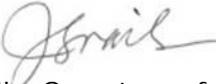


# Administrative Circular

## Commonwealth of Pennsylvania Governor's Office

19-01  
Number

<b>Subject:</b> 2019-20 Budget Hearing Materials	<b>Date:</b> January 17, 2019
<b>By Direction of:</b>  Jen Swails, Secretary of the Budget	<b>Expiration Date:</b> January 17, 2020
<b>Contact Agency:</b> Governor's Budget Office, Bureau of Budget Administration, Telephone 717.787.2542	

**Agencies must provide budget hearing materials to the House and Senate Appropriations Committees prior to budget hearings. All materials must reflect the decisions contained in the Governor's 2019-20 Executive Budget.**

Attached is a reproduction of a request received from the Senate and House Appropriations Committees. Unless otherwise indicated in the attachment, all requested materials must be compiled and submitted directly to each committee no later than 10 days before an agency's scheduled hearing. Agencies should review the attached letter carefully and note the following:

1. The emphasis on and the request for information regarding agency program goals/objectives, measures, performance, and effectiveness.
2. The formats requested by the committees for operating and program appropriations are attached to the letter.
3. A total of **48** copies of the hearing material are required by the House of Representatives. The Senate requires **42** copies. Listings of contracts/grants may be submitted solely in electronic format.
4. Agencies not scheduled for a hearing before the appropriations committees must submit the required information to the committees by **March 7, 2019**.

5. In addition to the paper copies due prior to the hearings; provide by **March 7, 2019**, an electronic list of contracts and grants in excess of \$5,000 that allows the user to search and sort by categories and groupings.

In response to Item 10 in the letter requesting templates for budget information, the Governor's Budget Office will provide information to agencies for their review.

**Also, agencies have been asked to provide the status of pending litigation. This information will be provided to the committees by the Office of General Counsel and the Office of the Budget. Agencies should not include this information with the budget hearing materials.**

As indicated, Request for Approval of Federal Funds (RAFF) forms are to be packaged separately and submitted with the hearing materials. Dollar amounts for 2019-20 should agree with the amounts printed in the Governor's Budget. If revisions to the Governor's Budget estimate for a federal appropriation are necessary, agencies must notify the Governor's Budget Office. Identify the appropriation title, the Governor's Budget estimate, the revised estimate, and the reason for the change in a memorandum to the Governor's Budget Office accompanying the Budget Office's copies of the RAFFs. All copies of the RAFFs must be clear and legible. Incomplete forms and illegible copies may be returned to the agency or not processed.

One additional copy of all hearing materials, plus one set of the RAFF forms, are to be submitted to the Governor's Budget Office **three days prior** to submission to the committees. Supplemental material requested by any of the committee chairmen is to be submitted to all four chairmen and the Governor's Budget Office. The committees have asked that all supplemental information requested during the agency hearings be supplied no later than five workdays following the day of the agency hearing.

Agencies will be notified by the committees of their individual hearing date, time, and location. Preparation of the historical data should begin immediately, along with any other data that can be assembled at this time. However, before completing the briefing package, each agency should thoroughly familiarize itself with the proposed amounts, policies and initiatives in the Governor's 2019-20 Executive Budget.

Incomplete information makes timely and thorough analysis difficult; therefore, incomplete or improper submissions may be returned for resubmission. Please give this request for material top priority and the appropriations committees your utmost cooperation.

**Enclosure 1 - House and Senate Appropriations Committees and Attachments**



January 7, 2019

Honorable Jen Swails  
 Secretary of the Budget  
 238 Main Capitol Building  
 Harrisburg, PA 17120

Dear Secretary Swails:

In order to ensure that taxpayer dollars are invested wisely and directed to those programs providing the greatest return on that investment, we will again approach the upcoming budget with the intent of targeting spending to programs that produce demonstrated results. We will carefully examine programs to determine where need or performance and results do not warrant the continued expenditure of state funds. As part of that effort, we request that agencies provide detailed program performance information and data in their budget presentations. Such information should be based on materials already developed by agencies in preparing their budget requests or budget justifications.

We understand that each cabinet officer or official asked to appear before the Appropriations Committees is subject to many demands on their time. We ask you to understand that the same is true for the members of the House and Senate Appropriations Committees and to make every effort to ensure that your cabinet members are available to testify on the date and time designated in the House and Senate appropriations hearing schedules. Deviation from the established schedule has a ripple effect that makes the coordination of hearing times extremely difficult.

Below is a detailed list of the information that must be submitted ten days prior to the budget hearing for each agency. ***For agencies scheduled for a hearing during the week of February 11, 2019, hearing materials must be submitted by February 8, 2019.*** All hearing material should also be available in electronic format and be accessible on the Budget Office FTP server. Those agencies that are not scheduled for a hearing should submit the information no later than March 7, 2019. Forty-eight (48) copies should be prepared for the House Appropriations Committee and forty-two (42) copies for the Senate Appropriations Committee. Listings of contracts can be submitted solely in electronic format. Each agency head must also submit an electronic copy of the agency's budget request to each committee.

- (1) ***Table of Contents:*** All hearing materials should have a table of contents, which refers to numbered pages in the document.
- (2) ***Mission Statement:*** Each agency should articulate its fundamental mission and identify the operational priorities reflected in its budget request. The mission statement should communicate the agency's mission; outline the agency's goals and objectives; and briefly describe the agency's strategies and methods for achieving such goals and objectives.
- (3) ***Appropriations:*** The description of each program should include how the request was computed, what goals/objectives are to be achieved with the funds, and quantifiable information on which program performance can be gauged. Please include all the statutory authority that established the program and authorizes the expenditure of funds. **Please note, in an appropriation where no funding is proposed for FY 2019-20, agencies must still provide the preceding information for fiscal years 2017-18 and 2018-19.** In addition, each Agency should:

- (a) Provide a detailed explanation of all assumptions used in the development of the appropriations request including assumptions related to complement, operating, fixed asset and grant and subsidy expenditures.
- (b) Identify any FY 2017-18 obligations (including dollar amounts) rolled forward to FY 2018-19 and any FY 2018-19 obligations (including dollar amounts) proposed to be rolled forward to FY 2019-20.
- (c) Identify the amount of any prior-year appropriations waived pursuant to Act 146 of 1980 and Management Directive 310.3 and the intended use of those funds.
- (d) For all appropriation authority remaining in prior and current fiscal years, please indicate any amounts that will remain unencumbered and unexpended as of June 30, 2019, including funding currently in Budgetary Reserve or Pending Lapse in the Commonwealth's accounting system.
- (e) Identify any appropriations for which a FY 2018-19 supplemental appropriation is needed and provide an explanation for the need. Please provide a dollar amount and date when the current appropriation will be exhausted.
- (f) If funds have been placed in budgetary reserve for FY 2018-19, please indicate if these funds have been restored in the FY 2019-20 proposal and provide an explanation/justification for the restoration.
- (g) Identify cost savings, including GO TIME initiatives, which are part of the budget request and provide a description of the impact of the proposed program funding changes.
- (h) Provide special fund financial statements and budgetary detail for each special fund which requires an appropriation or executive authorization in both hard copy and electronic format. **Statements provided in electronic format should be in Excel with formulas where calculations occur.** Budgetary detail should be provided for the actual, available, budget and budget planning years. For funds that have a FY 2019-20 ending balance in excess of 10% of annual revenue, please note any future-year commitments the committee should consider when reviewing those ending balances. As an example of how this information should be presented, we have attached a financial statement and budget detail for the PACE fund.
- (i) Agencies should also provide the status of pending litigation **and potential federal disallowances** related to programs they administer and include the potential to impact the Commonwealth's fiscal position along with a brief description of each instance.
- (j) For each appropriation with complement, provide an aggregate calculation of benefit costs as a percentage of salary costs for the actual, available and budget years.

As an example of how agencies should present their appropriations requests, we have enclosed several pages from the Department of Human Services' FY 2018-19 budget book. **Agencies that do not follow the requested format will have their information returned, and agency funding needs will not be considered until information is presented in the requested manner.**

- (4) **Program Initiatives:** New or expanded programs should be explained in detail, identifying the objective, the cost implications, personnel requirements and how the impact of the program will be measured and evaluated. The programmatic description of the initiative should also include the proposed implementation timeline.
- (5) **Fee Increases:** If a fee increase is proposed, agencies should include the statutory or regulatory citation for the fee, the planned effective date, current and proposed fee schedule, most recent fee transaction count, estimated additional revenue to be generated and appropriation/fund where the additional revenue will be directed.
- (6) **Federal Augmentations:** The Request for Approval of Federal Funds Form (RAFF) should be filled out for each federal augmentation that is requested in the FY 2019-20 budget. One copy of each form is to be provided to each executive director. The forms should be packaged by agency and should be submitted with the rest of an agency's presentation. As in the past, it is our intention to use this form throughout the year for all requested changes to the federal augmentations included in the General Appropriations Act.
- (7) **Restricted Receipt Accounts:** Provide a list of all restricted receipt accounts which will be necessary in the State Treasury. Also provide justification for each restricted receipt account including a RAFF form for federal restricted receipt accounts.
- (8) **Federal Block Grants:** Each agency should provide a spending plan of how they would like block grant money appropriated and of each programmatic area (including administration) within those appropriations. These spending plans should be provided in comparable format for state fiscal years 2017-18, 2018-19 and 2019-20. In addition, for fiscal year 2019-20 each agency should provide detail on the qualifying activities that may be funded with federal block grants and justify the activities it is proposing to fund with the federal block grants. Each agency should also describe the types of organizations, public or private, eligible to provide block grant services.
- (9) **Contracts/Grants:** Provide an electronic list of contracts/grants in excess of \$5,000 that includes the dollar value, the appropriation that funds it, the name, general location, and in the event that a trade or corporate name is used, list the trade or corporate name and principals. Provide the purpose of each contract, including contracts for the provision of consulting services. In addition, please provide a separate electronic list of interagency agreements and memorandums of understanding. The list of contracts/grants should be for the entire 2017-18 fiscal year, the 2018-19 fiscal year to date, anticipated contracts for the remaining portion of the 2018-19 fiscal year and, where possible, a list of anticipated contracts for fiscal year 2019-20. Within the electronic format, users should be able to search and sort by categories and groupings. An example from the Department of Military and Veterans Affairs' FY 2017-18 materials is attached. This information should be available via the Budget Office's FTP server no later than March 7, 2019, for those agencies not scheduled for a hearing. **Please note, for an appropriation for which no funding is proposed for FY 2019-20, agencies must still submit a list of contracts and grants for fiscal years 2017-18 and 2018-19.**
- (10) **Templates:** *In addition to the written material being requested from each agency, please provide one copy of the appropriation summary, complement summary, major object summary, special fund financial statements, and special fund appropriation budgets. Please provide this information in detailed computer files in Excel format for each appropriation or special fund and submit via the Budget Office's FTP server. **All Excel files should contain formulas rather than values in cells where calculations occur.** Please provide a detailed explanation of all assumptions used in the development of the appropriation request including assumptions related to complement, operating, fixed asset and grant and subsidy expenditures.*

All templates submitted via the FTP server must be in Excel format and must reflect and support the expenditure levels contained in the FY 2019-20 Governor's Budget submitted to the General Assembly. In addition, templates must permit the Appropriations Committees to update the data contained therein to reflect subsequent changes in complement, payroll, benefit rates and factors, retirement rates, etc. All data should be accessible on the FTP server no later than March 7, 2019.

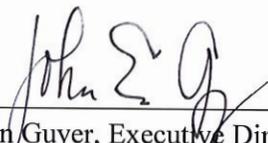
Incomplete information makes timely and thorough analysis of the budget difficult. Please impress upon the various Agency Heads the necessity of complying with the format outlined and advise them that incomplete or improper submissions will be returned for resubmission. **For all materials that are provided in electronic format, please ensure that the materials are readable before forwarding to the committees.**

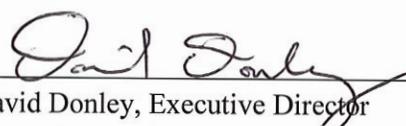
Additional items of information may be requested under separate letter from either the Majority or Minority Chairman of the Appropriations Committees as well as by individual members and staff during the committees' hearings.

Since much of the information requested relates to appropriation decisions for the coming fiscal year, all requests for information made by committee members or staff during a hearing must be supplied to the committee chairman no later than five working days following the agency's hearing.

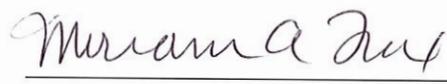
In those exceptional cases when an agency believes it cannot comply with a particular request within the allotted time period, a letter justifying the need for additional time (including an alternate delivery date) must be supplied to the committee chairman during the initial five working-day period.

Sincerely,

  
\_\_\_\_\_  
John Guyer, Executive Director  
Senate Appropriations Committee (R)

  
\_\_\_\_\_  
David Donley, Executive Director  
House Appropriations Committee (R)

  
\_\_\_\_\_  
Mark Mekilo, Executive Director  
Senate Appropriations Committee (D)

  
\_\_\_\_\_  
Miriam A. Fox, Executive Director  
House Appropriations Committee (D)

\*Attachments: Format for Financial Statements – PACE Fund Example  
Format for Justification – Department of Human Services Example  
Format for Contract and Grant Lists – Department of Military and Veterans Affairs Example

**Pharmaceutical Assistance Fund  
Financial Statement  
FY 2018-19 Governor's Budget**

	2016-17 Actual	2017-18 Available	2018-19 Budget	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
Beginning Balance	\$ 27,669	\$ 56,883	\$ 11,145	\$ 9,298	\$ 10,932	\$ 11,255	\$ 9,784
Receipts:							
Transfer from Lottery Fund	\$ 169,000	\$ 155,000	a \$ 140,000	\$ 140,000	\$ 135,000	\$ 130,000	\$ 130,000
Transfer from Tobacco Fund	0	0	0	0	0	0	0
Interest	359	524	500	500	500	500	500
Retire & Replacement Cks	0	0	0	0	0	0	0
Chronic Renal Disease	4,797	4,900	4,900	4,900	4,900	4,900	4,900
Special Pharmaceuticals	40,894	90,337	74,984	74,984	74,984	74,984	74,984
State Workers Insurance Fund	0	0	0	0	0	0	0
Auto Cat Claims Processing	789	790	790	790	790	790	790
Wrkrs Comp Claims Processing	2,361	2,370	2,370	2,370	2,370	2,370	2,370
Corrections	759	780	780	780	780	780	780
Prior Year Lapse	0	0					
MLF Loan							
Other	0	0	0	0	0	0	0
Total receipts	218,959	254,701	224,324	224,324	219,324	214,324	214,324
Total Funds Available	\$ 246,628	\$ 311,584	\$ 235,469	\$ 233,622	\$ 230,256	\$ 225,579	\$ 224,108
Expenditures:							
Contracted services (EA)	\$ 141,785	\$ 129,393	\$ 118,671	\$ 115,190	\$ 111,502	\$ 108,295	\$ 105,538
Administration	22,487	24,388	24,256	24,256	24,256	24,256	24,256
Prior exec auth							
Contracted services	5,812	5,289	0	0	0	0	0
Administration	3,500	1,651	0	0	0	0	0
Comptroller	0	0	0	0	0	0	0
Restricted revenue							
Chronic Renal Disease	4,838	4,900	4,900	4,900	4,900	4,900	4,900
Special Pharmaceutical	7,980	131,458	74,984	74,984	74,984	74,984	74,984
State Workers Insurance Fund	0	0	0	0	0	0	0
Auto Cat Claims Processing	797	790	790	790	790	790	790
Wrkrs Comp Claims Processing	2,375	2,370	2,370	2,370	2,370	2,370	2,370
AG Settlements/L-CAP Program	171	200	200	200	200	200	200
Total expenditures	189,745	300,439	226,171	222,690	219,002	215,795	213,038
Ending Balance	\$ 56,883	\$ 11,145	\$ 9,298	\$ 10,932	\$ 11,255	\$ 9,784	\$ 11,071

a Reflects recommended appropriation supplemental of \$30,000,000.

**PACE MODEL  
FY 2018-19 BUDGET REQUEST**

	16-17 Actual			Available			Budget			PACE 2019-20	PACENET 2019-20	TOTAL 2019-20
	PACE 2016-17	PACENET 2016-17	TOTAL 2016-17	PACE 2017-18	PACENET 2017-18	TOTAL 2017-18	PACE 2018-19	PACENET 2018-19	TOTAL 2018-19			
Cardholders	92,731	152,500	<b>245,231</b>	84,775	149,862	<b>234,637</b>	80,710	145,590	<b>226,300</b>	76,836	141,441	<b>218,277</b>
% Change	-8.58%	-1.73%		-8.58%	-1.73%		-4.80%	-2.85%		-4.80%	-2.85%	
Cost Per Claim	\$24.05	\$24.54		\$24.63	\$25.18		\$25.37	\$25.94		\$26.13	\$26.71	
% Change	-10.09%	-5.14%		2.41%	2.61%		3.00%	3.00%		3.00%	3.00%	
Scripts/person	26.00	28.62		25.55	28.09		24.53	27.39		23.55	26.70	
	-8.18%	-5.37%		-1.75%	-1.88%		-4.00%	-2.50%		-4.00%	-2.50%	
Checkwrite Estimate Corrections	\$0	\$4,801	<b>\$4,801</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>
Total Drug Cost	\$57,995	\$107,096	<b>\$165,092</b>	\$53,349	\$105,998	<b>\$159,347</b>	\$50,222	\$103,414	<b>\$153,636</b>	\$47,276	\$100,894	<b>\$148,170</b>
Administration	\$0	\$0	<b>\$0</b>									
Current Program Cost	57,995	111,897	<b>169,893</b>	53,349	105,998	<b>159,347</b>	50,222	103,414	<b>153,636</b>	47,276	100,894	<b>148,170</b>
Medicare Part D - premiums	\$10,662	\$12,769	<b>\$23,431</b>	\$10,509	\$12,100	<b>\$22,609</b>	\$9,845	\$12,934	<b>\$22,779</b>	\$9,270	\$13,092	<b>\$22,362</b>
Third Party Recovery	(\$3,939)	\$0	<b>(\$3,939)</b>	(\$3,000)	\$0	<b>(\$3,000)</b>	(\$3,000)	\$0	<b>(\$3,000)</b>	(\$3,000)	\$0	<b>(\$3,000)</b>
Rebates	(\$15,520)	(\$25,280)	<b>(\$40,800)</b>	(\$13,392)	(\$26,608)	<b>(\$40,000)</b>	(\$13,075)	(\$26,925)	<b>(\$40,000)</b>	(\$12,309)	(\$26,268)	<b>(\$38,577)</b>
Medicare Part B Exclusion (HB777)	\$0	\$0	<b>\$0</b>			<b>\$0</b>			<b>\$0</b>	\$0	\$0	<b>\$0</b>
Corrections Invoices			<b>\$0</b>			<b>\$0</b>			<b>\$0</b>			<b>\$0</b>
Dispensing fee Initiative HB118				(\$3,638)	(\$5,925)	<b>(\$9,563)</b>	(\$5,608)	(\$9,136)	<b>(\$14,744)</b>	(\$4,392)	(\$9,373)	<b>(\$13,765)</b>
Other Discounts			<b>0</b>			<b>0</b>			<b>\$0</b>	\$0	\$0	<b>\$0</b>
Total Recoupments	(\$8,797)	(\$12,511)	<b>(\$21,308)</b>	(\$5,883)	(\$14,508)	<b>(\$29,954)</b>	(\$6,230)	(\$13,991)	<b>(\$34,965)</b>	(\$10,431)	(\$22,549)	<b>(\$32,980)</b>
Total(000's)	\$49,198	\$99,386	<b>\$148,585</b>	\$47,465	\$91,491	<b>\$129,393</b>	\$43,991	\$89,424	<b>\$118,671</b>	\$36,845	\$78,345	<b>\$115,190</b>
			<b>\$24,138</b>			<b>\$24,388</b>			<b>\$24,256</b>			<b>\$24,256</b>
			<b>\$172,723</b>			<b>\$153,781</b>			<b>\$142,927</b>			<b>\$139,446</b>

**PACE MODEL  
FY 2018-19 BUDGET REQUEST**

	PACE 2020-21	PACENET 2020-21	TOTAL 2020-21	PACE 2021-22	PACENET 2021-22	TOTAL 2021-22	PACE 2022-23	PACENET 2022-23	TOTAL 2022-23
Cardholders	73,148	137,410	<b>210,557</b>	69,637	133,493	<b>203,130</b>	66,294	129,689	<b>195,983</b>
% Change	-4.80%	-2.85%		-4.80%	-2.85%		-4.80%	-2.85%	
Cost Per Claim	\$26.91	\$27.51		\$27.72	\$28.34		\$28.55	\$29.19	
% Change	3.00%	3.00%		3.00%	3.00%		3.00%	3.00%	
Scripts/person	22.61	26.04		21.70	25.38		20.83	24.75	
	-3.35%	-1.80%		-3.35%	-1.80%		-3.35%	-1.80%	
Checkwrite Estimate Corrections									
Total Drug Cost	\$44,502	\$98,435	<b>\$142,937</b>	\$41,892	\$96,036	<b>\$137,928</b>	\$39,434	\$93,696	<b>\$133,130</b>
Administration	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>
Current Program Cost	44,502	98,435	<b>142,937</b>	41,892	96,036	<b>137,928</b>	39,434	93,696	<b>133,130</b>
Medicare Part D - premiums	\$8,729	\$12,903	<b>\$21,632</b>	\$8,220	\$13,060	<b>\$21,280</b>	\$8,220	\$13,060	<b>\$21,280</b>
Third Party Recovery	(\$3,000)	\$0	<b>(\$3,000)</b>	(\$3,000)	\$0	<b>(\$3,000)</b>	(\$3,000)	\$0	<b>(\$3,000)</b>
Rebates	(\$11,586)	(\$25,628)	<b>(\$37,214)</b>	(\$10,907)	(\$25,004)	<b>(\$35,910)</b>	(\$10,267)	(\$24,394)	<b>(\$34,661)</b>
Medicare Part B Exclusion (HB777)	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>
Corrections Invoices			<b>\$0</b>			<b>\$0</b>			<b>\$0</b>
Dispensing fee Initiative HB118	\$0	\$0	<b>(\$12,853)</b>	\$0	\$0	<b>(\$12,003)</b>	\$0	\$0	<b>(\$11,211)</b>
Other Discounts	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>	\$0	\$0	<b>\$0</b>
Total Recoupments	(\$5,857)	(\$12,725)	<b>(\$31,435)</b>	(\$5,687)	(\$11,944)	<b>(\$29,633)</b>	(\$5,047)	(\$11,334)	<b>(\$27,592)</b>
Total(000's)	\$38,645	\$85,710	<b>\$111,502</b>	\$36,205	\$84,092	<b>\$108,295</b>	\$34,387	\$82,362	<b>\$105,538</b>
			<b>\$24,256</b>			<b>\$24,256</b>			<b>\$24,256</b>
			<b>\$135,758</b>			<b>\$132,551</b>			<b>\$129,794</b>

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
BUDGET REQUEST FOR FISCAL YEAR 2018-2019  
(\$ Amounts in Thousands)**

Page # of Governor's Executive Budget:  
Pp. A3.8, E22-5, E22-17, E22-18

**APPROPRIATION:**  
Information Systems

**I. SUMMARY FINANCIAL DATA**

	2016-2017 <u>Actual</u>	2017-2018 <u>Available</u>	2018-2019 <u>Budgeted</u>
<b>State Funds</b>	\$82,865	\$80,655	\$76,651
<b>Federal Funds Total</b>	\$255,122	\$271,520	\$218,330
<b>Federal Sources Itemized</b>			
<i>Medical Assistance - Information Systems</i>	\$190,033	\$199,736	\$136,225
<i>SNAP - Information Systems</i>	\$23,311	\$23,311	\$23,749
<i>TANFBG - Information Systems</i>	\$14,417	\$12,185	\$11,347
<i>Child Welfare - Title IV-E - Information Systems</i>	\$11,516	\$11,516	\$16,686
<i>Child Support Enforcement - Information Systems</i>	\$15,845	\$10,270	\$12,120
<i>CHIP - Information Systems</i>	\$0	\$14,502	\$18,203
<b>Other Funds Total</b>	\$577	\$650	\$650
<b>Other Sources Itemized</b>			
<i>Compass Support - CHIP</i>	\$548	\$613	\$613
<i>Medical Data Exchange</i>	\$29	\$37	\$37
<b>Total</b>	<b>\$338,564</b>	<b>\$352,825</b>	<b>\$295,631</b>

**IA. REQUESTED SUPPLEMENTALS (Included above)**

<b>State Funds</b>	\$0
<b>Federal Funds</b>	\$0
<b>Total</b>	<b>\$0</b>

II. DETAIL BY MAJOR OBJECT (\$ Amounts in Thousands)	APPROPRIATION: Information Systems				
	2016-2017 Actual	2017-2018 Available	2018-2019 Budgeted	Change Budgeted vs. Available	Percent Change
<b>PERSONNEL</b>					
<i>State Funds</i>	\$11,920	\$10,224	\$0	(\$10,224)	0.00%
<i>Federal Funds</i>	\$23,326	\$20,075	\$0	(\$20,075)	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Personnel</b>	<b>\$35,246</b>	<b>\$30,299</b>	<b>\$0</b>	<b>(\$30,299)</b>	<b>0.00%</b>
<b>OPERATING</b>					
<i>State Funds</i>	\$69,217	\$68,703	\$75,047	\$6,344	9.23%
<i>Federal Funds</i>	\$202,454	\$212,507	\$180,293	(\$32,214)	-15.16%
<i>Other Funds</i>	\$650	\$650	\$650	\$0	0.00%
<b>Total Operating</b>	<b>\$272,321</b>	<b>\$281,860</b>	<b>\$255,990</b>	<b>(\$25,870)</b>	<b>-9.18%</b>
<b>FIXED ASSETS</b>					
<i>State Funds</i>	\$1,728	\$1,728	\$1,604	(\$124)	-7.18%
<i>Federal Funds</i>	\$2,713	\$2,713	\$2,837	\$124	4.57%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Fixed Assets</b>	<b>\$4,441</b>	<b>\$4,441</b>	<b>\$4,441</b>	<b>\$0</b>	<b>0.00%</b>
<b>GRANT &amp; SUBSIDY</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Grant &amp; Subsidy</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>NONEXPENSE</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$1,897	\$2,100	\$2,100	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Nonexpense</b>	<b>\$1,897</b>	<b>\$2,100</b>	<b>\$2,100</b>	<b>\$0</b>	<b>0.00%</b>
<b>BUDGETARY RESERVE</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$24,732	\$34,125	\$33,100	(\$1,025)	-3.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Budgetary Reserve</b>	<b>\$24,732</b>	<b>\$34,125</b>	<b>\$33,100</b>	<b>(\$1,025)</b>	<b>-3.00%</b>
<b>UNCOMMITTED</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Uncommitted</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXCESS FEDERAL</b>					
<i>State Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Federal Funds</i>	\$0	\$0	\$0	\$0	0.00%
<i>Other Funds</i>	\$0	\$0	\$0	\$0	0.00%
<b>Total Excess Federal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>
<b>TOTAL FUNDS</b>					
<i>State Funds</i>	\$82,865	\$80,655	\$76,651	(\$4,004)	-4.96%
<i>Federal Funds</i>	\$255,122	\$271,520	\$218,330	(\$53,190)	-19.59%
<i>Other Funds</i>	\$577	\$650	\$650	\$0	0.00%
<b>Total Funds</b>	<b>\$338,564</b>	<b>\$352,825</b>	<b>\$295,631</b>	<b>(\$57,194)</b>	<b>-16.21%</b>

**APPROPRIATION:**  
Information Systems

III. HISTORY OF LAPSES (\$ Amounts in Thousands)	2015-2016	2016-2017	2017-2018 Estimated
State Funds	\$4,256	\$0	\$0

IV. COMPLEMENT INFORMATION	12/31/2016	12/31/2017	2018-2019 Budgeted
<b>State/Federally Funded</b>			
<i>Authorized</i>	320	0	0
<i>Filled</i>	256	0	0
<b>Federally Funded</b>			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
<b>Other Funded</b>			
<i>Authorized</i>	0	0	0
<i>Filled</i>	0	0	0
<b>Total</b>			
<i>Authorized</i>	320	0	0
<i>Filled</i>	256	0	0
<b>Benefit Rate</b>	70.63%	0.00%	0.00%

**V. DERIVATION OF REQUEST / LEGISLATIVE CITATIONS / DISBURSEMENT CRITERIA**

**Derivation of Request:**

This appropriation provides funding for Human Services' on-going Information Technology (IT) support of the Department's benefit delivery systems, network infrastructure and enterprise data warehouse. In addition, operating funding provides for on-going operational maintenance and enhancements of specific IT projects, including the Client Information System, the Home and Community-Based Services Information System, the Child Care Management Information System, and Child Welfare Information Solution.

Detail on the appropriation request is outlined in Section IV, entitled "Explanation of Changes" on the following pages.

**Legislative Citations:**

62 P.S. § 101 et seq.; 71 P.S. § 61

**Disbursement Criteria:**

Disbursements are made based on approved positions and established employee benefits, and through invoices submitted for operating expenses incurred and fixed assets purchased in the operation of the program.

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Information Systems			
	State \$	Federal \$	Other \$	Total \$
<b>PERSONNEL</b>				
1. Reflects the impact of Department of Health and Human Services (DHHS) Information Systems positions moving to the Governor's Office of Administration. In Fiscal Year 2017-2018, costs are under personnel; in Fiscal Year 2018-2019 costs are reflected as an interagency billing under operating:	(\$10,224)	(\$20,075)	\$0	(\$30,299)
<b>OPERATING</b>				
1. Reflects the impact of DHHS Information Systems positions moving to the Governor's Office of Administration. Costs in Fiscal Year 2017-2018 are under personnel as shown above:	\$10,224	\$20,075	\$0	\$30,299
2. Reflects an increase in costs associated with the DHHS help desk:	\$253	\$447	\$0	\$700
3. Reflects a decrease in costs associated with Pennsylvania Compute Services (PACS) in Fiscal Year 2018-2019. The PACS supports data centers and applications which have been migrated from the legacy Data Powerhouse infrastructure:	(\$4,004)	(\$5,904)	\$0	(\$9,908)
4. Reflects a decrease in recurring and non-recurring telecommunication costs relating to new contracts and technology changes:	(\$115)	(\$201)	\$0	(\$316)
5. Reflects a decrease in hardware, software, and computer equipment costs:	(\$1,617)	(\$2,990)	\$0	(\$4,607)
6. Reflects an increase in costs for a new case management system for the Bureau of Hearings and Appeals:	\$831	\$1,469	\$0	\$2,300
7. Reflects a decrease in maintenance and developmental costs for the Client Information System (CIS). The CIS is the primary system used for application and eligibility determination for DHHS:	(\$216)	(\$6,892)	\$0	(\$7,108)
8. Reflects a decrease in system developmental and maintenance costs associated with the Affordable Care Act:	(\$4,308)	(\$34,208)	\$0	(\$38,516)
9. Reflects decrease in developmental costs for Express Lane eligibility:	(\$177)	(\$1,600)	\$0	(\$1,777)
10. Reflects an increase in costs related to CIS security and systems initiatives:	\$667	\$1,385	\$0	\$2,052
11. Reflects a decrease in Office of Medical Assistance Programs information systems infrastructure costs:	(\$233)	(\$2,534)	\$0	(\$2,767)

VI. EXPLANATION OF CHANGES (\$ Amounts in Thousands)	APPROPRIATION: Information Systems			
	State \$	Federal \$	Other \$	Total \$
<b>OPERATING CONT'D</b>				
12. Reflects a decrease in Home and Community Services Information Systems maintenance and modifications costs:	(\$347)	(\$1,044)	\$0	(\$1,391)
13. Reflects a decrease in costs associated with the Children's Health Insurance Program (CHIP) transition from CHIP Application Processing System to CIS:	(\$845)	(\$7,015)	\$0	(\$7,860)
14. Reflects a increase in Child Welfare Information Solutions (CWIS) maintenance and modification costs:	\$5,414	\$9,878	\$0	\$15,292
15. Reflect a decrease in Pennsylvania's Enterprise to Link Information for Children Across Networks maintenance costs:	\$0	(\$2,500)	\$0	(\$2,500)
16. Reflect an increase in the interagency billing in 2018-2019:	\$79	\$158	\$0	\$237
17. Reflects a change in Federal Financial Participation in Fiscal Year 2018-2019:	<u>\$738</u>	<u>(\$738)</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Operating	\$6,344	(\$32,214)	\$0	(\$25,870)
<b>FIXED ASSETS</b>				
1 Reflects a change in Federal Financial Participation in Fiscal Year 2018-2019:	<u>(\$124)</u>	<u>\$124</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Fixed Assets	(\$124)	\$124	\$0	\$0
<b>BUDGETARY RESERVE</b>				
1. Reflects a decrease in excess Federal spending authority:	<u>\$0</u>	<u>(\$1,025)</u>	<u>\$0</u>	<u>(\$1,025)</u>
Subtotal Budgetary Reserve	\$0	(\$1,025)	\$0	(\$1,025)
<b>TOTAL</b>	<u><u>(\$4,004)</u></u>	<u><u>(\$53,190)</u></u>	<u><u>\$0</u></u>	<u><u>(\$57,194)</u></u>

## **INFORMATION SYSTEMS**

### **PROGRAM STATEMENT**

The Department of Health and Human Services Information Systems appropriation provides funding for Human Services information technology (IT). Human Services' automated systems provide for the determination of eligibility for various human service programs including, but not limited to: medical assistance, cash assistance, Supplemental Nutrition Assistance Program (SNAP), energy assistance, and home and community-based services. Most of Human Services' information systems are partially funded by the federal government and must comply with federal guidelines and regulations. These systems are critical in providing benefits to 3.0 million eligible recipients in the Commonwealth of Pennsylvania.

### **CLIENT INFORMATION SYSTEM**

The function of the Client Information System (CIS) is to provide automated data processing for multiple Human Services' eligibility programs including but not limited to: cash assistance, Medicaid, Low Income Heating Energy Assistance (LIHEAP) and Supplemental Nutrition Assistance Programs' (SNAP) recipients. It supports over 6,600 County Assistance Office (CAO) staff statewide, with a total caseload of over 3.0 million eligible recipients. System enhancements are being implemented to transition eligibility and case maintenance business processes into CIS for the Children's Health Insurance Program, which now resides within mainframe technology to open systems technology. Human Services has incrementally updated portions of CIS to newer, web-enabled, technology-based solutions, which improve overall productivity and efficiency of the workforce.

In Fiscal Year 2018-2019, Human Services will focus on continuation of system modernization (with a focus on moving batch processes from legacy mainframe to open systems) as well as initiatives that increase CAO staff efficiencies and promote enhanced customer service capabilities, including citizen self-service. Human Services will continue to conduct maintenance activities to support public assistance programs as required by regulation or policy.

### **HOME AND COMMUNITY-BASED SERVICES INFORMATION SYSTEM**

The Home and Community-Based Services Information System (HCSIS) is a centralized, web-enabled, consumer case management system that provides data collection and state-level program management. It also functions as the daily operating system for the County Intellectual Disability and Early Intervention Administrative Entities. Major functional areas within HCSIS include: client management, eligibility determination, coordination management, provider management, financial management (including authorization of claims), quality management, and reporting.

Planned HCSIS project activities in Fiscal Year 2018-2019 include continued support of Community HealthChoices rollout, updates to the Enterprise Incident Management system, enhancements to the Early Intervention system, coordination of behavioral health activities, and support for amendments and renewals in home and community based waivers.

### **CHILD WELFARE INFORMATION SOLUTION**

The Child Welfare Information Solution (CWIS) supports the ChildLine application and maintains a self-service portal for obtaining child abuse clearances and reporting child abuse. This system also supports data exchanges with the 67 County Children and Youth Agencies and electronic exchanges of reports of children in need of protective services between Human Services and counties.

In Fiscal Year 2018-2019, Human Services will continue development of CWIS to allow the collection of child-specific data required for annual and semi-annual reports to the federal government. Outcome processing efficiencies will also be addressed, including the management of investigation outcomes, ability to merge and unmerge data related to persons, validation and expunction of data, and dashboard/alert management.

### **PENNSYLVANIA'S ENTERPRISE TO LINK INFORMATION FOR CHILDREN ACROSS NETWORKS**

The Pennsylvania Enterprise to Link Information for Children Across Networks (PELICAN) is an integrated management system that supports Child Care Works (the subsidized child care program), Early Intervention, Early Learning Services (Head Start, Pennsylvania Pre-K Counts, and Keystone STARS programs), Provider Certification, and the Early Learning Network. The system provides on-line information for citizens about quality early learning opportunities and providers. In addition, PELICAN provides the Commonwealth a means to assess and monitor program accountability and integrity across the entire early learning continuum.

Planned PELICAN activities for Fiscal Year 2018-2019 include continued Care Check updates for Child Care Works to ensure compliance with the Child Protective Services Law. Early Learning Resource Centers are being created as a single point of contact for families, early child care and education providers, and communities to find information and access services to support children and families with the goal of improving the quality, accessibility, and affordability of early childcare and education services in Pennsylvania. These new Early Learning Centers will integrate the current work of the Child Care Information Services and the Regional Keys in an effort to maximize resources to serve families, providers, and the community and enhance program efficiencies.

Appropriation		Vendor PA Cty Code	Vendor	Commitment Item	Exp. and Commitments 2015-16	Exp. and Commitments 2016-17	Commitments for 2017-18
General Government Operations	10053	Dauphin	J&S Fabrication Inc	Miscellaneous	\$0.00	\$27,560.00	
General Government Operations	10053	Erie	Scotts Garden Hotel Inc	Conference Exp			\$83,584.70
General Government Operations	10053	Huntingdon	Borough of Huntingdon	Water and Sewerage	\$18,803.33	\$16,713.22	
General Government Operations	10053	Juniata	Regesters Heating and AC LLC	ContRepairs-Non-EDP	\$22,424.28		
General Government Operations	10053	Lackawanna	Triguard Inc	ContMaint-Non-EDP	\$87.50	\$9,150.00	
General Government Operations	10053	Lackawanna	Triguard Inc	Other Rentals/Leases	\$7,687.50		
General Government Operations	10053	Lancaster	Caldor Door & Specialty Co	ContRepairs-Non-EDP	\$11,108.18	\$12,133.88	\$2,000.00
General Government Operations	10053	Lancaster	Whitmoyer Ford Inc	Motor Vehicles/Aircraft	\$198,789.00	\$63,173.00	
General Government Operations	10053	Lebanon	APR Supply Company	Miscellaneous	\$56,045.06		
General Government Operations	10053	Lebanon	City of Lebanon Authority	Water and Sewerage	\$8,164.19	\$8,248.15	
General Government Operations	10053	Lebanon	Greater Lebanon Refuse Authority	ContMaint-Non-EDP	\$53,428.86	\$15,027.10	
General Government Operations	10053	Lebanon	National Guard Bureau	Other Rentals/Leases	\$32,588.58	\$90,385.36	
General Government Operations	10053	Lebanon	911 Rapid Response LLC	Other Equipment	\$28,067.72		
General Government Operations	10053	Lehigh	PPL Electric Utilities Corp	Electricity	\$130,036.94	\$69,631.18	
General Government Operations	10053	Lehigh	Talen Energy Marketing LLC	Heating Fuel	\$9,959.28	\$3,122.47	
General Government Operations	10053	Luzerne	Button Oil Co Inc	Heating Fuel	\$10,380.38	\$35,546.25	
General Government Operations	10053	Mercer	National Fuel Gas Distribution Corp	Heating Fuel	\$9,337.20	\$4,582.82	
General Government Operations	10053	Montgomery	Asplundh Tree Expert Company	Miscellaneous	\$33,954.95		
General Government Operations	10053	Montgomery	Cooney Brothers Inc	Miscellaneous	\$29,028.00	\$14,336.00	
General Government Operations	10053	Montgomery	Duff Supply Company	Miscellaneous		\$9,387.99	
General Government Operations	10053	Montgomery	Solid Waste Services Inc	ContMaint-Non-EDP	\$4,162.50	\$5,868.00	\$1,387.50
General Government Operations	10053	Montgomery	Horsham Water & Sewer Authority	Water and Sewerage	\$28,158.61	\$11,423.57	
General Government Operations	10053	Montgomery	Eplus Technology Inc	Hardware Netw Main	\$31,140.83	\$15,634.32	
General Government Operations	10053	Montgomery	Eplus Technology Inc	Hardware Network	\$18,562.75	\$4,470.32	
General Government Operations	10053	Montgomery	Eplus Technology Inc	Other Equipment	\$7,331.95	\$5,459.34	
General Government Operations	10053	Montgomery	Modern Recycling Services LLC	ContMaint-Non-EDP	\$479.38	\$5,050.70	
General Government Operations	10053	Montgomery	Patriot Cable System LLC	Other Specialized Svc		\$7,012.50	\$7,288.20
General Government Operations	10053	Northampton	Metropolitan Edison Company	Electricity	\$286,991.67	\$180,776.40	
General Government Operations	10053	Northampton	Eastern Telephones	Telecom Voice Service	\$6,626.52	\$1,231.77	
General Government Operations	10053	Northampton	George W Klatler Inc	ContMaint-Non-EDP	\$5,139.41	\$4,208.00	
General Government Operations	10053	Northumberland	A New Design Landscape & Stone Inc	ContMaint-Non-EDP		\$7,122.39	
General Government Operations	10053	Philadelphia	United States Postal Service	Postage	\$13,971.00	\$40,138.00	
General Government Operations	10053	Philadelphia	PECO Energy Company	Heating Fuel	\$58,376.21	\$22,958.28	
General Government Operations	10053	Philadelphia	PECO Energy Company	Electricity	\$231,577.60	\$134,031.57	
General Government Operations	10053	Philadelphia	Philadelphia Gas Works	Heating Fuel	\$29,343.01	\$9,569.19	
General Government Operations	10053	Philadelphia	Veolia Energy Philadelphia Inc	Heating Fuel	\$44,228.42	\$4,602.63	
General Government Operations	10053	Philadelphia	Philadelphia City Treasurer	Water and Sewerage	\$8,118.07	\$8,770.28	
General Government Operations	10053	Philadelphia	First Troop Philadelphia City	Real Estate	\$24,432.00	\$24,432.00	\$24,432.00
General Government Operations	10053	Schuylkill	Victor E Muncy Inc	ContRepairs-Non-EDP	\$40,235.00		
General Government Operations	10053	Somerset	Luther P Miller Inc	Heating Fuel	\$8,477.73	\$19,844.09	
General Government Operations	10053	Tioga	Wellsboro Electric Company	Electricity	\$7,883.23	\$7,461.97	
General Government Operations	10053	Washington	Columbia Gas of Pennsylvania Inc	Heating Fuel	\$27,453.66	\$12,894.35	
General Government Operations	10053	Washington	Hapchuk Inc	ContMaint-Non-EDP	\$12,285.00	\$9,758.00	\$5,870.00
General Government Operations	10053	York	Print O Stat Inc	Hardware Network	\$17,750.85		
General Government Operations	10053	York	Monarch Products Co Inc	Miscellaneous	\$11,550.00	\$7,300.00	
General Government Operations	10053	York	Lobar Associates Inc	ContMaint-Non-EDP	\$7,158.75	\$6,491.25	
General Government Operations	10053	York	Penn Waste Inc	ContMaint-Non-EDP	\$5,489.75	\$10,347.83	\$2,156.25
General Government Operations	10053	York	Westgate Chevrolet Inc	Motor Vehicles		\$20,473.32	
General Government Operations	10053	York	Raintree Services Inc	ContRepairs-Non-EDP	\$258.50	\$5,000.00	
General Government Operations	10053	US/AZ/Not assigned	Teaser International Inc	Other Equipment	\$8,366.80		
General Government Operations	10053	US/CA/Not assigned	HP Inc	Hardware Desktop	\$39,775.66	\$17,502.75	