

Pennsylvania 2018/19 BUDGET BRIEFING

Report on Key Issues

House Appropriations Committee (D)

JOE MARKOSEK, DEMOCRATIC CHAIRMAN

February 16, 2018



Performance-Based Budgeting

Act 48 of 2017 established a performance-based budgeting process for most commonwealth agencies and tax credits. Each agency, board, or commission under the governor's jurisdiction and each tax credit will be subject to performance review at least once every five years by the Independent Fiscal Office with the cooperation of the Budget Secretary and the agency. The IFO will also develop a performance-based budget plan for each agency based on its findings during review.

Once metrics are collected and evaluated, the IFO will include outcome-based measures, efficiency measures, and economic outcomes, among others, and will further compare programs in Pennsylvania to similar programs in other cities, states or countries. Measures analyzed by the IFO will be tailored to each agency to reflect unique missions.

Act 48 also created the Performance-Based Budget Board, which will be comprised of the Budget secretary and the majority and minority chairs of the House and Senate appropriations committees. This board will approve or disapprove all IFO-developed performance budget plans.

Following the Performance-Based Budget Board's approval of a performance budget, the IFO will continue to evaluate each agency's progress toward reaching established performance goals for their next performance audit.

Performance-Based Budget Process



Calendar year 2018 will be the first year of performance-budgeting implementation and will largely focus on criminal justice agencies and the Film Production Tax Credit. The full schedule for agency and tax credit reviews over the next five years is attached.

House Appropriations Committee (D)

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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	State Civil Service Commission	
4	Education	Human Services – Part 3	Aging	PA Historical & Museum Commission	Agriculture	Labor and Industry
5	Drug and Alcohol Programs	Insurance	Revenue	Executive Offices	Environmental Hearing Board	
Year		Tax Credits				
1	Film Production	New Jobs	Alternative Energy Production			
2	Research and Development	Keystone Innovation Zones	Mobile Telecom and Broadband	Organ and Bone Marrow		
3	Neighborhood Assistance	Resource Enhancement and Protections (REAP)	Entertainment & Economic Enhancement	Video Game Production	Keystone Special Development Zones	
4	Educational Tax Credits	Coal Refuse and Reclamation	Mixed Use	Historic Preservation Incentive	Community-Based Services	
5	Resource Manufacturing	Brewers'	Computer Data Center	Manufacturing and Investment	Waterfront Development	Rural Jobs and Investment