

Performance-Based Budget

PENNSYLVANIA EXECUTIVE OFFICES



Commonwealth of Pennsylvania
Independent Fiscal Office
January 2023

Independent Fiscal Office

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INDEPENDENT FISCAL OFFICE

January 3, 2023

The Honorable Members of the Pennsylvania Performance-Based Budget Board:

Act 48 of 2017 specifies that the Independent Fiscal Office (IFO) shall "review agency performance-based budget information and develop an agency performance-based budget plan for agencies subject to a performance-based budget review." This review "shall be completed in a timely manner and submitted by the IFO to the board for review."

This report contains the review for the Executive Offices. All performance-based budget (PBB) reviews submitted to the Board contain the following content for each activity or service provided by the agency:

- a brief description of the activity, relevant goals and outcomes;
- a breakdown of agency expenditures;
- the number of full-time equivalent positions dedicated to the activity;
- select currently available metrics and descriptive statistics;
- any proposed metrics that the review recommends; and
- observations that should allow agencies to more effectively attain their stated goals and objectives.

The IFO submits this review for consideration by the PBB Board. The agency received a draft version of this review and was invited to submit a formal response. If submitted, the response appears in the Appendix to this review. The IFO would like to thank the agency staff that provided considerable input to this review.

Sincerely,

A handwritten signature in blue ink that reads "Matthew J. Knittel".

Dr. Matthew J. Knittel
Director

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Background on Performance-Based Budgeting

Act 48 of 2017 is known as the Performance-Based Budgeting and Tax Credit Efficiency Act. The act requires the Independent Fiscal Office (IFO) to develop performance-based budget (PBB) plans for all agencies under the Governor’s jurisdiction once every five years based on a schedule agreed to by the Secretary of the Budget and the Director of the IFO. The act directs the IFO to evaluate and develop performance measures for each agency program or line item appropriation. As determined by the IFO to be applicable, the measures shall include the following: outcome-based measures, efficiency measures, activity cost analysis, ratio measures, measures of status improvement of recipient populations, economic outcomes or performance benchmarks against similar state programs or similar programs of other states or jurisdictions.

The act requires the IFO to submit plans to the PBB Board for review and approval. The PBB Board reviews plans at a public hearing at which agency heads or their representative must attend to offer additional explanations if requested. The PBB Board has 45 days after submission to approve or disapprove plans.

A performance-based budget differs from a traditional budget in several key respects. The main differences are summarized by this table:

Traditional versus Performance-Based Budget		
Criteria	Traditional Budget	Performance Budget
Organizational Structure	Line Items or Programs	Agency Activities
Funds Used	Appropriated Amounts	Actual Expenditures
Employees	Authorized Complement	Actual Filled Complement
Needs Assessment	Incremental, Use Prior Year	Prospective, Outcome-Based

The plans track funds based on agency activities because they can be more readily linked to measures that track progress towards goals, objectives and ultimate outcomes. Activities are the specific services an agency provides to a defined service population in order to achieve desired outcomes. Activity measures can take various forms: inputs (funding levels, number of employees), outputs (workloads), efficiency (cost ratios, time to complete tasks), outcomes (effectiveness), benchmark comparisons to other states and descriptive statistics. The final category includes a broad range of metrics that provide insights into the work performed by an agency and the services provided. Those metrics supply background, context and support for other metrics, and they may not be readily linked to efficiency or outcome measures. The inclusion of such measures supports the broader purpose of the PBB plans: to facilitate a more informed discussion regarding agency operations and how they impact state residents.

Note: Unless otherwise noted, performance metrics used in this report were supplied by the agency under review. Those data appear as submitted by the agency and the IFO has not reviewed them for accuracy. For certain years, data are not available (e.g., due to a lag in reporting). In those cases, "--" denotes missing data. All data related to expenditures and employees are from the state accounting system and have been verified by the IFO and confirmed by the agency.

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Executive Offices Overview

Mission Statements

The Pennsylvania Executive Offices (EO) include eight separate offices, six of which are covered in this report (Performance-Based Budget Reports for the Pennsylvania Commission on Crime and Delinquency and the Juvenile Court Judges' Commission were issued in 2019). Office mission statements are as follows:

Office of Administration (OA): To provide administrative, talent and technology services and oversight to support and improve operations of agencies under the Governor's jurisdiction through collaboration and innovation.

Office of the Budget (OB): To develop, coordinate and oversee the execution of a balanced financial plan for the Commonwealth that reflects the policies and priorities of the Governor, promotes the efficient allocation and use of resources, and ensures that all funds received and disbursed for Commonwealth programs are accounted for in accordance with current laws, regulations, and policies.

Office of the State Inspector General (OSIG): To deter, detect, prevent and eradicate fraud, waste, misconduct and abuse in programs, operations, and contracting of executive agencies.

Office of the General Counsel (OGC): To consistently provide expert and creative legal counsel and representation to the Office of the Governor and executive agencies for the benefit of all Pennsylvanians.

Pennsylvania Council on the Arts (PCA): To strengthen the cultural, educational, and economic vitality of Pennsylvania's communities through the arts.

Pennsylvania Human Relations Commission (PHRC): To promote equal opportunity for all and enforce Pennsylvania's civil rights laws that protect people from unlawful discrimination. As Pennsylvania's civil rights leader, it is our vision that all people in Pennsylvania will live, work, and learn free from unlawful discrimination.

Services Provided

For this report, the services provided by the Executive Offices are classified into eight general activities.

Executive Offices: Activities and Primary Services Provided	
Activity	Primary Service
1 Human Resources (HR) Admin.....	Provide centralized and shared HR services
2 Information Technology (IT) Admin.....	Provide centralized and shared IT services
3 Comptroller Operations.....	Oversee accounting, payroll and financial reporting
4 Budget and Capital Market Operations...	Manage budget development and state debt
5 Office of State Inspector General.....	Provide oversight of executive branch operations
6 Office of General Counsel.....	Provide legal advice to executive branch agencies
7 PA Council of the Arts.....	Promote and support access to the arts
8 PA Human Relations Commission.....	Enforce state laws that prohibit discrimination

Department Resources

Executive Offices Average FTE Positions by Activity and Fiscal Year						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Human Resources Administration	821	887	1,016	899	969	1,045
Information Technology Administration	1,408	1,375	1,365	1,339	1,296	1,271
Comptroller Operations	399	386	384	369	375	382
Budget and Capital Market Operations	88	81	82	80	87	94
Office of State Inspector General	187	186	188	185	182	181
Office of General Counsel	51	47	42	32	25	25
PA Council on the Arts	10	10	11	10	10	11
PA Human Relations Commission	<u>74</u>	<u>76</u>	<u>76</u>	<u>71</u>	<u>74</u>	<u>78</u>
Total	3,037	3,049	3,162	2,985	3,018	3,087

Notes: FTE stands for Full-Time Equivalent.

Executive Offices Expenditures by Fiscal Year

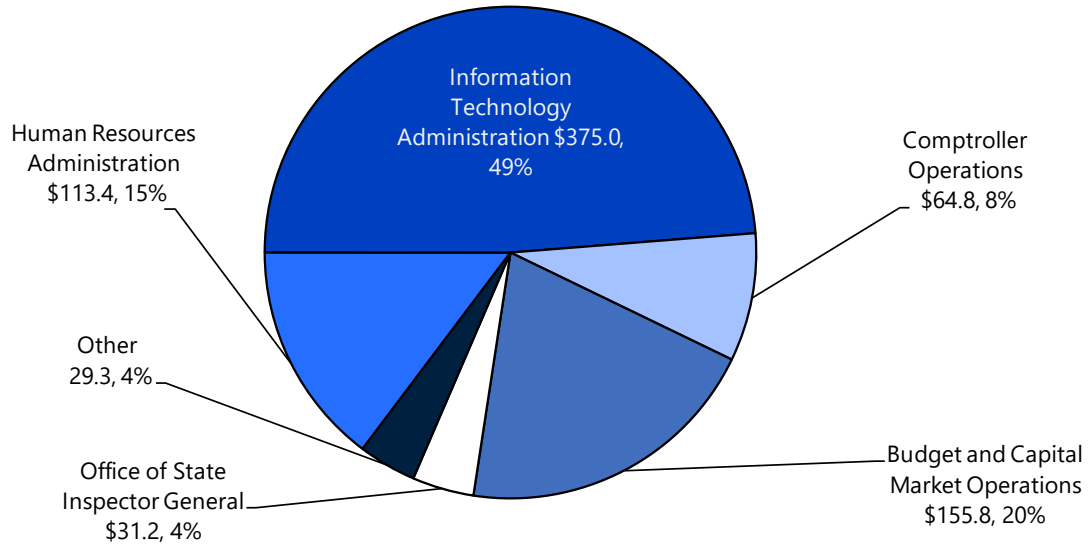
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Activity¹						
Human Resources Administration	\$33.2	\$83.6	\$94.5	\$93.5	\$98.0	\$113.4
Information Technology Administration	101.8	269.8	297.6	306.8	326.8	375.0
Comptroller Operations	48.1	48.6	51.3	48.7	50.0	64.8
Budget and Capital Market Operations	20.0	18.1	26.4	173.3	82.6	155.8
Office of State Inspector General	23.6	24.4	26.2	26.5	25.0	31.2
Office of General Counsel	4.0	4.4	5.4	5.6	5.9	6.7
PA Council on the Arts	11.2	11.2	9.0	12.1	11.8	11.6
PA Human Relations Commission	<u>9.3</u>	<u>9.5</u>	<u>10.0</u>	<u>9.0</u>	<u>10.2</u>	<u>11.1</u>
Total	251.1	469.6	520.4	675.5	610.3	769.6
Expenditures by Object						
Personnel Services	149.2	339.3	358.7	350.6	409.0	404.5
Operational Expenses	78.0	110.7	133.6	153.4	168.4	213.6
Fixed Assets Expense	8.0	6.7	7.9	4.5	4.9	5.7
Grants	15.8	12.9	7.3	16.4	18.1	22.6
Other ²	<u>0.1</u>	<u>0.0</u>	<u>12.9</u>	<u>150.5</u>	<u>10.0</u>	<u>123.1</u>
Total	251.1	469.6	520.4	675.5	610.3	769.6
Expenditures by Fund						
General Fund (State)	122.9	64.0	76.0	233.5	74.1	93.4
General Fund (Augmentations)	115.1	383.8	422.7	411.2	446.3	509.3
General Fund (Federal)	12.6	11.5	13.1	14.3	67.5	138.9
General Fund (Restricted)	--	2.7	10.3	18.9	22.4	28.0
Motor License Fund	1.0	1.1	--	--	--	--
Purchasing Fund	<u>-0.5</u>	<u>6.5</u>	<u>-1.7</u>	<u>-2.3</u>	<u>--</u>	<u>--</u>
Total	251.1	469.6	520.4	675.5	610.3	769.6
Personnel Cost/FTE (\$ thousands)	\$49.1	\$111.3	\$113.4	\$117.5	\$135.5	\$131.1

Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

1 In FY 17-18, executive agency HR services and IT complement were consolidated under the OA. During this transitional year, executive agencies paid the personnel costs associated with the complement transferred to OA. In FY 18-19, agencies are billed for these services and for a portion of the HR and IT enterprise budget previously appropriated to OA.

2 Other includes various fund transfers and debt service/investments.

Expenditures by Activity (FY 2022-23 Budget)



Other includes General Counsel, PA Council on the Arts and PA Human Relations Commission.

Appropriations	HR Admin.	IT Admin.	Comp. Ops.	Bud. & Cap. Market	OSIG	Other	Total
General Fund - State	\$4.4	\$6.7	\$9.1	\$29.1	\$17.9	\$26.2	\$93.4
Inspector General-Welfare Fraud	--	--	--	--	12.7	--	12.7
Office of Administration	4.4	6.7	--	--	--	--	11.2
Office of the Budget	--	--	9.1	16.1	--	--	25.1
Other Appropriations	--	--	--	13.0	5.2	26.2	44.4
General Fund - Augmentations	109.0	339.2	55.7	3.5	1.1	0.7	509.2
Office of Administration	109.0	339.2	--	--	--	--	448.2
Office of the Budget	--	--	55.7	3.5	--	--	59.2
Other Augmentations	--	--	--	--	1.1	0.7	1.8
General Fund - Federal	--	1.1	--	123.2	12.2	2.5	139.0
General Fund - Restricted	--	28.0	--	--	--	--	28.0
Total	113.4	375.0	64.8	155.8	31.2	29.4	769.6

Note: Expenditures in dollar millions.

Key Agency Performance Metrics

This report includes numerous performance metrics, but certain metrics are critical to the overall operation of the agency. Key agency metrics that policymakers should monitor are displayed in the table. A brief explanation of key metric trends appears on the next page.

Key Metrics to Monitor						
	17-18	18-19	19-20	20-21	21-22	22-23
Human Resources Administration						
Avg. COPA annual salary (000s)	\$56.9	\$58.3	\$60.5	\$62.2	\$63.6	--
<u>Healthcare expenditures</u>						
Per active employee (\$000s) ¹	\$13.6	\$13.9	\$14.1	\$14.6	\$15.1	--
Per retired employee (\$000s)	\$7.6	\$8.8	\$7.5	\$7.2	\$7.4	--
HR expenditures per COPA employee ¹	--	\$1,158	\$1,309	\$1,306	\$1,389	--
Information Technology Administration						
Projects delivered on-time	79%	88%	89%	90%	87%	--
Projects delivered on-budget	67%	96%	86%	80%	88%	--
Project cost overruns (\$ millions)	-- Recommended Measure --					
End user devices w/ current protection (%)	--	--	--	--	98%	--
IT expenditures per COPA employee ¹	--	\$3,734	\$4,121	\$4,285	\$4,632	--
Comptroller and Budget Operations						
Improper payments identified (\$ millions)	--	--	\$33	\$34	\$35	\$34
Improper payments recovered (\$ millions)	\$6	\$3	\$6	\$4	\$10	\$6
Travel reimbursements value (\$ millions)	\$29	\$32	\$23	\$12	\$19	\$23
New debt True Interest Cost ²	--	3.6%	--	1.9%	1.7%	3.6%
General Obligation debt service (\$ millions)	\$1,222	\$1,302	\$1,304	\$1,284	\$1,304	\$1,311
RACP grants awarded ²	156	107	220	350	490	533
RACP grant value (\$ millions) ²	\$197	\$244	\$284	\$456	\$796	\$916
Office of the State Inspector General						
<u>Overpaid benefits recovered (\$ millions)</u>						
SNAP	\$12	\$12	\$9	\$10	\$14	--
Medical Assistance	\$2	\$3	\$3	\$2	\$2	--
Other	\$12	\$13	\$10	\$12	\$11	--
Program funds retained by state	-- Recommended Measure --					

1 Calculations by the IFO.
2 Calendar year (e.g., FY 17-18 is CY 2017).

Human Resources Administration

The Office of Administration (OA) administers centralized and shared human resources (HR) services (Activity 1) for Commonwealth agencies under the Governor's jurisdiction. Expenditures have increased on a per employee basis (\$1,389 in FY 2021-22) as the number of Commonwealth employees has decreased. Duties of the office include negotiating collective bargaining agreements and administering the state's benefit programs. Since FY 2017-18, the average employee salary increased by \$6,700 (+12%), the average cost for an active employee's healthcare increased to over \$15,000 (+11%) and the average cost of retired employee healthcare decreased to approximately \$7,400 (-3%). The share of healthcare costs paid by active employees increased from 9.8% in FY 2017-18 to 11.4% in FY 2021-22 (page 11).

Information Technology Administration

OA also administers centralized and shared information technology (IT) services (Activity 2) in a similar model to HR services. Since FY 2017-18, the share of projects reported as on-time (87% in FY 2021-22) and on-budget (88% in FY 2021-22) at the end of each fiscal year has increased; however, final budget overruns are not available as the appropriations for project expenditures are in user agency budgets and no reporting requirement is in place. The share of user devices with up-to-date security is 98%, a metric to track as telework increases and employee devices may not employ the latest security upgrades. Data reflect that OA IT costs per Commonwealth employee increased from \$3,734 in FY 2017-18 to \$4,632 in FY 2021-22 (+24%).

Comptroller and Budget Operations

The Office of the Budget (OB) includes the Office of Comptroller Operations (Activity 3) and the Governor's Budget Office (GBO; Activity 4). The Comptroller's Office reviews agency spending and processes vouchers. From FY 2019-20 to FY 2021-22, the Comptroller identified \$102.0 million in improper payments and recovered \$20.3 million (20%). Additionally, agencies reduced annual travel expenditures from \$28.8 million (FY 2017-18) to \$18.7 million (FY 2021-22), a 35% reduction. This reduction is likely permanent due to increased telework and a reduced need to travel following the COVID-19 pandemic.

The GBO oversees agency expenditures and operations each fiscal year. It also manages the Commonwealth's debt and is the lead agency in the issuance of new General Obligation debt. Since FY 2017-18, the Commonwealth has issued \$2.9 billion in new debt, with True Interest Costs ranging from 1.7% (2021) to 3.6% (2018 and 2022). Total annual debt service costs increased \$89 million over FY 2017-18 levels. Of the \$2.9 billion in new debt, \$725 million (25%) was for Redevelopment Assistance Capital Program (RACP) grants. GBO awards these discretionary grants and approved over 1,800 projects valued at \$2.9 billion from 2017 to 2022 as of December 5, 2022.

Office of the State Inspector General

The Office of the State Inspector General (OSIG; Activity 5) includes three separate divisions: (1) Fraud Prevention and Prosecution, (2) Special Investigations and (3) Law Enforcement Oversight. The Bureau of Fraud Prevention and Prosecution works with the public and other state agencies (primarily the Department of Human Services) to identify fraud and abuse of public aid programs which include but are not limited to SNAP and Medical Assistance. Collections of overpaid benefits due to negligence and/or fraud totaled \$125.6 million from FY 2017-18 through FY 2021-22. It is recommended that OSIG work with DHS to track the amount of recovered funds retained by state agencies to re-deploy to support Pennsylvanians.

Activity 1: Human Resources Administration

The Office of Administration (OA) provides centralized human resources (HR) services, maintains the classification, pay, benefits and workers compensation systems; negotiates and administers collective bargaining agreements; recruits for Commonwealth positions; and provides training in management and supervisory skills for agencies under the Governor’s jurisdiction. Beginning in fiscal year (FY) 2017-18, executive agency HR complement was consolidated under OA. During the transition year, executive agencies continued to pay the personnel costs associated with the HR complement transferred to OA. Beginning in FY 2018-19, agencies are billed for these services and a portion of the HR enterprise budget previously appropriated to OA. The HR billings are displayed as augmentations below (\$95.1 million in FY 2021-22). Agencies not under the Governor’s jurisdiction may also opt-in to certain services.

Commonwealth employees are eligible for a wide array of benefits, such as medical and supplemental health benefits; the Dependent Care Account Program (DCAP); charitable giving through the State Employee Combined Appeal; long-term disability insurance; and voluntary life, home and auto insurance. The Bureau of Benefits oversees the administration of these benefits including billings for active and retired employee healthcare.

The goals of this activity are to administer programs that recruit, retain and train employees, and related employee benefit programs. The expected outcome is a high-quality workforce to serve Pennsylvania citizens in agencies under the Governor's jurisdiction.

Resources for Human Resources Administration						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$27.30	\$75.27	\$83.77	\$79.33	\$84.49	\$96.31
Operational Expenses	5.78	8.26	10.63	14.13	13.44	17.05
Fixed Assets Expenses	--	0.03	0.06	--	--	--
Grants	<u>0.09</u>	<u>0.07</u>	<u>0.05</u>	<u>0.04</u>	<u>0.03</u>	<u>0.03</u>
Total¹	33.16	83.63	94.51	93.50	97.96	113.38
Expenditures by Fund						
General Fund (State)	\$11.17	\$4.74	\$2.27	\$2.84	\$2.89	\$4.42
General Fund (Augmentations)	<u>21.99</u>	<u>78.89</u>	<u>92.24</u>	<u>90.65</u>	<u>95.07</u>	<u>108.96</u>
Total	33.16	83.63	94.51	93.50	97.96	113.38
Average Weekly FTE Positions	821	887	1,016	899	969	1,045
Personnel Cost/FTE (\$ thousands)	--	\$84.9	\$82.5	\$88.3	\$87.2	\$92.2
Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Total may include small non-expense or miscellaneous expense transfers.						

Performance Measures for Human Resources Administration

	17-18	18-19	19-20	20-21	21-22	22-23
Statewide Human Resources						
HR FTEs ¹	1,006	1,011	930	885	924	--
HR expenditures (\$ millions) ¹	--	\$83.6	\$94.5	\$93.5	\$98.0	--
HR expenditures per COPA employee ^{1,2}	--	\$1,158	\$1,309	\$1,306	\$1,389	--
<u>Total hires (000s)</u>	14.8	18.2	16.1	13.1	17.7	--
Internal hires (%)	76%	72%	72%	67%	71%	--
External hires (%)	24%	28%	28%	33%	29%	--
Time to hire (days)	--	72	75	76	75	--
Avg. COPA annual salary (\$000s) ¹	\$56.9	\$58.3	\$60.5	\$62.2	\$63.6	--
Telework						
Office-based positions (000s) ¹	71.0	71.2	71.1	70.4	60.4	--
Remote positions ¹	0.9	1.0	1.1	1.2	10.1	--
Avg. sick hours used	65.1	65.1	62.9	54.4	63.6	--
Avg. other PTO hours used ^{1,2}	163.5	162.8	166.2	167.6	172.9	--
Group Health Insurance¹						
<u>Active employee healthcare (\$ millions)</u>						
Employer billings	\$879.5	\$897.6	\$902.9	\$925.2	\$941.5	--
Employee billings	\$95.6	\$106.6	\$113.6	\$117.6	\$121.4	--
Expenditures per employee (\$000s) ²	\$13.6	\$13.9	\$14.1	\$14.6	\$15.1	--
<u>Retired employee healthcare (\$ millions)</u>						
Employer billings	\$464.1	\$585.9	\$459.6	\$277.9	\$232.8	--
Annuitant billings	\$38.3	\$43.9	\$44.5	\$45.8	\$49.1	--
Expenditures	\$528.6	\$611.8	\$523.9	\$506.6	\$518.0	--
Expenditures per annuitant (\$000s) ²	\$7.6	\$8.8	\$7.5	\$7.2	\$7.4	--

1 See Notes on Measures.

2 Calculations by the IFO.

Notes on Measures

- Human Resources FTE data are statewide filled HR positions at the end of each fiscal year.
- For all years, HR expenditures include OA expenditures only, and not expenditures by other agencies. FY 2017-18 personnel costs were budgeted at agencies rather than OA, so that transition year is not comparable to subsequent years.
- Average employee salary does not include pension, healthcare and other associated benefits.

- Management Directive 505.36 issued in April 2021 defines three classifications of workers eligible to telework: (1) full-time telework (works remotely all days), (2) part-time telework (regularly-scheduled days working remotely and in an office) and (3) ad hoc telework (works remotely only in case of weather-related emergency or other qualified occurrences). Office-based positions include non-telework, part-time telework and ad hoc telework positions. Remote positions include full-time telework positions and home-headquartered positions.
- Other paid time off (PTO) includes all types of paid leave other than sick leave and holidays, including annual, administrative, personal, parental and work-related injury (Act 632 of 1959 and Act 534 of 1961).
- Group health insurance data include state police (PSP) troopers and annuitants as well as non-trooper state employees and annuitants.

State Employee Healthcare Expenditure and Cost-Sharing Trends					
	17-18	18-19	19-20	20-21	21-22
Active					
Total Billings	\$975.1	\$1,004.2	\$1,016.5	\$1,042.7	\$1,062.9
Employer (%)	90.2%	89.4%	88.8%	88.7%	88.6%
Employee (%)	9.8%	10.6%	11.2%	11.3%	11.4%
Expend./Employee	\$13,572	\$13,900	\$14,078	\$14,562	\$15,068
Retired					
Total Billings	\$502.4	\$629.8	\$504.1	\$323.8	\$281.9
Employer (%)	92.4%	93.0%	91.2%	85.8%	82.6%
Annuitant (%)	7.6%	7.0%	8.8%	14.2%	17.4%
Expend./Annuitant	\$7,609	\$8,760	\$7,476	\$7,240	\$7,387

Notes: Billings in millions of dollars. Expenditures include both PSP troopers and non-trooper state employees.

The table above displays healthcare expenditures and cost-sharing ratios between employers and employees. For active employees, healthcare cost contributions are determined by collective bargaining unit contracts. Since FY 2017-18, the active employee share has increased by 1.6 percentage points and the cost per employee has increased by 11%. On average, employees paid approximately \$1,700 in healthcare costs in FY 2021-22.

Employer retiree healthcare billing rates are established administratively and are charged on a per pay period basis based on the number of active employees. Since FY 2017-18, the cost per annuitant has decreased by 3% while total billings decreased by 44%. This outcome occurred because the state reduced the non-PSP employer contribution rate from \$300 to \$125 per employee per pay and drew down its combined retiree healthcare account balances from \$683 million to \$425 million (-37%) as of June 2022.

The figures include data for both PSP state troopers and non-PSP employees. State troopers have an alternative benefit plan with enhanced benefits for active and retired individuals. This includes no requirement for annuitants to contribute a percentage of salary for healthcare once retired, and no requirement to take Medicare coverage. These plan designs increase PSP employer healthcare costs. For active state trooper healthcare, the FY 2022-23 billing rate is \$650 per trooper per pay (versus \$536 for non-troopers). For retiree healthcare, the FY 2022-23 billing rate is \$1,500 per trooper per pay (versus \$120 for non-troopers).

Commonwealth Employee Demographics by Employment Status			
	17-18	21-22	Growth (%)
<u>Statewide Employees</u>	71.8	70.5	-1.8%
Minority	10.6	11.3	6.8
Female	29.5	29.4	-0.3
Veteran	13.6	13.2	-2.9
Average annual salary	\$56.9	\$63.6	11.8
<u>Collective Bargaining</u>	58.3	56.2	-3.7
Minority	9.1	9.5	4.0
Female	23.6	22.9	-2.9
Veteran	11.7	11.0	-5.6
Average annual salary	\$52.5	\$58.4	11.3
<u>Non-CB, Civil Service</u>	9.8	10.2	3.7
Minority	1.1	1.3	19.4
Female	4.1	4.4	7.5
Veteran	1.6	1.8	10.1
Average annual salary	\$71.6	\$79.0	10.4
<u>Non-CB, Non-Civil Service</u>	3.7	4.2	12.7
Minority	0.4	0.6	32.1
Female	1.8	2.1	16.8
Veteran	0.3	0.4	31.5
Average annual salary	\$86.2	\$94.9	10.0

Notes: Number of employees are in thousands. Average annual salaries are in thousands of dollars and represent all employees in the employment status subcategory. CB is collective bargaining. Veteran shares reflect FY 18-19 values, the first year OA began tracking the data.

The table above displays the number of and average salary for Commonwealth employees under the Governor’s jurisdiction by employment status category. Minority, female and veteran employees are itemized separately. In FY 2021-22, the average salary of Commonwealth employees was 11.8% higher than FY 2017-18. However, the workforce declined by 1.8% during that time, due to contraction in the number of collective bargaining unit employees. While minority employment increased, the number of female employees and those with military veteran status declined, solely in the collective bargaining positions. Non-collective bargaining positions recorded the largest growth in minority, female and veteran employees, but the lowest growth in average salary.

Human Resources Shared Service Personnel Transition

Delivery Center	Filled Positions		Change
	FY 2017-18	FY 2021-22	
Conservation & Enviro.	40	24	-16
General Government	23	10	-13
Employ., Banking & Rev.	61	26	-35
Health & Human Services	250	140	-110
Infrastructure & Ec. Dev.	160	71	-89
Public Safety	223	159	-64
<u>Enterprise-wide</u>	<u>250</u>	<u>494</u>	<u>244</u>
Total	1,006	924	-82

<u>Human Resources Share of Statewide Personnel</u>		
	FY 2017-18	FY 2021-22
Statewide Filled Positions	71,848	70,541
HR Share	1.4%	1.3%

Notes: Filled position data from OA. Calculations by the IFO

The table to the left uses data provided by OA to compare personnel levels for HR activities before and after the transition to the HR shared services model. The data are grouped by delivery center for agencies under the Governor’s jurisdiction. Since the transition to the shared services model, the number of filled HR positions declined by 82 (-8%) and are now a smaller share of the Commonwealth’s workforce.

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Activity 2: Information Technology Administration

The Office of Information Technology (OIT) develops and administers statewide policies and standards that govern the management, use and transformation of Commonwealth IT resources. OIT provides direct oversight for large, enterprise-wide initiatives such as computer services, Commonwealth shared services, cyber security and enterprise IT technology support. It also assists agencies in managing agency-specific projects. Beginning in FY 2017-18, executive agency IT complement were consolidated under OA. During the transition year, executive agencies continued to pay the personnel costs associated with the IT complement transferred to OA. Since FY 2019-20, agencies are billed for these services as well as for a portion of the IT enterprise budget previously appropriated to OA. The IT billings are displayed as augmentations below (\$301.2 million in FY 2021-22). Agencies not under the Governor's jurisdiction may opt-in to certain services.

The office supports the Pennsylvania Justice Network (JNET). JNET provides an online platform for authorized users to access public safety and criminal justice information. These users include municipal, county, state and federal agencies which submit data to be shared on the platform. Information in the system follows the offender through the criminal justice system from beginning to end.

The goals of this activity are to provide, manage and improve information technology services for agencies under the Governor's jurisdiction. The expected outcomes are for IT projects statewide to be managed and completed on-time and on-budget, and to protect state systems and information from unauthorized access.

Resources for Information Technology Administration						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$36.31	\$178.79	\$188.14	\$186.33	\$185.25	\$204.09
Operational Expenses	57.55	84.36	98.89	115.95	136.67	165.23
Fixed Assets Expenses	7.89	6.61	7.86	4.55	4.85	5.68
Non-Expense Items	<u>0.10</u>	--	<u>2.72</u>	--	--	--
Total	101.85	269.76	297.60	306.82	326.77	375.00
Expenditures by Fund						
General Fund (State)	\$54.21	\$3.37	\$3.87	\$19.79	\$3.09	\$6.75
General Fund (Augmentations)	46.96	255.98	284.25	269.93	301.27	339.18
General Fund (Federal)	0.18	0.10	0.87	0.53	0.01	1.07
General Fund (Restricted)	--	2.69	10.27	18.87	22.39	28.00
Motor License Fund	0.97	1.10	--	--	--	--
Purchasing Fund	<u>-0.47</u>	<u>6.53</u>	<u>-1.66</u>	<u>-2.30</u>	--	--
Total	101.85	269.76	297.60	306.82	326.77	375.00
Average Weekly FTE Positions	1,408	1,375	1,365	1,339	1,296	1,271
Personnel Cost/FTE (\$ thousands)	--	\$130.0	\$137.9	\$139.2	\$143.0	\$160.6

Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

Performance Measures for Information Technology Administration

	17-18	18-19	19-20	20-21	21-22	22-23
Statewide						
IT COPA employees ¹	1,377	1,351	1,363	1,305	1,289	--
IT contracted employees ¹	475	566	495	726	796	--
IT expenditures (\$ millions) ¹	--	\$269.8	\$297.6	\$306.8	\$326.8	--
IT expenditures per COPA employee ^{1,2}	--	\$3,734	\$4,121	\$4,285	\$4,632	--
Completed projects	216	296	342	308	238	--
Projects delivered on-time ¹	79%	88%	89%	90%	87%	--
Projects delivered on-budget ¹	67%	96%	86%	80%	88%	--
Project cost overruns (\$ millions) ¹	-- Recommended Measure --					
Projects at-risk (%) ¹	--	--	--	9%	7%	--
<u>IT Help Desk</u> ³						
Total calls (000s)	--	37.5	53.6	34.9	25.0	--
First-call resolution	--	75%	80%	68%	68%	--
Customer satisfaction rating	--	54%	55%	67%	68%	--
Cybersecurity ³						
Risk assessments completed ¹	375	472	331	483	2,145	--
End user devices with current protection (%) ¹	--	--	--	--	98%	--
IT security trainings completed (%)	82%	83%	92%	90%	92%	--

1 See Notes on Measures.

2 Calculations by the IFO.

3 Calendar year (e.g., FY 17-18 is CY 2017 data).

Notes on Measures

- Information Technology FTE data are IT filled positions at OA as of the end of each fiscal year.
- Contractor data are on-board contractors at OA as of the end of the fiscal year. Transition of agency-funded contractors to OA occurred from April to September 2021.
- For all years, IT expenditures include OA expenditures only, not expenditures by other agencies. FY 2017-18 personnel costs were budgeted at other agencies so that year is not comparable to subsequent years.
- The office uses a project management platform, Daptiv, to monitor project progress. On-time and on-budget metrics are tracked. User agencies manage the budget and procurement process and do not regularly report project cost overruns. Daptiv indicates when a project is at risk of not being completed on-time at the end of the fiscal year. Risk tracking was implemented in 2020.
- Risk assessments identify potential security risks through "ethical hacking" exercises conducted by COPA personnel throughout the year and a third party once a year. Exercises vary in scope to identify different risk components at various levels of security and in different applications.

- End user devices with current protection represents the number of Commonwealth-owned personal technology devices (e.g., laptops, phones, tablets) that have current protection. Current protection is a layered approach that includes security patching, endpoint protection and vulnerability management processes.

Information Technology Shared Service Personnel Transition

Delivery Center	Filled Positions		Change
	FY 2017-18	FY 2021-22	
Conservation & Enviro.	90	39	-51
General Government	152	129	-23
Employ., Banking & Rev.	346	215	-131
Health & Human Services	341	226	-115
Infrastructure & Ec. Dev.	243	109	-134
Public Safety	259	214	-45
<u>Enterprise-wide</u>	<u>245</u>	<u>596</u>	<u>351</u>
Total	1,676	1,528	-148

Information Technology Share of Statewide Personnel

	FY 2017-18	FY 2021-22
Statewide Filled Positions	71,848	70,541
IT Share	2.3%	2.2%

Notes: Filled position data from OA. Calculations by the IFO

The table to the left uses data provided by OA to compare personnel levels for IT activities before and after the transition to the IT shared services model. The data are grouped by delivery center for agencies under the Governor’s jurisdiction. Since the transition to the shared services model, the number of IT positions declined by 148 (-9%) and are now a smaller share of the Commonwealth’s workforce.

Pennsylvania Justice Network (JNET)						
	17-18	18-19	19-20	20-21	21-22	Growth
<u>Agencies</u>	1,737	1,737	1,750	1,750	1,771	2%
State	37	37	37	37	38	3
Local	1,656	1,656	1,669	1,669	1,689	2
Federal	44	44	44	44	44	0
<u>Users</u>	28,143	28,527	27,611	30,574	29,877	6
State	6,753	6,957	6,730	7,867	7,772	15
Local	20,309	20,447	19,767	21,426	20,799	2
Federal	1,081	1,123	1,114	1,281	1,306	21
Inquiries	15.2	27.4	38.9	34.4	21.7	42
Trainings accessed	40,794	48,449	49,117	45,854	61,957	52
<u>Total Costs</u>	\$4.8	\$4.9	\$4.7	\$5.4	\$4.1	-15
Per User	\$171.81	\$172.30	\$170.89	\$175.50	\$137.66	-20
Per Inquiry	\$0.32	\$0.18	\$0.12	\$0.16	\$0.19	-40

Note: Inquiries in millions. Total costs in millions of dollars. Growth from FY 17-18 to FY 21-22. Calculations by the IFO.

The table above details the usage of the JNET system. The number of law enforcement officials using JNET grew at state (+1,019; +15%), local (+490, +2%) and federal (+225; +21%) agencies from FY 2017-18 to FY 2021-22. Overall, law enforcement inquiries (42%) and trainings (52%) increased substantially over the four-year period. As more agencies and users opt in, interoperability increases for hundreds of law enforcement agencies in the Commonwealth.

Activity 3: Comptroller Operations

The Office of Comptroller Operations (Office) oversees the Commonwealth’s uniform accounting, payroll and financial reporting systems. Daily operations of the Office include (1) invoice examination and processing, (2) payroll operations, including travel reimbursement, (3) internal audits of Commonwealth funds and programs and (4) financial reporting, including contracting with external auditors for the Annual Comprehensive Financial Report (ACFR) and federal grant reporting. The Comptroller’s Office is funded primarily through a shared services billing model based on payroll and invoice processing workload for each agency. In FY 2021-22, the Comptroller billed over \$32.4 million to state and participating local agencies to fund the majority of its operations. Additional billings for the statewide single audit (\$4.3 million), payroll operations (\$6.7 million) and Liquor Control Board audits (\$7.5 million) comprise the rest of the augmentations.

Prior to the pandemic, the Comptroller processed approximately 185,000 travel requests annually, which decreased to 89,600 in FY 2021-22. The reduction in travel reduced Commonwealth expenses by over \$10 million annually and the travel reimbursement workload of office staff by more than half.

The primary goal of the Office is to oversee the Commonwealth’s financial systems and processes. The expected outcome is reduced fraud, waste and abuse in the system and the proper use of taxpayer dollars.

Resources for Comptroller Operations						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$40.79	\$40.96	\$41.18	\$39.89	\$41.58	\$51.62
Operational Expenses	7.19	7.66	10.15	8.79	8.44	13.23
Fixed Assets Expenses	<u>0.08</u>	--	--	--	--	--
Total	48.06	48.62	51.33	48.67	50.02	64.84
Expenditures by Fund						
General Fund (State)	\$3.40	\$1.11	\$6.29	-\$0.54	\$2.39	\$9.06
General Fund (Augmentations)	<u>44.66</u>	<u>47.51</u>	<u>45.04</u>	<u>49.21</u>	<u>47.63</u>	<u>55.78</u>
Total	48.06	48.62	51.33	48.67	50.02	64.84
Average Weekly FTE Positions	399	386	384	369	375	382
Personnel Cost/FTE (\$ thousands)	\$102.3	\$106.0	\$107.3	\$108.1	\$110.8	\$135.1

Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.

Performance Measures for Comptroller Operations

	17-18	18-19	19-20	20-21	21-22	22-23
Payment Processing						
<u>Total transactions (millions)</u>	6.7	6.5	6.6	6.8	6.3	6.6
Payroll (millions)	2.2	2.1	2.3	2.3	2.2	2.2
Non-payroll (millions)	4.4	4.4	4.3	4.5	4.1	4.4
Transactions per processing staff ¹	33,438	35,666	36,844	37,427	34,903	35,656
<u>Avg. payment time (days)</u>						
Purchase orders	34.1	33.9	34.4	36.1	35.6	34.8
Non-purchase orders	35.5	34.7	32.3	34.5	36.9	34.8
Improper payments identified (\$ millions)	--	--	\$33.3	\$34.0	\$34.6	\$34.0
Improper payments recovered (\$ millions)	\$5.6	\$3.3	\$5.5	\$4.4	\$10.4	\$5.8
<u>Purchase cards</u>						
Purchase value (\$ millions)	\$234.8	\$240.9	\$233.6	\$236.8	\$239.8	\$237.2
Improper payments (\$ millions)	\$0.1	\$0.4	\$0.4	\$0.3	\$0.4	\$0.3
Travel						
Travel reimbursement requests (000s)	185.1	184.6	145.0	58.3	89.6	132.5
Travel reimbursements value (\$ millions)	\$28.8	\$31.6	\$23.1	\$11.8	\$18.7	\$22.8
Average travel reimbursement (\$ whole) ¹	\$156	\$171	\$159	\$203	\$208	\$179
Improper travel reimbursements denied		-- Recommended Measure --				
Travel requests per processing staff ¹	15,319	15,021	11,226	4,746	7,415	10,745
Avg. reimbursement time (days)	7.1	7.8	6.9	5.6	6.7	6.8
Audits						
<u>Internal audits</u>						
Audits conducted	70	46	48	48	54	49
Audits per auditor ¹	2.9	4.1	3.5	4.1	6.4	4.5
Major findings identified	54	20	50	21	3	--
Questioned costs identified (\$ millions)	\$8.0	\$10.1	\$9.7	\$1.6	\$11.6	--
<u>External audits</u>						
Major findings identified	11	9	7	4	--	--
Questioned costs identified (\$000s)	\$10.3	\$223.5	\$185.3	\$0.0	--	--

Note: FY 22-23 are projected values.

¹ Calculations by the IFO.

Activity 4: Budget and Capital Market Operations

The Governor's Budget Office (GBO) oversees budget development and capital market operations for the Commonwealth. GBO prepares the executive budget proposal and implements the enacted budget. Over the course of the fiscal year, GBO approves agency spending plans and allocations (rebudgets), establishes agency complement levels and monitors agency expenditures and program developments. The office promotes the efficient use of resources and ensures that all funds received and disbursed for Commonwealth programs are accounted for in accordance with current law.

Within the GBO, the Bureau of Redevelopment, Capital and Debt manages Commonwealth debt and available cash to pay for Commonwealth operations. The bureau schedules and conducts the sale of bonds, tax anticipation notes and other forms of short-term debt. It also administers the Redevelopment Assistance Capital Program (RACP). These grants are funded by general obligation bonds and awarded to local entities for capital projects that have economic, cultural, recreational or historical preservation impact.

The resource table below includes federal stimulus funds appropriated to the Executive Offices for pandemic response. This includes \$50 million in FY 2021-22 expenditures for employee bonus programs. In FY 2022-23 it includes \$121.0 million which can be transferred to other agencies for targeted needs.

The goals of the activity are to develop and implement the annual state budget, track agency spending, manage Commonwealth debt and administer RACP. The expected outcomes are expenditures aligned properly with the enacted budget, adequate cashflow for Commonwealth operations, efficient management of debt and the funding of priority local redevelopment projects.

Resources for Budget and Capital Market Operations						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$12.06	\$11.87	\$11.69	\$11.80	\$62.65	\$14.04
Operational Expenses	1.79	2.91	4.52	4.96	1.99	5.58
Grants	6.16	3.28	--	6.00	8.00	13.00
Other ¹	--	--	<u>10.20</u>	<u>150.50</u>	<u>10.00</u>	<u>123.14</u>
Total	20.01	18.06	26.42	173.26	82.64	155.76
Expenditures by Fund						
General Fund (State)	\$19.71	\$17.79	\$26.42	\$173.26	\$26.98	\$29.07
General Fund (Augmentations)	0.30	0.27	--	--	0.66	3.56
General Fund (Federal)	--	--	--	--	<u>55.00</u>	<u>123.14</u>
Total	20.01	18.06	26.42	173.26	82.64	155.76
Average Weekly FTE Positions	88	81	82	80	87	94
Personnel Cost/FTE (\$ thousands)²	\$137.5	\$146.3	\$143.1	\$147.1	\$145.6	\$149.4
Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Other includes various fund transfers, fixed assets and debt service/investments.						
2 FY 21-22 calculation excludes \$50 million COVID pandemic response funding used for retention bonuses statewide.						

Performance Measures for Budget and Capital Market Operations

	17-18	18-19	19-20	20-21	21-22	22-23
Budget (\$ millions)						
General Fund ending balance ¹	\$22	\$0	-\$2,734	\$0	\$5,537	\$5,272
Budget Stabilization Fund deposits ²	\$0	\$22	\$317	\$0	\$2,622	\$2,100
Budget Stabilization Fund balance	\$0	\$23	\$343	\$244	\$2,869	\$4,969
Capital Markets (\$ millions)						
<u>New Debt^{2,3}</u>						
Bond issuances	1	1	0	1	1	1
New debt value	\$0	\$1,247	\$0	\$470	\$550	\$623
True Interest Cost ²	--	3.6%	--	1.9%	1.7%	3.6%
<u>Debt Refinancing³</u>						
Refinancing issuances	1	0	1	0	1	0
Value saved	\$73	--	\$93	--	\$65	--
Bond-funded operational costs ²	\$13.2	\$14.0	\$13.8	\$13.9	\$16.8	\$23.6
<u>General Obligation Debt Service²</u>						
General Fund	\$1,072	\$1,118	\$1,163	\$1,143	\$1,127	\$1,132
Motor License Fund	\$102	\$104	\$104	\$109	\$128	\$129
Other funds	\$48	\$80	\$37	\$32	\$49	\$50
RACP						
RACP bonds sold (\$ millions) ³	\$0	\$175	\$0	\$275	\$0	\$275
<u>Grant Requests^{2,4}</u>						
Submissions	399	496	486	596	775	807
Value of requests (\$ millions)	\$1,716	\$2,008	\$1,730	\$2,012	\$2,496	\$2,933
<u>Grant Awards^{2,4}</u>						
Number of projects	156	107	220	350	490	533
Value of awards (\$ millions)	\$197	\$244	\$284	\$456	\$796	\$916
Non-state funds leveraged	-- Recommended Measure --					
<u>Reimbursements (\$ millions)</u>						
Requests received	\$210	\$167	\$144	\$104	\$146	--
Paid	\$236	\$170	\$140	\$101	\$100	--
Cumulative outstanding requests ⁴	\$188	\$186	\$191	\$193	\$239	--
Projects closed	329	287	230	205	160	--
Avg. time to close project	-- Recommended Measure --					

1 As shown in official financial statements, including the impact of transfers to the Budget Stabilization Fund.

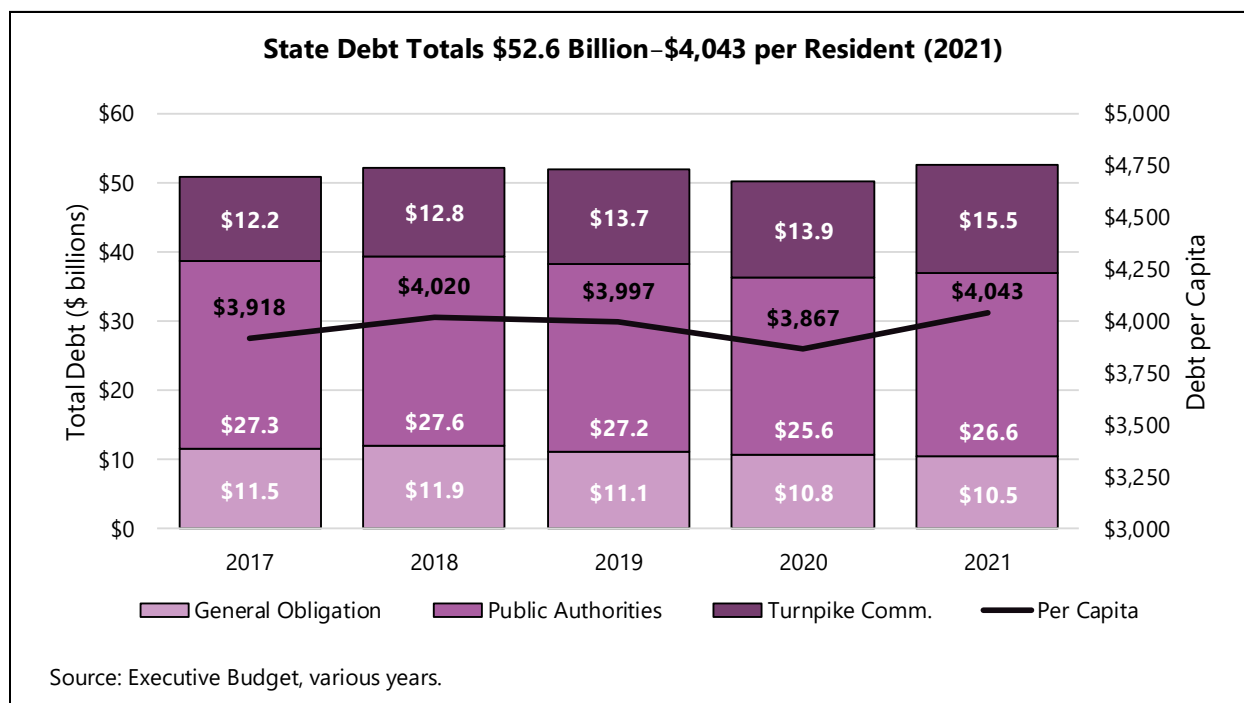
2 See Notes on Measures.

3 Calendar Year (e.g., FY 17-18 is CY 2017 data).

4 Calculations by the IFO.

Notes on Measures

- Transfers to the Budget Stabilization Fund lag by one year. Amount listed reflects transfer level determined at the end of the prior fiscal year and transferred at the beginning of listed fiscal year.
- New debt issuances reflect general obligation debt issuances administered by the Budget Office. The amount reflects the par value. Bond sales undertaken by various public authorities are not included in these amounts. Debt service paid by the Motor License Fund includes restricted funds; other funds include the Gaming Economic Development and Tourism Fund and the Environmental Stewardship Fund. Debt service costs are paid by the Pennsylvania Treasury and not the Executive Offices.
- True Interest Cost (TIC) is one of several metrics used to display the cost to borrow through municipal bond issuances. It captures the present value of a financing that factors in the future debt payments, the discount or premium and the underwriter's discount.
- Bond-funded operational costs include costs to administer the RACP program (\$3.1 million in FY 2021-22) and DGS Public Works (\$13.7 million in FY 2021-22).
- RACP awards were compiled by the IFO based on award cycle made available by GBO. Grants may be awarded or released across multiple years. Data are as of December 5, 2022.



The figure above uses data from Executive Budgets to display the Commonwealth's total debt load from 2017 to 2021. In addition to General Obligation debt subject to the constitutional debt limit, the figure includes public authority and Pennsylvania Turnpike Commission (PTC) debt not subject to the debt limit. At the end of 2021, debt issued by PTC and other authorities (\$42.1 billion) was nearly four times that of the Commonwealth's General Obligation debt. While these debts are not backed by the Commonwealth's full faith and credit, they could reflect a potential risk to the state's financial resources or additional levies on Pennsylvania residents (e.g., toll increases). The current debt load for the Commonwealth is approximately \$4,000 per resident, which increased 3% over the five-year timeframe. Not shown in the figure is the cost to borrow. For new debt issuances in 2020 and 2021, the TIC to borrow fell below 2% (from above 3% in 2017 and 2018) but the new debt issuance in September 2022 had a TIC of 3.6%.

State Benchmarks

Select State Budget Comparisons						
State	State Debt (2020)		Fund Balances (2022)		Employees (2022)	
	Total	Per Capita	Total	Per Capita	Total	% of Pop.
Ohio	\$30.4	\$2,577	\$5.5	\$462	73	0.6%
Virginia	29.3	3,399	4.3	493	69	0.8
Michigan	34.4	3,414	4.2	420	69	0.7
Pennsylvania	51.7	3,979	9.3	717	93	0.7
Maryland	29.4	4,753	4.9	791	59	1.0
Illinois	64.9	5,062	1.5	117	64	0.5
New Jersey	64.1	6,896	6.2	672	90	1.0
New York	156.0	7,723	30.5	1,510	169	0.8
U.S.	1,184.6	3,574	262.3	791	--	--

Notes: States ranked by State Debt per Capita. Debt and Fund Balance columns in billions of dollars, per capita is whole dollars. Employees are full- and part-time (thousands) and exclude education employees.

Source: State debt data are from the U.S. Census Bureau. Fund balance data are from The Pew Charitable Trusts. Employee data are from the Bureau of Labor Statistics as of October 2022 (preliminary). Calculations by the IFO.

The table compares state metrics for Pennsylvania and select comparison states. States are ranked by debt per capita, with Pennsylvania ranked fourth of the eight states, 11% above the U.S. average. Pennsylvania also has \$717 per capita in combined General Fund and Rainy Day Fund balances, 9.3% below the national level. State government employees (excluding education) make up 0.7% of the population, comparable to Michigan. This specific data is not available for all states.

The table to the right displays the state's use of State and Local Fiscal Recovery Funds provided by the American Rescue Plan Act (ARPA) by category. The largest portion of the funding was used as a General Fund deposit to fund government activities. The Executive Offices received \$417 million, most was for general pandemic response funding (\$412 million), with \$5 million transferred to the Emergency Medical Services Operating Fund. The Budget Office directed \$50 million to support employee retention bonus programs in FY 2021-22. Of the remaining \$362 million, \$241 million was transferred to other agencies and state-related universities and \$121 million remains with the Executive Offices for future use. Pandemic response funds are classified as revenue replacement with the federal government and do not require performance reports.

ARPA State Recovery Fund Allocations		
Category	Amount	Share (%)
General Fund Deposit	\$3,841	52.7%
Human Services	747	10.2
Infrastructure	599	8.2
Housing	425	5.8
Executive Offices	417	5.7
Natural Resources	320	4.4
Public Health	290	4.0
Public Safety	260	3.6
Education	175	2.4
UC Trust Fund	42	0.6
Other	<u>175</u>	<u>2.4</u>
Total	7,291	100

Notes: Dollars in millions.

RACP by County

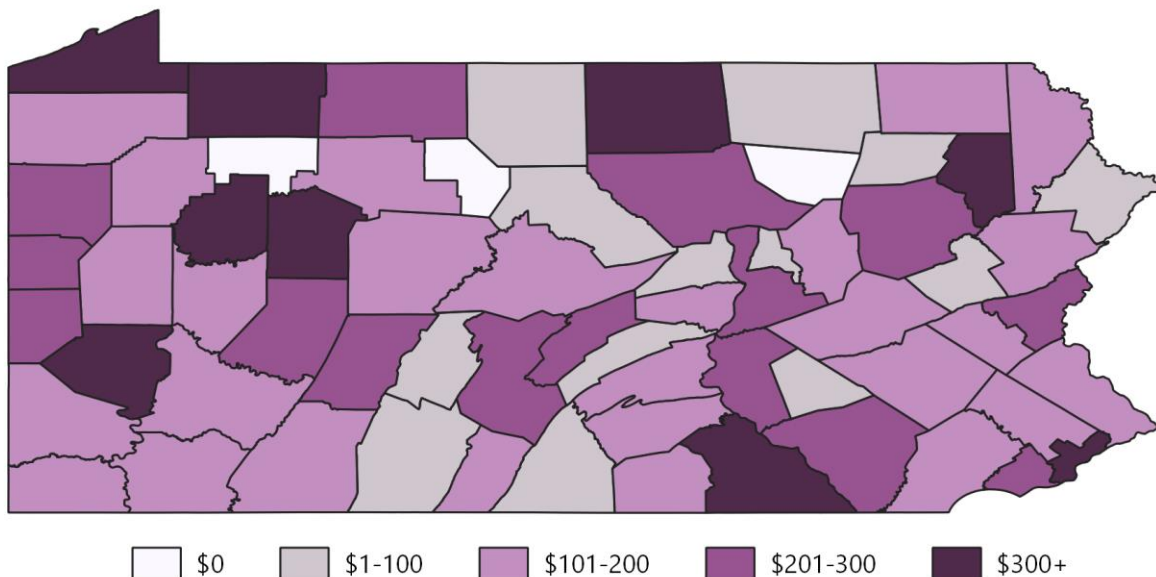
RACP Awards Top/Bottom 5 Counties (2015-2022)

County	Per Capita	County	Total
Philadelphia	\$412	Philadelphia	\$661.2
Lackawanna	397	Allegheny	459.8
Allegheny	368	Montgomery	141.1
Erie	355	York	140.8
York	308	Delaware	123.4
Statewide	233		3,027.9
Union	59	Wyoming	1.8
Clinton	57	Fulton	1.5
Montour	55	Potter	1.5
Pike	36	Bedford	1.3
Bedford	26	Montour	1.0

Notes: Total column in millions of dollars. Rankings do not include counties that received no awards from 2015-2022 (Cameron, Forest and Sullivan).

The two figures on this page display information related to the issuance of RACP grants since 2015. The table shows the five counties awarded the most funds, and the five counties awarded the least funds per capita and in total. Philadelphia and Allegheny counties received 37% of the discretionary grant funding. The heat map below displays all 67 counties on a per capita basis. Through the seven rounds of grant awards (there was no separate award cycle for 2016) 64 counties received funding for local projects. No applications were received from the remaining three counties. Not included in the figures are multi-county awards (\$6.5 million total).

RACP Grant Awards per Capita (2015-2022)



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Activity 5: Office of the State Inspector General

The Office of the State Inspector General (OSIG) includes three main bureaus: (1) Special Investigations (BSI), (2) Law Enforcement Oversight (BLEO) and (3) Fraud Prevention and Prosecution (BFPP). The Special Investigations unit investigates fraud, waste, abuse and misconduct in agencies under the governor's jurisdiction. It also conducts program reviews when problems are suspected or reported and employment background investigations of high-level appointees, SERS employees and judicial nominees.

BLEO works with the Pennsylvania State Law Enforcement Citizen Advisory Commission to improve policing practices within law enforcement agencies. The Commonwealth has implemented around 70% of the Commission's recommendations to date. In partnership with the Pennsylvania Commission on Crime and Delinquency (PCCD), BLEO oversees and monitors PCCD grants for the grant fraud prevention program (GFPP) beginning in 2022 (five investigations to date).

BFPP investigates and prosecutes public assistance fraud and conducts collections for Department of Human Services (DHS). The bureau undertakes fraud and field investigations as well as conducts administrative disqualification hearings for public assistance programs including Medical Assistance (MA; Medicaid) and the Supplemental Nutrition Assistance Program (SNAP), among others. The bureau receives a 50% match for expenses related to the investigations of federal programs, and the state program retains a share of the funds recovered at the administering agency, typically DHS.

The primary goals of this activity are to conduct investigations and provide oversight of executive agencies, programs and law enforcement. The expected outcomes are to minimize fraud, waste and abuse, and increase public safety through the promotion of best practices by law enforcement agencies.

Resources for Office of State Inspector General						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$19.99	\$19.38	\$20.20	\$20.04	\$21.27	\$23.06
Operational Expenses	3.56	5.01	6.00	6.50	3.75	8.17
Fixed Assets Expenses	<u>0.03</u>	<u>0.02</u>	--	--	--	--
Total	23.58	24.40	26.19	26.54	25.02	31.23
Expenditures by Fund						
General Fund (State)	\$11.86	\$13.41	\$14.63	\$13.93	\$14.09	\$17.90
General Fund (Augmentations)	1.11	1.11	1.11	1.11	1.11	1.11
General Fund (Federal)	<u>10.60</u>	<u>9.88</u>	<u>10.45</u>	<u>11.50</u>	<u>9.82</u>	<u>12.22</u>
Total¹	23.58	24.40	26.19	26.54	25.02	31.23
Average Weekly FTE Positions	187	186	188	185	182	181
Personnel Cost/FTE (\$ thousands)	\$106.7	\$104.0	\$107.5	\$108.3	\$117.1	\$127.4
Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
¹ Total may include small augmentation and other special fund expenditures.						

Performance Measures for Office of the State Inspector General

	17-18	18-19	19-20	20-21	21-22	22-23
Special Investigations						
Complaints received	829	655	595	529	437	--
Total investigations ¹	305	265	275	268	245	--
Share that are background checks (%) ¹	88%	85%	93%	94%	90%	--
Average time to close complaint (days)	7	10	7	3	4	--
Law Enforcement Oversight (BLEO)						
Internal investigations ²	--	--	--	--	31	--
Use-of-force incidents reviewed ²	--	--	--	--	15	--
Fraud Prevention & Prosecution						
<u>All Programs</u>						
Referrals ¹	42,392	38,737	36,577	36,158	35,105	--
DHS	35,215	33,374	28,183	19,868	23,748	--
All other	7,177	5,363	8,394	16,290	11,357	--
Fraud investigations completed	7,474	6,412	5,790	4,604	4,276	--
Ineligible individuals identified ¹	18,896	16,439	15,218	14,611	13,578	--
Benefits fraudulently claimed	\$3.7	\$3.1	\$2.4	\$2.4	\$2.8	--
Overpaid benefits recovered ³	\$26.1	\$26.9	\$22.3	\$23.7	\$26.6	--
Program funds retained by state ²	-- Recommended Measure --					
<u>SNAP</u>						
Investigations (share of total) ¹	57%	44%	43%	53%	60%	--
Benefits fraudulently claimed	\$2.5	\$2.1	\$1.5	\$1.3	\$1.8	--
Benefits illegally sold/exchanged	\$0.2	\$0.3	\$0.1	\$0.0	\$0.1	--
Overpaid benefits recovered	\$11.9	\$11.6	\$8.9	\$9.6	\$13.8	--
<u>Medical Assistance (MA)</u>						
Investigations (share of total) ¹	18%	31%	33%	17%	10%	--
Benefits fraudulently claimed	\$0.6	\$0.5	\$0.6	\$0.7	\$0.6	--
Overpaid benefits recovered	\$1.8	\$2.6	\$3.0	\$2.3	\$1.8	--

Notes: Dollar amounts in millions.

1 Calculations by the IFO.

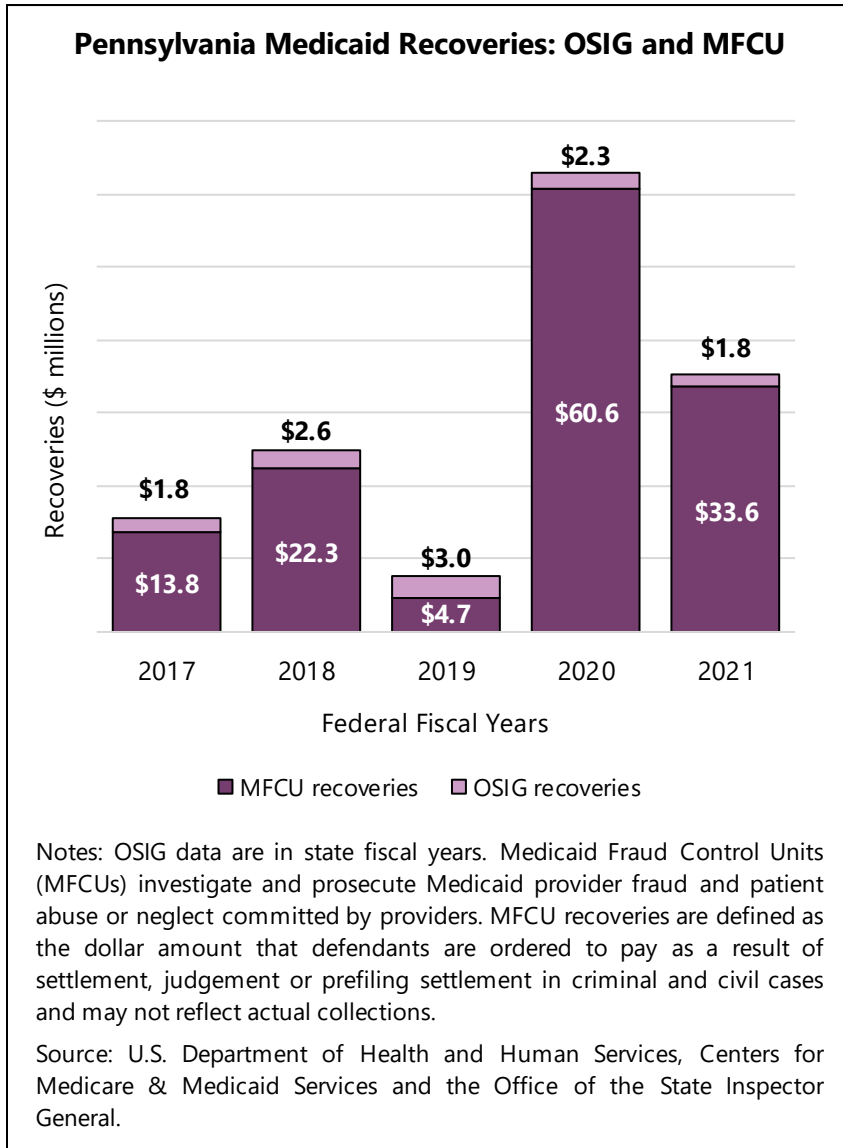
2 See Notes on Measures.

3 Includes recovered funds for SNAP, MA, Child Care, Temporary Assistance for Needy Families, Long-Term Care, Health Insurance Premium Payment, Low Income Home Energy Assistance Program, State Supplementary Payment, SNAP Special Allowance, Medical Assistance Buy-In, SNAP Trafficking Penalty, SNAP Trafficking Buyer, Low-Income Household Water Assistance Program and Emergency Rental Assistance Program.

Notes on Measures

- Internal investigations are the number of executive agency internal investigations selected for review by the Pennsylvania State Law Enforcement Citizen Advisory Commission and the number of external complaints assigned to the BLEO for investigation. All use-of-force incidents reviewed resulted in a reported injury to the citizen; however, BLEO has not deemed any of the incidents wrongful or have resulted in disciplinary action.

- It is recommended that OSIG and DHS collaborate to track the share of funds recovered by OSIG that are returned to the state for use in their respective programs.



The adjacent figure displays Medicaid expenditures recovered from individuals and providers by OSIG's BFPP and the Medicaid Fraud Control Unit (MFCU) at the Pennsylvania Attorney General from FFY 2017 through 2021. The BFPP unit at OSIG primarily focuses on recovering overpayments and fraud referred to the office by DHS and from individuals. The funds shown by the MFCU are amounts that defendants are ordered to pay as the outcome of legal proceedings, while those associated with OSIG are collected within that fiscal year. Fraud investigated by the MFCU is primarily perpetrated by medical providers. The graphic shows that most of the recoveries, and therefore fraudulent payments, occur on the medical provider side.

State Benchmarks

SNAP Fraud Rates								
	2016				2020			
	Fraud Recov.	Fraud Rate ¹	Fraud Investigations	Conviction Rate ²	Fraud Recov.	Fraud Rate ¹	Fraud Investigations	Conviction Rate ²
Michigan	\$7.1	0.33%	40,716	0.4%	\$4.9	0.21%	2,650	4.8%
Virginia	2.3	0.19	15,972	1.4	2.0	0.15	1,101	6.8
New Jersey	1.2	0.10	25,261	0.0	0.9	0.07	246	0.0
Illinois	2.5	0.08	1,032	0.3	2.0	0.06	134	0.0
New York	3.1	0.06	450,976	0.2	2.8	0.06	1,195	17.2
Pennsylvania	2.1	0.08	27,936	0.9	1.6	0.05	515	8.5
Ohio	4.0	0.17	20,697	1.0	1.2	0.04	831	10.0
Maryland	0.2	0.02	294	1.7	0.4	0.03	300	4.0
Total U.S.	89.3	0.13	961,944	0.5	90.6	0.12	27,238	6.0

Notes: Amounts in dollar millions. States are ranked by SNAP fraud rate in federal fiscal year 2020.

1 SNAP fraud rates are the total fraud claims collected over total state payments.

2 Conviction rate is the percentage of the number of fraud prosecution convictions by state over the total number of fraud investigations (both eligibility fraud and trafficking investigations).

Source: U.S. Department of Agriculture. Calculations by the IFO.

The table above displays SNAP fraud recoveries, investigations and conviction rates for Pennsylvania and select comparison states for federal fiscal year (FFY) 2016 and 2020. In FFY 2020, Pennsylvania's SNAP benefits totaled \$3.2 billion (not shown) a 19% increase from FFY 2016, while \$1.6 million in fraudulent benefits were recovered. The table uses fraud recoveries and total benefits to determine an approximate fraud rate. Nationally, the SNAP fraud is low with 49 out of the 50 states having a rate of less than 0.5% (not shown in table). Pennsylvania had the eighth lowest SNAP fraud rate nationally at 0.05%.

Between FFY 2016 and FFY 2020, the number of investigations in Pennsylvania decreased annually. In FFY 2016, the Commonwealth completed the third highest number of fraud investigations (28,000) compared to select states behind New York (451,000) and Michigan (41,000). In FFY 2020, Pennsylvania had the fourth lowest number of fraud investigations compared to select states, at 515, with the highest number of fraud investigations being conducted in Michigan (2,650), New York (1,195) and Virginia (1,101). Pennsylvania's investigations resulted in 44 convictions (8.5% of investigations). Comparatively, Michigan's conviction rate was 4.8%, resulting in 126 convictions.

SNAP program changes due to the COVID-19 pandemic caused a shift in these activities. The state suspended eligibility criteria during the pandemic. As a result, possible overpayments and fraud occurrences were not referred to OSIG for investigation. Additionally, the benefit payments in the table do not include funds associated with the Pandemic Electronic Benefit Transfer Program (\$366 million in FFY 2020; \$2.4 billion from CY 2020 to CY 2022), which provided funding to qualified families for meals their children would have received at schools during the pandemic.

Activity 6: Office of the General Counsel

The Office of the General Counsel (OGC) serves as the chief legal advisor to the Governor and represents Commonwealth agencies under the Governor’s jurisdiction. The office is also responsible for the review and oversight of contracts negotiated and signed by state agencies and procuring outside counsel for special services (such as bond counsel for debt issuances).

The goal is to represent the Commonwealth and provide counsel and review for state agencies under the Governor’s jurisdiction. The expected outcome is that the state’s legal interests will be protected and secured.

Resources for Office of General Counsel						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$3.64	\$3.71	\$4.38	\$4.27	\$4.32	\$4.77
Operational Expenses	<u>0.40</u>	<u>0.72</u>	<u>0.99</u>	<u>1.30</u>	<u>1.59</u>	<u>1.91</u>
Total	4.05	4.43	5.37	5.57	5.90	6.68
Expenditures by Fund						
General Fund (State)	\$3.97	\$4.35	\$5.28	\$5.27	\$5.29	\$6.01
General Fund (Augmentations)	<u>0.08</u>	<u>0.08</u>	<u>0.09</u>	<u>0.30</u>	<u>0.62</u>	<u>0.68</u>
Total¹	4.05	4.43	5.37	5.57	5.90	6.68
Average Weekly FTE Positions	51	47	42	32	25	25
Personnel Cost/FTE (\$ thousands)	\$72.1	\$78.5	\$104.0	\$133.1	\$171.2	\$190.9

Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.
¹ Total may include small augmentation and other special fund expenditures.

Performance Measures for the Office of the General Counsel

	2017	2018	2019	2020	2021	2022
Statewide						
Attorneys at state agencies ^{1,2}	--	490	487	498	501	499
Cases referred to the Attorney General	617	741	650	612	612	593
Outside counsel costs (\$ millions) ²	\$19.1	\$19.0	\$19.6	\$20.4	\$13.9	\$16.3

1 Positions filled as of June 30.

2 Data reflect all agencies under Governor's jurisdiction.

Attorneys at Commonwealth Agencies

Agency	FY 17-18			FY 21-22			Change
	FTE	Legal FTE	Share	FTE	Legal FTE	Share	
State Department	434	65	14.9%	461	72	15.6%	7
Environmental Protection	2,291	69	3.0	2,317	66	2.8	-3
Labor & Industry	3,814	51	1.3	3,956	55	1.4	4
Transportation	11,121	46	0.4	10,993	47	0.4	0
Human Services	15,364	41	0.3	14,344	40	0.3	0
Executive Offices	2,969	37	1.2	3,063	38	1.2	1
Corrections	15,264	21	0.1	15,701	27	0.2	6
Comm. & Econ. Develop	269	24	8.9	279	25	8.9	1
Education	415	19	4.5	437	20	4.6	2
Revenue	1,637	19	1.1	1,553	19	1.2	0
Health	1,025	12	1.1	1,145	16	1.4	5
State Police	5,912	16	0.3	6,145	16	0.3	0
General Services	841	15	1.7	800	13	1.7	-1
Insurance	226	9	4.0	280	13	4.6	4
Banking & Securities	188	9	4.6	168	6	3.8	-2
Cons. & Natural Resources	1,226	5	0.4	1,262	6	0.5	1
Agriculture	540	5	0.9	549	5	0.9	0
Civil Service Comm.	83	4	4.7	13	5	38.0	1
Military & Veterans Affairs	2,355	3	0.1	2,373	4	0.2	1
Environmental Hearing Board	6	4	63.0	5	3	60.0	-1
PA Emerg. Man. Agency	168	1	0.6	169	1	0.7	0
Aging	82	1	1.2	81	1	1.2	0
Historical & Museum Comm.	177	1	0.6	184	1	0.5	0
Drug and Alcohol Programs	60	0	--	84	0	--	0
COPA Agencies	66,466	475	0.7	66,362	500	0.8	25

Note: Positions are average non-wage FTEs for the entire fiscal year, rounded to the nearest whole number. Change column may not sum due to rounding of part-time FTEs. Calculations by the IFO.

Source: SAP, compiled by the IFO.

Activity 7: Pennsylvania Council on the Arts

The Pennsylvania Council on the Arts (PCA) provides support for the creative sector throughout the state. The PCA offers grants to support arts organizations and programs and assist creative entrepreneurs to start and grow their businesses. PCA grants also fund community-based arts projects to help with underutilized or vacant spaces, tourism, beautification, community engagement and arts education programs at schools and other venues. In FY 2020-21, the PCA changed its funding strategy to focus more grant funding and support for programs in rural areas and Black, Indigenous and People of Color (BIPOC) communities that have historically been underrepresented and under-resourced in the arts sector.

PCA was tasked with distributing federal pandemic relief funds from the National Endowment for the Arts. Nearly \$1.5 million was distributed from the CARES (\$0.5 million) and ARP (\$0.9 million) Acts¹. These funds were used to support organizations and related operations throughout the arts and creative sector which was disproportionately impacted by COVID-19 mitigation efforts. Prior to the pandemic, PCA-supported programs and organizations reported approximately 20 million attendees, which dropped to 6 million during the pandemic.

The primary goals of this activity are to offer financial opportunities to the arts and creative sector and increase access to art education. The expected outcomes are enhanced economic opportunities and quality of life in Pennsylvania communities and increased public awareness and appreciation of the arts.

Resources for PA Council on the Arts						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$1.24	\$1.24	\$1.39	\$1.33	\$1.43	\$1.56
Operational Expenses	0.34	0.38	0.42	0.43	0.38	0.45
Grants	9.58	9.56	7.20	10.39	10.04	9.59
Non-Expense Items	<u>0.03</u>	--	--	--	--	--
Total	11.17	11.18	9.01	12.15	11.85	11.60
Expenditures by Fund						
General Fund (State)	\$10.27	\$10.42	\$8.08	\$10.83	\$9.91	\$10.48
General Fund (Federal)	<u>0.90</u>	<u>0.76</u>	<u>0.93</u>	<u>1.32</u>	<u>1.93</u>	<u>1.12</u>
Total¹	11.17	11.18	9.01	12.15	11.85	11.60
Average Weekly FTE Positions	10	10	11	10	10	11
Personnel Cost/FTE (\$ thousands)	\$124.7	\$126.3	\$132.1	\$138.0	\$141.0	\$148.9
Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Total may include small augmentation and other special fund expenditures.						

¹ The federal government enacted two major stimulus plans due to the COVID-19 pandemic: the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted in March 2020 and the American Rescue Plan (ARP) Act enacted in March 2021.

Performance Measures for the Pennsylvania Council of the Arts

	17-18	18-19	19-20	20-21	21-22	22-23
Statewide						
Grants awarded ¹	1,620	1,671	1,786	1,314	--	--
Grant value awarded (\$000s) ^{1,2}	\$9,343	\$9,560	\$10,746	\$9,854	\$9,590	\$9,590
Average grant awarded (\$000s) ^{1,3}	\$5.8	\$5.7	\$6.0	\$7.5	--	--
Rural Arts						
Grants awarded	115	109	159	155	142	134
Share of statewide ³	7.1%	6.5%	8.9%	11.8%	--	--
Grant value awarded (\$000s)	\$542	\$511	\$691	\$1,318	\$1,323	\$1,322
Share of statewide ³	5.8%	5.3%	6.4%	13.4%	--	--
BIPOC Arts						
Grants awarded	84	91	92	92	95	79
Share of statewide ³	5.2%	5.4%	5.2%	7.0%	--	--
Grant value awarded (\$000s)	\$728	\$885	\$757	\$978	\$964	\$842
Share of statewide ³	7.8%	9.3%	7.0%	9.9%	--	--
Arts Education						
Schools involved	172	187	131	126	--	--
Students participating	68,663	83,651	47,975	24,096	--	--
Other organizations involved ¹	76	103	86	107	--	--
Other individuals participating ¹	8,961	14,710	37,292	8,938	--	--
Stimulus Funding (\$000s)⁴						
Total funding awarded	--	--	\$527	\$936	--	--
Salaries	--	--	\$303	\$463	--	--
Artist and contractor fees	--	--	\$131	\$294	--	--
Operations	--	--	\$93	\$180	--	--
Arts/Creative Sector Statewide Indicators⁵						
Employment (000s)	173	177	176	139	154	--
Share of statewide ^{3,6}	2.3%	2.3%	2.3%	1.9%	2.0%	--
Personal income (\$ millions)	\$5,783	\$6,051	\$6,101	\$4,409	\$5,366	--
Share of statewide ^{3,6}	1.2%	1.2%	1.2%	0.9%	1.0%	--

1 See Notes on Measures.

2 Annual grant budget for PCA is \$9.6 million; however, waivers enable them to spend prior year balances.

3 Calculations by IFO.

4 CARES funding in FY 2019-20 and ARP funding in FY 2020-21.

5 Data from the U.S. Bureau of Economic Analysis.

6 Share of statewide is the Arts/Creative industry over total nonfarm employment and income.

Notes on Measures

- Arts education programs are also conducted at other venues including, but not limited to, arts organizations, nursing homes and veterans' homes.
- Grants awarded include grants to subgrantees. FY 2021-22 data are not available until Spring 2023.

Activity 8: PA Human Relations Commission

The Pennsylvania Human Relations Commission (PHRC) promotes equal opportunity and enforces civil rights laws that prohibit discrimination. PHRC investigates reports of unlawful discrimination in five distinct categories: public accommodations, commercial property, education, employment and housing. The Commission also leverages federal funding through the investigation of discrimination complaints reported to the U.S. Equal Employment Opportunity Commission (EEOC) and U.S. Department of Housing and Urban Development (HUD). PHRC works in the community through outreach at schools and various other settings with designated advisory councils and commissions to address forms of unlawful discrimination.

From FY 2017-18 to FY 2021-22, the number of investigations statewide increased by nearly 62% (1,438 to 2,324). To address the additional workload and caseload backlogs, the Commission undertook a staffing plan to increase investigators and support staff in its branch offices in Pittsburgh, Harrisburg and Philadelphia. Resources were also dedicated to technology modernization, both internally in its case management system and its public-facing website to increase intake and management efficiencies.

The primary goal of this activity is to enforce civil rights laws and protect Pennsylvania citizens from various forms of discrimination. The expected outcome is the reduced occurrence of discrimination within the Commonwealth.

Resources for PA Human Relations Commission						
	17-18	18-19	19-20	20-21	21-22	22-23
	Actual	Actual	Actual	Actual	Actual	Budget
Expenditures by Object						
Personnel Services	\$7.88	\$8.10	\$7.99	\$7.62	\$7.99	\$9.08
Operational Expenses	1.39	1.42	1.98	1.38	2.17	2.00
Non-Expense Items	--	<u>0.02</u>	--	--	--	--
Total	9.27	9.53	9.97	9.00	10.16	11.08
Expenditures by Fund						
General Fund (State)	\$8.34	\$8.79	\$9.16	\$8.08	\$9.47	\$9.71
General Fund (Augmentations)	0.00	0.01	0.01	0.00	0.00	0.01
General Fund (Federal)	<u>0.92</u>	<u>0.74</u>	<u>0.80</u>	<u>0.92</u>	<u>0.69</u>	<u>1.36</u>
Total¹	9.27	9.53	9.97	9.00	10.16	11.08
Average Weekly FTE Positions	74	76	76	71	74	78
Personnel Cost/FTE (\$ thousands)	\$106.4	\$106.1	\$105.6	\$106.8	\$107.6	\$116.4
Notes: Expenditures in dollar millions. Actual expenditures are listed in the year the expenditure was recorded.						
1 Total may include small augmentation and other special fund expenditures.						

Performance Measures for Pennsylvania Human Relations Commission

	17-18	18-19	19-20	20-21	21-22	22-23
Discrimination Cases by Type¹						
Education	35	57	48	47	185	--
Employment	1,133	1,494	1,587	1,382	1,606	--
Housing	200	148	291	318	296	--
Commercial Real Estate	0	1	3	4	6	--
Public Accommodations	70	140	198	253	231	--
Investigations¹						
Average case age (days)	617	633	430	386	457	--
Share of cases closed within 1 year (%)	42%	36%	44%	64%	40%	--
Investigations initiated per investigator	24	31	35	30	36	--
Cases resolved through mediation	--	--	0	70	123	--
Cases resolved through settlement	395	320	212	207	245	--
Investigations w/ probable cause (%)	1.5%	2.2%	1.9%	1.5%	2.0%	--
Federal cases/investigations closed	1,065	980	665	1,438	2,174	--
Federal funds leveraged (\$ millions)	\$1.0	\$1.0	\$0.9	\$3.6	\$0.9	--
Penalties and fines assessed (\$ millions)	\$3.1	\$2.6	\$1.5	\$1.4	\$2.0	--
Individuals attending PHRC events	--	--	1,500	1,750	1,200	--

¹ Includes both state and federally filed cases conducted by the PHRC.

PHRC Regional Staffing and Caseload Management

	17-18	18-19	19-20	20-21	21-22
Pittsburgh Office					
Total regional FTE	16	15	18	18	19
Complaints per FTE	42	31	32	27	29
Investigations per investigator	36	28	42	33	40
Average case age (days)	505	478	478	345	464
Harrisburg Office					
Total regional FTE	26	26	26	26	22
Complaints per FTE	49	35	43	42	59
Investigations per investigator	27	23	54	55	87
Average case age (days)	431	378	378	390	418
Philadelphia Office					
Total regional FTE	19	18	17	23	23
Complaints per FTE	42	27	51	30	29
Investigations per investigator	30	28	63	38	37
Average case age (days)	916	1,020	1,020	404	515

From FY 2017-18 to FY 2021-22 the statewide average case age fell by 26%. It also fell in each region – Pittsburgh (-8%), Harrisburg (-3%) and Philadelphia (-44%) – even as the number of investigations per investigator increased in each region.

State Benchmarks

Hate Crime Incidents and HUD and EEOC Discrimination Complaints					
Hate Crime Reports (Per 100,000 Population)					
	2016	2020	AAGR	% Agencies Reporting	Total Incidents
New Jersey	3.3	15.4	35.8%	37.4%	3,814
Virginia	1.9	2.5	5.9	13.7	1,023
Pennsylvania	0.6	0.8	4.5	1.1	412
Ohio	4.8	5.7	3.7	24.3	2,504
Maryland	0.7	0.8	1.8	5.9	278
Michigan	4.9	5.1	0.9	29.5	2,521
New York	3.0	2.4	-4.9	11.6	2,802
Illinois	1.0	0.6	-8.2	3.2	556
U.S. Total	2.3	3.8	10.6	13.9	46,516

Discrimination Complaints (Per 100,000 Population)					
	2016		2020		Total AAGR
	HUD	EEOC	HUD	EEOC	
Pennsylvania	0.0	35.2	0.4	35.5	0.3%
Ohio	0.2	22.7	0.2	18.1	-4.4
New York	0.6	18.9	0.2	15.1	-4.6
Maryland	0.0	37.2	0.3	26.7	-6.2
Illinois	0.1	40.0	0.0	29.1	-6.2
Virginia	0.0	34.1	0.1	22.8	-7.6
New Jersey	0.1	20.4	0.2	12.9	-8.6
Michigan	0.2	26.8	0.1	15.4	-10.4
U.S. Total	0.4	27.3	0.5	20.1	-5.7

Notes: For hate crime data states are ranked by the average annual growth rate (AAGR) of hate crime incidents from 2016 to 2020. Agencies reporting incidents are the share of law enforcement agencies within the state that reported incidents in 2019. Total incidents are all reports that occurred from 2016 to 2020. The discrimination complaints portion is ranked by discrimination growth in total reported complaints (per 100,000 population) from 2016 to 2020. In the EEOC data some complaints may be counted more than once due to reporting requirements.

Source: U.S. Federal Bureau of Investigation Crime Data Explorer, U.S. Housing and Urban Development, U.S. Equal Employment Opportunity Commission and U.S. Bureau of Economic Analysis. Calculations by the IFO.

Hate crimes reported in Pennsylvania (per 100,000 population) increased by 4.5% per annum since 2016. However, these figures could be a lower bound as only 1.1% of law enforcement agencies reported hate crimes to the federal government, far below the national average of 13.9%. It is not clear to what extent hate crimes are underreported. Additionally, during the same time frame, Pennsylvania was the only state among comparison states that saw an increase in discrimination complaints. On average, 6% of discrimination complaints reported to HUD and the EEOC occurred in the Commonwealth and the state share increased over this time period.

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Appendix

Performance-Based Budgeting and Tax Credit Review Schedule

Year		Performance-Based Budgets				
1	Corrections	Board of Probation and Parole	PA Commission on Crime & Delinquency	Juvenile Court Judges' Commission	Banking and Securities	General Services
2	Economic & Community Development	Human Services – Part 1	Health	Environmental Protection	PA Emergency Management Agency	State
3	PennDOT	Human Services – Part 2	State Police	Military & Veterans Affairs		
4	Education	Human Services – Part 3	Aging	PA Historical & Museum Commission	Agriculture	Labor and Industry
5	Drug and Alcohol Programs	Insurance	Revenue	Executive Offices	Conservation and Natural Resources	
Year		Tax Credits				
1	Film Production	New Jobs	Historic Preservation Incentive			
2	Research and Development	Keystone Innovation Zones	Mobile Telecom and Broadband	Organ and Bone Marrow		
3	Neighborhood Assistance	Resource Enhancement and Protection (REAP)	Entertainment Economic Enhancement Program	Video Game Production	Keystone Special Development Zones	
4	Educational Tax Credits	Coal Refuse and Reclamation	Mixed-Use Development	Brewers'		
5	Resource Manufacturing	Manufacturing and Investment	Waterfront Development	Rural Jobs and Investment		

Agency Response



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

H. BENJAMIN LUKENS, JR.
ACTING SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

December 23, 2022

Matthew J. Knittel
Independent Fiscal Office
400 Market Street
Harrisburg, Pa 17105

Dear Director Knittel:

Thank you for the opportunity to review and comment on the performance-based budget (PBB) report on the Executive Offices. We appreciate the time and effort of the Independent Fiscal Office (IFO), as well as the staff of the offices in the Executive Offices included in this report. Due to the nature of Executive Offices being a set of independent and internal service offices operating under the umbrella of the Executive Offices, this report is different in nature to most PBB reports.

For Activities 1 (Human Resources Administration) and 2 (Information Technology Administration), the Office of Administration acknowledges the difficulty in comparing data pre- and post-consolidation, which occurred in both Human Resources and Information Technology. The Office of Administration is committed to using data to evaluate and improve operations and as more post-consolidation data becomes available, the more precise and effective these efforts can develop into.

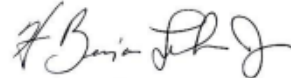
For Activities 3 (Comptroller Operations) and 4 (Budget and Capital Market Operations), the Office of the Budget will examine the recommendations to quantify improper travel reimbursements denied, track non-state funds leveraged for RACP grant awardees, and compute the average time to close RACP projects and the utility that each might provide. It is likely that there would be significant variation in these measures.

The Office of the State Inspector General (OSIG) (Activity 5) agrees with the IFO report that tracking recovered funds would require collaboration between the OSIG and the Department of Human Services (DHS). OSIG currently tracks the amount of money collected from overpayments and is sent back to DHS. DHS administers the public assistance programs that this money helps to fund; however, there is no tracking of the way the specific money returned by OSIG is spent within DHS. A process would need to be created to track these funds.

OSIG and DHS will consider the costs and benefits of creating the process to track this specific funding source and will implement the process if this analysis reveals an overall benefit or cost-savings. OSIG would appreciate any input the IFO can provide regarding this cost-benefit analysis.

The Office of General Counsel (Activity 6), the Pennsylvania Council on the Arts (Activity 7), and the Pennsylvania Human Relations Commission (Activity 8) appreciate the effort the IFO made in analyzing their operations and major activities.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Benjamin Lukens, Jr.", written in a cursive style.

H. Benjamin Lukens, Jr.
Acting Secretary of Budget

