	<u>\$ 25,003</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
House of Representatives			
State Funds	\$ 43,808	\$ 52,324	\$ 57,368

Performs the duties and functions required of the House of Representatives by Articles II and III of the Constitution of Pennsylvania.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Salaries			
Members' Salaries, Speaker's Extra Compensation	\$ 7,475	\$ 9,100	\$ 10,950
House Employees (R)	2,940	3,428	3,771
House Employees (D)	3,270	3,428	3,771
Speakers Office	325	379	417
Bi-Partisan Committee, Chief Clerk, Comptroller	3,650	4,255	4,681
Mileage			
Representatives, Officers and Employees	470	554	554
Postage			
Chief Clerk and Legislative Journal	343	343	343
Contingent Expenses			
Speaker	20	20	20
Chief Clerk	290	290	290
Floor Leader (R)	6	6	6
Floor Leader (D)	6	6	6
Whip (R)	3	3	3
Whip (D)	3	3	3
Chairman—Caucus (R)	3	3	3
Chairman—Caucus (D)	3	3	3
Secretary—Caucus (R)	3	3	3
Secretary—Caucus (D)	3	3	3
Chairman—Appropriations Committee (R)	6	6	6
Chairman—Appropriations Committee (D)	6	6	6
Chairman—Policy Committee (R)	2	2	2
Chairman—Policy Committee (D)	2	2	2
Caucus Administrator (R)	2	2	2
Caucus Administrator (D)	2	2	2
Administrator for Staff (D)	20	20	20
Administrator for Staff (R)	20	20	20
Comptroller Special Transfer Account	2	2	2
Miscellaneous Expenses			
Legislative Office for Research Liaison	178	205	223
School for New Members	15	15	15
Incidental Expenses	2,500	4,500	4,500
Committee on Appropriations (D)	518	604	665
Committee on Appropriations (R)	518	604	665
Expenses—Representatives	2,030	2,030	2,030
Legislative Printing and Expenses	6,000	7,000	7,500
National Legislative Conference—Expenses	82	82	125
Special Leadership Account (D)	1,525	2,466	2,713
Special Leadership Account (R)	2,115	2,466	2,713
Legislative Management Committee (D)	4,040	4,407	4,848
Legislative Management Committee (R)	3,780	4,407	4,848
Commonwealth Emergency Medical System	25	25	25
Members' Home Office Expenses	1,624	1,624	1,624
TOTAL	<u>\$ 43,808</u>	<u>\$ 52,324</u>	<u>\$ 57,368</u>

GENERAL FUND	LEGISLATURE
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		(Dollar Amounts in Thousands)	
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Legislative Reference Bureau			
State Funds	\$ 3,060	\$ 3,244	\$ 3,183

Serves as a staff arm of the Legislature. Drafts bills and resolutions, provides advice and counsel to members of the Legislature, performs legislative research and provides copies of bills and legislation to the general public upon request.

		(Dollar Amounts in Thousands)	
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Salaries and Expenses	\$ 2,222	\$ 2,571	\$ 2,571
Contingent Expenses	10	10	15
Printing of Pamphlet Laws	165	.....	.....
Printing of Pennsylvania Bulletin and Pennsylvania Code	663	663	597
TOTAL	<u>\$ 3,060</u>	<u>\$ 3,244</u>	<u>\$ 3,183</u>

		(Dollar Amounts in Thousands)	
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Legislative Budget and Finance Committee			
State Funds	\$ 1,800	\$ 1,257	\$ 1,282

Performs duties and functions relating to the study of the revenues, expenditures and fiscal operations of the agencies, boards and commissions of the Commonwealth.

		(Dollar Amounts in Thousands)	
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Legislative Budget and Finance Committee	<u>\$ 1,800</u>	<u>\$ 1,257</u>	<u>\$ 1,282</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Legislative Data Processing Center			
State Funds	\$ 1,428	\$ 1,650	\$ 2,000
Other Funds	5	5	5
TOTAL	<u>\$ 1,433</u>	<u>\$ 1,655</u>	<u>\$ 2,005</u>

Provides the General Assembly with the data processing services necessary to expedite the collection, completion and dissemination of information required in the exercise of its functions, and renders services to other agencies when possible.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Legislative Data Processing Committee	\$ 1,428	\$ 1,650	\$ 2,000
Other Funds:			
Reimbursement for Data Processing Services	5	5	5
TOTAL	<u>\$ 1,433</u>	<u>\$ 1,655</u>	<u>\$ 2,005</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Legislative Miscellaneous and Commissions			
State Funds	\$ 5,041	\$ 5,900	\$ 6,102

Provides for those permanent commissions and committees which are necessary to provide the Legislature with current information, and to maintain liaison with various national, state and local organizations. It further provides for the various study commissions and committees periodically established to investigate and recommend solutions to various problems that arise from time to time and for the compilation and distribution of various municipal codes.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriations:			
Joint State Government Commission	\$ 1,254	\$ 1,329	\$ 1,388
Local Government Commission	309	328	361
Local Government Codes	31	33	50
Joint Legislative Air and Water Pollution Control Committee ..	161	171	206
Flags for Overseas Military	40	40	40
Legislative Audit Advisory Commission	175	175	175
Ethics Commission	406	420	451
Independent Regulatory Review Commission	650	689	716
Capitol Renovation Committee	15	115	115
Capitol Restoration	2,000	2,600	2,600
TOTAL	<u>\$ 5,041</u>	<u>\$ 5,900</u>	<u>\$ 6,102</u>

LEGISLATURE

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Legislative Process	\$ 76,322	\$ 88,188	\$ 94,938	\$ 98,735	\$ 102,685	\$ 106,792	\$ 111,064
Legislature	76,322	88,188	94,938	98,735	102,685	106,792	111,064
DEPARTMENT TOTAL	<u>\$ 76,322</u>	<u>\$ 88,188</u>	<u>\$ 94,938</u>	<u>\$ 98,735</u>	<u>\$ 102,685</u>	<u>\$ 106,792</u>	<u>\$ 111,064</u>

Legislature

OBJECTIVE: To formulate and enact the public policy of the Commonwealth; to define the functions of State Government; to provide revenue for the Commonwealth; and to appropriate money for the operation of State agencies and for other purposes.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 76,322	\$ 88,188	\$ 94,938	\$ 98,735	\$ 102,685	\$ 106,792	\$ 111,064
Other Funds	5	5	5	5	5	5	5
TOTAL	<u>\$ 76,327</u>	<u>\$ 88,193</u>	<u>\$ 94,943</u>	<u>\$ 98,740</u>	<u>\$ 102,690</u>	<u>\$ 106,797</u>	<u>\$ 111,069</u>

Program Analysis:

The General Assembly, which consists of a 50 member Senate and a 203 member House of Representatives, is funded by many General Fund appropriations. These appropriations are detailed in the appropriation portion of this presentation.

There is a continued effort on the part of the House and Senate to acquire more adequate professional staff to provide more useful analytical studies for use in debating Commonwealth issues.

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND TOTAL	<u>\$ 76,322</u>	<u>\$ 88,188</u>	<u>\$ 94,938</u>	<u>\$ 98,735</u>	<u>\$ 102,685</u>	<u>\$ 106,792</u>	<u>\$ 111,064</u>

Judiciary

The objective of the judicial system of the Commonwealth is to provide citizens with prompt and equitable justice under the law.

The court system includes the Supreme Court, Superior Court, Commonwealth Court, Courts of Common Pleas, Community Courts — District Justices of the Peace, Philadelphia Municipal Court and the Philadelphia Traffic Court.

JUDICIARY

Summary by Fund and Appropriation

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
General Fund			
General Government			
Supreme Court	\$ 4,044	\$ 4,226	\$ 4,594
Civil Rules Procedural Committee	188	189	196
Criminal Rules Procedural Committee	189	164	184
State Board of Law Examiners	207	235	247
Judicial Inquiry and Review Board	306	423	505
Court Administrator	2,651	2,765	3,099
District Justice Education	316	297	307
Commission on Sentencing	211	229	237
Superior Court	7,340	8,188	8,526
Commonwealth Court	3,565	4,205	4,480
Courts of Common Pleas	24,304	25,220	26,845
Common Pleas Senior Judges	815	1,023	1,129
Common Pleas — Judicial Education	199	319	325
Community Courts — District Justices of the Peace	19,675	20,954	21,735
Philadelphia Traffic Court	242	252	284
Philadelphia Municipal Court	1,605	1,759	2,018
Law Clerks	182	182	182
Subtotal	<u>\$ 66,039</u>	<u>\$ 70,630</u>	<u>\$ 74,893</u>
Grants and Subsidies			
Reimbursement of County Court Expenses	\$ 29,480	\$ 28,980	\$ 31,140
Juror Cost Reimbursement	1,669	1,669	1,669
Subtotal	<u>\$ 31,149</u>	<u>\$ 30,649</u>	<u>\$ 32,809</u>
TOTAL STATE FUNDS	<u>\$ 97,188</u>	<u>\$ 101,279</u>	<u>\$ 107,702</u>
Federal Funds	\$ 1	.....	.....
Other Funds	1,146	\$ 823	\$ 878
GENERAL FUND TOTAL	<u>\$ 98,335</u>	<u>\$ 102,102</u>	<u>\$ 108,580</u>

GENERAL GOVERNMENT

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Supreme Court			
State Funds	\$ 8,112	\$ 8,528	\$ 9,369
Federal Funds	1	.....	.....
Other Funds	526	543	548
TOTAL	<u>\$ 8,639</u>	<u>\$ 9,071</u>	<u>\$ 9,917</u>

Holds the supreme judicial powers of the Commonwealth. It consists of seven justices, one of whom is the Chief Justice, elected by qualified electors of the Commonwealth for a term of ten years.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriations:			
Supreme Court	\$ 4,044	\$ 4,226	\$ 4,594
Civil Rules Procedural Committee	188	189	196
Criminal Rules Procedural Committee	189	164	184
State Board of Law Examiners	207	235	247
Judicial Inquiry and Review Board	306	423	505
Court Administrator	2,651	2,765	3,099
District Justice Education	316	297	307
Commission on Sentencing	211	229	237
Federal Funds:			
FHWA — Project Update Office Procedures Manual	1	.....	.....
Other Funds:			
Law Student Fees to State Board of Law Examiners	376	400	405
Filing Fees	137	130	130
Registration Fees — District Justice Education	13	13	13
TOTAL	<u>\$ 8,639</u>	<u>\$ 9,071</u>	<u>\$ 9,917</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Superior Court			
State Funds	\$ 7,340	\$ 8,188	\$ 8,526
Other Funds	232	120	180
TOTAL	<u>\$ 7,572</u>	<u>\$ 8,308</u>	<u>\$ 8,706</u>

Represents the court of intermediate appeal and its jurisdiction is provided by law. It is composed of 15 judges, of whom one is the President Judge, elected by the qualified electors of the State for ten year terms.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Superior Court	\$ 7,340	\$ 8,188	\$ 8,526
Other Funds:			
Filing Fees	232	120	180
TOTAL	<u>\$ 7,572</u>	<u>\$ 8,308</u>	<u>\$ 8,706</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Commonwealth Court			
State Funds	\$ 3,565	\$ 4,205	\$ 4,480
Other Funds	387	160	150
TOTAL	<u>\$ 3,952</u>	<u>\$ 4,365</u>	<u>\$ 4,630</u>

The Commonwealth Court is a court of record of statewide original and appellate jurisdiction. The Court has original jurisdiction on all civil actions and proceedings by the Commonwealth or any officer acting in his official capacity and all civil actions and proceedings against the Commonwealth or any officer acting in his official capacity. It is composed of nine judges, of whom one is the President Judge, elected by the qualified electors of the State for ten year terms.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Source of Funds			
Appropriation:			
Commonwealth Court	\$ 3,565	\$ 4,205	\$ 4,480
Other Funds:			
Filing Fees	387	160	150
TOTAL	<u>\$ 3,952</u>	<u>\$ 4,365</u>	<u>\$ 4,630</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Courts of Common Pleas			
State Funds	\$ 25,318	\$ 26,562	\$ 28,299
Other Funds	1	.....	.....
TOTAL	<u>\$ 25,319</u>	<u>\$ 26,562</u>	<u>\$ 28,299</u>

There is one common pleas court for each judicial district. Each district and number of judges are provided by law. These courts have unlimited original jurisdiction in all cases except as may be otherwise provided by law.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Courts of Common Pleas	\$ 24,304 ^a	\$ 25,220	\$ 26,845
Common Pleas Senior Judges	815 ^a	1,023	1,129
Common Pleas — Judicial Education	199 ^a	319	325
Other Funds:			
Domestic Relations Committee	1	.....	.....
TOTAL	<u>\$ 25,319</u>	<u>\$ 26,562</u>	<u>\$ 28,299</u>

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Community Courts—District Justices of the Peace			
State Funds	\$ 19,675	\$ 20,954	\$ 21,735

Community courts may be established or discontinued by a vote of the majority of the electors in a judicial district. After establishment, they replace the justices of the peace, or the Municipal Court and Traffic Court in Philadelphia. The term of the judges of community courts is ten years.

Where a community court has not been established or where one has been discontinued, there is a district justice of the peace. Presently there are no community courts but there are district justices of the peace in 553 magisterial districts. The jurisdiction of district justices of the peace is as provided by law. Their term of office is six years.

<i>Source of Funds</i>	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriation:			
Community Courts—District Justices of the Peace	<u>\$ 19,675</u>	<u>\$ 20,954</u>	<u>\$ 21,735</u>

^aOriginally part of Courts of Common Pleas appropriation.

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Philadelphia Traffic Court and Philadelphia Municipal Court			
State Funds	\$ 2,029	\$ 2,193	\$ 2,484

These courts exist so long as a community court is not established. The number of judges is provided by law. They serve for a term of six years.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Philadelphia Traffic Court	\$ 242	\$ 252	\$ 284
Philadelphia Municipal Court	1,605	1,759	2,018
Law Clerks	182	182	182
TOTAL	<u>\$ 2,029</u>	<u>\$ 2,193</u>	<u>\$ 2,484</u>

GRANTS AND SUBSIDIES

	(Dollar Amounts in Thousands)		
	1983-84 Actual	1984-85 Available	1985-86 Budget
Reimbursement of County Court Costs			
State Funds	\$ 29,480	\$ 28,980	\$ 31,140

Provides reimbursement of costs incurred by counties in the Administration and operation of all courts established pursuant to Article V, Section 1 of the Pennsylvania Constitution.

	(Dollar Amounts in Thousands)		
<i>Source of Funds</i>	1983-84 Actual	1984-85 Available	1985-86 Budget
Appropriations:			
Reimbursement of County Court Costs	<u>\$ 29,480</u>	<u>\$ 28,980</u>	<u>\$ 31,140</u>

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Juror Cost Reimbursement			
State Funds	\$ 1,669	\$ 1,669	\$ 1,669

In accordance with Act 78 of 1980, provides for reimbursement of costs incurred by counties in relationship to juror payments and related mileage expenses.

	(Dollar Amounts in Thousands)		
	1983-84	1984-85	1985-86
	Actual	Available	Budget
Source of Funds			
Appropriation:			
Juror Cost Reimbursement	<u>\$ 1,669</u>	<u>\$ 1,669</u>	<u>\$ 1,669</u>

JUDICIARY

Summary of Agency Program by Category and Subcategory

General Fund and Special Funds

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Adjudication of Defendants	\$ 97,188	\$ 101,279	\$ 107,702	\$ 110,922	\$ 114,271	\$ 117,753	\$ 121,377
· State Judicial System	97,188	101,279	107,702	110,922	114,271	117,753	121,377
DEPARTMENT TOTAL	<u>\$ 97,188</u>	<u>\$ 101,279</u>	<u>\$ 107,702</u>	<u>\$ 110,922</u>	<u>\$ 114,271</u>	<u>\$ 117,753</u>	<u>\$ 121,377</u>

State Judicial System

OBJECTIVE: To provide Pennsylvania citizens with prompt and equitable justice under the law.

Recommended Program Costs:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
General Fund	\$ 97,188	\$ 101,279	\$ 107,702	\$ 110,922	\$ 114,271	\$ 117,753	\$ 121,377
Federal Funds	1						
Other Funds	1,146	823	878	900	900	900	900
TOTAL	\$ 98,335	\$ 102,102	\$ 108,580	\$ 111,822	\$ 115,171	\$ 118,653	\$ 122,277

Program Analysis:

The judicial power of the Commonwealth is vested in a Unified Judicial System consisting of the Supreme Court, the Superior Court, the Commonwealth Court, Courts of Common Pleas, Community Courts, Philadelphia Municipal Court, Pittsburgh Magistrates Court, Traffic Court of Philadelphia and district justices.

The supreme judicial powers in the Commonwealth rest in the Supreme Court which consists of seven justices. It has limited jurisdiction of appeals from final orders of the Courts of Common Pleas in specified classes of cases as prescribed by the Legislature, including appeals from Commonwealth Court in matters which commenced in that Court, and direct appeals from all lower courts in certain cases involving constitutional questions and from certain judicial agencies. The Court has discretionary jurisdiction to review other appeals from Superior and Commonwealth Courts upon allowance by any two justices and may, on its own motion, assume plenary jurisdiction of any matter pending before any court of the Commonwealth.

The Supreme Court exercises general supervisory and administrative authority over all courts, judges and district justices. This authority includes the assignment of judges and justices. It also appoints the Court Administrator of Pennsylvania, who supervises the Administrative Office of Pennsylvania Courts as required for the prompt and proper disposition of the business of all courts and justices of the peace.

The Supreme Court has the power to prescribe general rules governing practice, procedure and the conduct of all courts in the Unified Judicial System.

The Superior Court consists of 15 judges. It has exclusive appellate jurisdiction of all appeals from final orders of the Courts of Common Pleas regardless of the nature of the controversy except those within the exclusive jurisdiction of the Supreme or Commonwealth Courts.

The Commonwealth Court consists of nine judges and is a court of original and appellate jurisdiction. It has original jurisdiction on all civil actions and proceedings by the Commonwealth or any officer acting in his official capacity and

all civil proceedings against the Commonwealth or any officer acting in his official capacity. In the latter category, its jurisdiction is exclusive; in the former, concurrent with the Common Pleas Court.

Original jurisdiction for most major cases rests in the Courts of Common Pleas. There is one Common Pleas Court for each of the 60 judicial districts, often with several divisions and judges. Throughout the Commonwealth, there are 329 Common Pleas judges, an increase of 20 over recent years as a result of Act 150 of 1984. These courts have unlimited original jurisdiction except as otherwise provided by law.

The Philadelphia Municipal Court is a court of record whose 22 judges must be lawyers. Its limited jurisdiction is analogous to that of District Justice Courts.

The 554 District Justice Courts, the Pittsburgh Court, and the Philadelphia Traffic Court have original jurisdiction in minor cases such as traffic violations.

The Administrative Office of Pennsylvania Courts is directed by the Court Administrator and performs administrative functions as directed by the Supreme Court. It is primarily the administrative arm of the Supreme Court.

The Minor Judiciary Education Board is responsible for administering the qualifying and continuing district justice education program as required by the Constitution and by acts of the General Assembly, with the Administrative Office of Pennsylvania Courts acting as the administrative agency for the Board. The Board conducts education programs for individuals who are not members of the Bar to qualify as district justice and for the annual continuing education of all district justices.

In addition to providing direction of certain courts and court activities, the Commonwealth provides direct grants to reimburse counties a portion of their juror's payments and mileage expenses.

Funds have been provided in this budget to maintain the County Court Reimbursement Program at its present operational level. Also included is full reimbursement of the costs of maintaining Appellate Court Justices Offices.

State Judicial System (continued)

Program Costs by Appropriation:

	(Dollar Amounts in Thousands)						
	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
GENERAL FUND							
Judiciary (All Judiciary Appropriations) .	<u>\$ 97,188</u>	<u>\$ 101,279</u>	<u>\$ 107,702</u>	<u>\$ 110,922</u>	<u>\$ 114,271</u>	<u>\$ 117,753</u>	<u>\$ 121,377</u>

