



*Presentation to the
Performance-Based Budget Board*

**PBB Overview and
Agency Highlights**

**Department of Labor & Industry
PA Historical and Museum Commission**

January 24, 2022

Performance-Based Budgeting (PBB)

Year 4 Agencies

- Dept. of Labor & Industry (DLI) | PA Historical & Museum Commission (PHMC)
- PA Dept. of Aging (PDA) | Dept. of Human Services (DHS, Part 3)
- PA Dept. of Education (PDE) | Dept. of Agriculture (AGR)

How Can Reports Be Used

- Link funding levels to outcome metrics – Did additional funding impact outcomes?
- Provide additional metrics and indicators to inform budget decisions
- How does PA compare to other states and U.S.?
- How do outcomes for regions, counties, school districts within PA differ from the statewide measure?

Common Issues Across Reports

PBB reports reflect the significant impact of COVID-19

- Agency caseloads, staffing, operations & related performance measures
- Long-term shifts – more telework, more reliance on digital resources

Technology plays a key role in driving efficiency and improved outcomes

- DLI – UC Benefits Modernization
- AGR – PA Inspection Reporting System (PAIRS)

Common Issues Across Reports

Agencies often lack outcome data for state-funded programs

- In general, more outcome data are available for federally funded programs
- Condition of funding | Defined measures | Dedicated resources

Use of federal stimulus funds will significantly impact state program outcomes over multiple years

- PDE – ARP ESSER funding for K-12 schools (\$5 billion)
- DHS – emergency rental assistance (\$1 billion)
- State agencies required to report use of funds and associated outcomes

Department of Labor & Industry (DLI)

DLI Actual Spend and FTEs (FY 2020-21)

Activities	FTEs		Expenditures	
	Number	Share	Amount	Share
UC Benefits	1,033	24.8%	\$151	14.9%
Vocational Rehabilitation	870	20.9	146	14.4
Disability Determination	661	15.9	121	11.9
Workforce Development	430	10.3	196	19.3
Workers' Comp. Adjudication and Appeals	226	5.4	33	3.3
State Workers' Insurance Fund	199	4.8	150	14.8
Administration and Support	173	4.1	121	12.0
UC Tax Services	171	4.1	27	2.6
UC Appeals	131	3.1	19	1.8
Occupational and Industrial Safety	111	2.7	11	1.1
Other	<u>162</u>	<u>3.9</u>	<u>39</u>	<u>3.9</u>
Total	4,166	100.0	1,013	100.0

Note: Includes all expenditures in \$ millions. Other includes Apprenticeship and Training Office, Workers Comp. Administration, Labor Law Compliance, Labor Mediation and Relations, and PennSERVE.

DLI General Fund Appropriations (FY 2021-22)

Appropriations	Admin.	Apprenticeship/ Training Office	Workforce Develop.	Vocational Rehab.	Labor Med. and Relations	Other	Total
GGO	\$6.1	--	\$0.7	\$0.6	\$3.4	\$2.9	\$13.8
Apprenticeship Training	--	\$7.0	--	--	--	--	7.0
Occup. and Indust. Safety	2.5	--	--	--	--	0.5	2.9
Industry Partnerships	--	--	2.8	--	--	--	2.8
Centers for Ind. Living	--	--	--	2.0	--	--	2.0
New Choices / New Options	--	--	0.8	--	--	--	0.8
Assistive Tech. Financing	--	--	--	0.5	--	--	0.5
Assist. Tech. Dem. and Training	--	--	--	0.5	--	--	0.5
Supported Employment	--	--	--	0.4	--	--	0.4
Workers' Comp. Payments	--	--	--	--	--	0.3	0.3
Other	--	--	--	--	--	0.2	0.2
Total	8.6	7.0	4.3	3.9	3.4	3.8	31.1

Note: Amounts in \$ millions. Does not include the General Fund transfer to the Vocational Rehabilitation Fund (\$47.9 million).

DLI Metric Highlights

Unemployment caused by the COVID-19 pandemic and mitigation efforts increased caseloads and backlogs for department services

- First payment timeliness fell from 89% in 2019 to 62% in 2020 and 54% in 2021
- Nonmonetary decision timeliness fell from 73% in 2019 to 35% in 2020 and 25% 2021
- Average age of UC appeals increased from 23 days in 2019 to 119 days in 2021

The unemployment surge also impacted unemployment program integrity

- The overpayment rate from April 2020 – March 2021 was 16.3%, up from 9.1% in CY 2019
- The regular UC fraud rate from April 2020 – March 2021 was 6.8%, up from 4.5% in CY 2019
- Figures do not include PUA fraud, which the IFO estimates at 20.6% in 2020

DLI Metric Highlights (Continued)

Will new technology improve efficiency and outcomes?

- UC Benefits Modernization project implemented in June 2021
- Monitor impact on electronic claims processing, fraud detection, program timeliness and backlogs

More outcome data available for federally funded programs

- Workforce development, vocational rehabilitation, UC administration, disability determination programs report outcome measures to federal partners
- Related state programs lag in reporting program metrics

Pennsylvania Historical and Museum Commission (PHMC)

PHMC Actual Spend and FTEs (FY 2020-21)

Activities	FTEs		Expenditures	
	Number	Share	Amount	Share
Historic Sites and Museums	71	37.5%	\$13	32.8%
The State Museum	42	22.4	5	12.6
State Archives and Records Center	30	15.7	4	10.8
Historic Preservation	27	14.3	6	16.6
Administration	<u>19</u>	<u>10.1</u>	<u>10</u>	<u>27.2</u>
Total	188	100.0	38	100.0

Note: Includes all expenditures in \$ millions.

PHMC General Fund Appropriations (FY 2021-22)

Appropriations	Historic Sites and Museums	Admin.	State Archives and Records Center	The State Museum	Historic Preservation	Total
GGO	\$9.3	\$4.2	\$2.3	\$3.9	\$1.4	\$21.2
Cultural and Historic Support	=	<u>2.0</u>	=	=	=	<u>2.0</u>
Total	9.3	6.2	2.3	3.9	1.4	23.2

Note: Amounts in \$ millions.

PHMC Metric Highlights

New technology expected to improve efficiency and outcomes

- First digital preservation system is in development | Archives currently stores 135,000 GB of documents
- Increased reliance on digital resources for archive access and museum programs due to COVID-19

PHMC relies on local partnerships to operate historic sites and museums

- From FY 16-17 to FY 18-19, funds generated through local partnerships averaged more than \$5 million annually
- PHMC should work with local partners to develop uniform reporting requirements to avoid delays

PHMC Metric Highlights (Continued)

Historic sites and museums promote tourism across the state

- From FY 16-17 to FY 18-19, visitation averaged 565,000 | About 40% were from out-of-state
- In FY 18-19, the top five sites accounted for 74% of visitors (Lancaster, Erie, Allegheny, Centre counties)

PHMC administers federal and state historic programs and tax credits

- \$2.0 billion in qualified rehabilitation expenditures (FY 16-17 to FY 20-21)
- Most historic preservation projects that receive state tax credits receive federal tax credits