

Federal Update

House Returns this Month to "Revote" on Budget

Shortly before adjourning in December, the Senate approved, with minor changes, the budget reconciliation conference report (S. 1932) and sent it back to the House, which did not take action before the end of the year. As a result of the changes made in the Senate, the House will have to vote again on the bill. At this time a House vote on the bill is scheduled for February 1.

Buried in the bill were a number of provisions that would be extremely harmful to low-income families in Pennsylvania.

- **Increases in Medicaid co-payments and premiums** – The conference report permits increases in cost-sharing charges on low-income Medicaid beneficiaries. People with incomes just above the poverty line could find themselves charged \$20 to \$100 or more for some health care services for which they now pay no more than \$3. According to the Congressional Budget Office, these fees will end up causing many people to lose Medicaid's health care services altogether, and will result in an unnecessary and costly spike in emergency room care. Thirteen percent of Pennsylvanians receive Medicaid/Medical Assistance benefits and 60 percent of those

who rely on MA resources are children and families.

- **Major changes to Temporary Assistance to Needy Families block grant (TANF)** – The conference agreement reauthorizes the TANF program and includes new work requirements on states. It provides the U.S. Department of Health and Human Services the regulatory authority to establish what is considered work activities and places stringent requirements on two-parent families receiving assistance. TANF includes a new mandate that states meet a 50 percent work participation rate in order to avoid federal penalties. According to the Congressional Research Service (CRS), 16 states – including Pennsylvania – had rates of 25 percent or less. Pennsylvania would need to double its participation level (or more) to meet the new requirements.

The bill also places strict new requirements on programs that receive no federal funds, but are funded entirely with state funds used to meet a state spending requirement. Finally, the bill would lead to severe child

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care cuts. By 2010, an estimated 255,000 fewer children in working families would receive child care than in 2004 as a result of the new work mandates and the under-funding of child care. The increased federal appropriation is approximately 1/10 of what will be required to meet the work requirements for TANF recipients in five years.

- **More than \$8 billion in lost child support collections** throughout the next 10 years. Pennsylvania would lose federal child support funding and the cuts would result in an estimated \$286 million in child support going uncollected over the next 10 years.

State Update

Legislative Agenda

The House and Senate return for business the week of January 23. The General Assembly plans to be in session the weeks of January 24, February 6 and 13. Both House and Senate Appropriations committees will begin holding hearings on the Governor's proposed budget in February. Check www.legis.state.pa.us for a schedule of the hearing dates. Other committee hearings scheduled are:

- House Education – an informational hearing on cyber charter schools; Wednesday, Jan. 18 at 1 p.m. in Room 60, East Wing of the Capitol building;
- House Education – an informational hearing on the need to raise standards for high school students on Thursday, Jan. 19 at 9:00 a.m., Room 60, East Wing of the Capitol building.

ACTION ALERT

PPC urges our readers to contact their U.S. House member and let him or her know that the budget reconciliation agreement will be harmful to kids and families in Pennsylvania. Advocates are targeting several members of Congress – including Rep. Curt Weldon, Rep. Todd Platts, Rep. Jim Gerlach and Rep. Michael Fitzpatrick - as they present an opportunity to provide key swing votes in this legislation.

If this is your House member, please contact him today and ask him to vote NO on S. 1932, the budget reconciliation conference report.

Rep. Jim Gerlach – (202) 225-4315

Rep. Curt Weldon – (202) 225-2011

Rep. Todd Platts – (202) 225-5836

Rep. Michael Fitzpatrick – (202) 225-4276

It's that Time of Year Again: Budget Address Looming

Gov. Ed Rendell will present his FY 2006-07 budget on Feb. 7, starting a process that will determine resources available for children and their families for the coming fiscal year. Pennsylvania Partnerships for Children will be heavily involved in tracking the budget process and will keep you apprised of information as it pertains to children's health, education and wellness issues. Stay tuned for a complete budget summary in next month's *CapWatch*.

Property Tax Reform Debate Continues

As we reported in the December issue, legislators from both the House and Senate drafted new legislation to cut property taxes in an effort to reform public school funding. The Senate version would give voters in each school district the opportunity to decide if they want to raise local income taxes as a way to reduce school property taxes. The Senate plan also would continue to use slots revenue as a way to further cut property taxes.

The House plan would enhance the state sales tax to include more taxable items (that are not taxable today) and raise the state personal income tax from 3.07% to 3.29%.

The Senate held a special hearing on the House plan last week at which Pennsylvania Department of Revenue Secretary Gregory Fajt testified that a sales tax expansion still would leave a funding hole that would have to be filled with state general fund dollars.

Property tax reform will be at the top of the legislative agenda when the General Assembly returns at the end of the month.

Premiums for Children with Disabilities – Final Regulations Published

The Department of Public Welfare published in the December 31 Pennsylvania Bulletin the final regulations on the premium requirements for disabled children: <http://www.pabulletin.com/secure/data/vol35/35-53/index.html>.

These regulations will become effective upon approval of a waiver submitted to the federal government.

Pennsylvania is the only state that does not count the whole family's income when a child who meets a disability standard applies for Medicaid. Act 42 of 2005 authorizes the Department to implement cost sharing for Medical Assistance services for children with disabilities (the PH-95 category of eligibility)

whose families' income is more than 200% of the federal poverty level. The published regulation includes the conditions for MA eligibility and the premium chart.

Statewide Committees Tackling Quality Issues in Early Care & Education

The Office of Child Development/Department of Public Welfare (OCD/DPW) has been meeting with a number of advisory stakeholder groups representing key constituents from around the state to comment on early care & education issues in Pennsylvania. Pennsylvania Partnerships for Children is actively involved on a number of these committees including:

Early Care and Education Advisory Committee

The Early Care and Education Advisory Committee provides guidance and advice for the early care and education programs that are affiliated with the OCD/DPW. The goal of the committee is to advance an agenda for positive child development that prepares children for success in school and in life.

STARS Advisory Committee

The Keystone STARS Advisory Committee is reviewing and making recommendations of the standards and resources available through the Keystone STARS quality improvement. Keystone STARS is Pennsylvania's program to improve the quality of child care.

PA Key: Career Lattice Committee

Career Lattice Committee is working through the PA Key and OCD to create a statewide comprehensive, seamless and coordinated early childhood education professional development system for child care, Head Start, Early Intervention, and other early childhood educators.

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New Pennsylvania Afterschool and Youth Development Network (PASYDN)

PASYDN is a collaborative effort among state, regional, and local partners to support sustainable, high-quality afterschool and youth development programs through advocacy, capacity building and resource sharing to significantly enhance the welfare of children, youth and families in Pennsylvania. PASYDN is housed at the Center for Schools and Communities in Camp Hill. PPC staff

are members of the PASYDN Steering Committee and chair both the Public Policy and Quality subcommittees of the network. Fiscal partners of the network are the Charles Stewart Mott Foundation and the Pennsylvania Department of Education (PDE).

Aligned to this networking effort, PDE and the Center will host *Promising Practices – Proven Strategies: Delivering Quality Extra Learning Opportunities for Our Children*, March 1 & 2 at the Harrisburg Hilton for 500 afterschool providers from Pennsylvania.

Education News

Accountability Block Grant End of Year Report

The Pennsylvania Department of Education recently released its year-end Accountability Block Grant Report. In the 2004-05 school year, \$200 million was provided to Pennsylvania school districts for a variety of programs and services, of which:

- 3,000 children enrolled in pre-kindergarten;
- 51,246 children enrolled in full-day K;
- 19,240 children enrolled in smaller classes in kindergarten through third grade;
- 20,295 students received tutoring (in addition to the 46,055 children served in 2004-05 through the Commonwealth's Educational Assistance Tutoring Program)

The entire report can be viewed at www.pde.state.pa.us.

New Investment in After-school Programs

More than 5,000 students in 26 school districts and organizations will benefit from a new \$5 million investment in after-school programs announced by Gov. Ed Rendell in late December.

The 21st Century Community Learning Center grants will help community-learning centers provide additional academic and life-skills development instruction to children and youth when they are not in school.

According to the Department of Education, the 21st Century Community Learning Center grants, which are federally funded, will provide tutors and other academic support activities, provide drug and violence prevention, technology education programs, music, counseling and character education.

Education Policy Report Published

In the latest issue of *Quality Counts*, a state-by-state assessment of education policy published January 5 by *Education Week*, Pennsylvania achieves an overall grade of C+ – the same as the average state in the nation.

The Commonwealth has a better than average score in efforts to improve teacher quality (B compared with an average of C+) and worse than average scores in school climate (C compared with an average of C+) and resource equity (C- compared with an average of C). On standards and

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accountability, Pennsylvania achieves the national average grade of B-.

Quality Counts also includes several measures of student achievement, and Pennsylvania outperforms the nation as a whole on many of these. Between 2003 and 2005, the percentage of Pennsylvanians scoring at least proficient on the National Assessment of Educational Progress (NAEP) reading and math exams (at 4th and 8th grades) increased.

Test	Pennsylvania Change in %	US Change in %
4 th grade reading	+3	0
4 th grade math	+6	+4
8 th grade reading	+4	-1
8 th grade math	+1	+1

During that time period, Pennsylvania was one of 24 states in which 8th graders improved their math performance on both state and NAEP exams and one of 19 in which 4th graders improved on both state and NAEP reading tests.

While Pennsylvania ranks 14th in the percentage of students scoring at least proficient on the 2005 NAEP exams, it has the sixth highest gap between the achievement of its low-income and non-disadvantaged students. There also are large gaps between the percentage of students scoring at or above proficient on state tests and on NAEP exams (e.g., 64 percent and 36 percent respectively in 8th grade reading).

The report also shows 2001-02 graduation rates for the states – 77 percent for Pennsylvania, compared with a national average of 69 percent.

Standards and accountability: Thirty states had higher scores than Pennsylvania's 81 on this component. While the Commonwealth received the maximum 40 points for its standards in core academic areas, it did not do as well on assessment and accountability measures.

Efforts to improve teacher quality: Pennsylvania ranked 12th on efforts to improve teaching. It is one of 25 states requiring secondary school teachers to have the equivalent of academic majors and to pass subject area tests in the areas in which they will teach. However, Pennsylvania is not among the 15 states that mandate and pay for mentors for new teachers, nor is it among the 14 that hold teacher preparation institutions accountable for the performance of their graduates in K-12 schools.

School Climate: Only 17 states score below Pennsylvania's 76 in school climate. This is due in part to our lack of anti-bullying and parent involvement policies and larger than average elementary school classes.

Resource equity: Only 10 states have lower grades than Pennsylvania's C- on resource equity, represented by measures of the dependence on local wealth to support education spending and the disparities in per pupil spending among districts.