



Capitol Watch for Children

An update on state and federal policies affecting Pennsylvania's children

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Pennsylvania Partnerships for Children

State Update

State Board Proposes New Graduation Requirements

The State Board of Education is proposing regulations that would revise high school graduation requirements to establish a consistent statewide baseline expectation of the minimum knowledge and skills that a public high school diploma signifies and a basic system of academic supports to help students achieve. Under current regulations, one of the requirements to graduate from public high school is that students must demonstrate achievement of the state standards by scoring proficient or above on the 11th grade PSSAs, or a local assessment that is aligned to the state standards. Additional graduation requirements, such as course requirements, grades and graduation projects are decided by local school districts.

PPC believes that the Commonwealth has not been doing enough to ensure that every high school graduate is adequately prepared for postsecondary education or training, 21st century occupations and productive citizenship. Establishing a statewide baseline for high school graduate achievement is an essential step in helping students achieve post high school success. As reported in the winter edition of our newsletter, *Partnerships*, 126,926 high school seniors graduated from

school districts in Pennsylvania in 2006. More than 57,000 of these students, or 45 percent, did not score proficient on the reading and math 11th grade PSSAs, the 12th grade retake, or did not take the PSSAs but graduated based on these local assessments. This disconnect between graduation rates and proficiency on state assessments is cause for concern. It is important to note that the disconnect does not exist solely in our most distressed school districts; indeed 461 school districts graduated at least 20 percent *more* students in 2006 than scored proficient or above on the PSSA.

The proposed regulations provide school districts with an array of options to determine whether their students attain the state-established level of proficiency in reading, writing, mathematics, science and social studies beginning in the 2013-2014 academic year. PDE would develop and provide Graduation Competency Assessments (GCAs) for use which could replace traditional end-of-course final exams. Districts could continue to use local assessments that are validated criterion referenced and comparable to the GCAs. Local districts would have their own assessments validated by the vendor of their choice selected from a list of eligible vendors

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approved by the State Board of Education and published by the Secretary of Education at the expense of the district. Districts also would be permitted to determine aptitude through use of Advanced Placement (AP) and International Baccalaureate (IB) exams in the subjects assessed by GCAs as an additional pathway to document student proficiency.

A total of 10 GCAs would be developed: three in mathematics, two in English/language arts, three in the social studies and two in science. The math GCAs would cover academic content traditionally included in Algebra I, Algebra II and Geometry. The English/language arts GCAs would cover academic content traditionally included in English Composition and Literature. The social studies GCAs would cover academic content traditionally included in American History, World History and Civics and Government. The science GCAs would cover academic content traditionally included in Biology and Chemistry.

To be deemed proficient for purposes of graduation through the series of GCAs (in lieu of the PSSA, local assessments or AP/IB), students would need to demonstrate proficiency on the English/language arts GCAs, any two mathematics GCAs, either science GCA and one of the social studies GCAs.

GCAs would be offered at least three times each year, during the fall, spring and summer semesters. The tests would be scored so that schools would have the results for graduating seniors at least 10 days prior to graduation. GCAs would be structured in such a way as to permit a student who fails to achieve proficiency on a specific GCA to retake that GCA or any module of the GCA in which they failed to score proficient. Students not scoring proficient would be entitled to supplemental instruction provided by their school entity designed to assist the student in becoming proficient in the related state academic standard(s).

The proposed regulations direct the Department of Education to provide guidance to schools as to the appropriate accommodations for students with disabilities and English language learners.

The proposed regulations also direct the Department of Education to provide support to districts in developing programs to enable students to achieve the standards by: establishing a voluntary model curriculum aligned with state academic standards in each of the content areas assessed by GCAs; assistance in the development of effective student tutoring, remediation and extended instructional time programs; and opportunities for continuing professional education designed to improve instruction in each of the content areas assessed by the GCAs.

The Board is conducting a day-long public hearing on its proposal January 9. PPC's President and CEO Joan L. Benso will testify.

PPC strongly supports the proposal. We believe that it presents a common-sense accountability system that should help improve statewide student achievement. However, a system of accountability is not all that is needed to increase student achievement and improve chances for a successful transition to adulthood. First and foremost, we need a strong education financing foundation in the Commonwealth. The accountability system also must be partnered with a strong system of integrated academic, social, and physical and behavioral health supports that helps both struggling students and districts. The proposed regulations provide a good first step on these supports, but more is needed. Finally, if low-income students are awarded a high school diploma for their success and commitment to education and want to proceed with postsecondary education but cannot afford it, the Commonwealth should help them get there.

Fiscal Checkup for the Commonwealth

Pennsylvania Budget Secretary Michael Masch



provided a thorough review of the Commonwealth's finances and budget situation at the mid-year point of FY 2007-2008. Masch outlined a promising budget and finance picture, the outcome of which depends largely on the continued health of the United States' economy. To date, the Commonwealth has withstood economic pressures from the ongoing credit crunch, housing slowdown and general cool-down in the national economy.

Masch projects that the Commonwealth will end the fiscal year (on June 30, 2008) with a surplus of \$146 million, together with the additional unspent funds, the total will reach \$196 million. After subtracting \$40 million for current year supplemental appropriations and a \$39 million mandated transfer to the Rainy Day Fund, the Commonwealth is expected to conclude the year with a net balance of \$117 million in the black. According to the state's economic modeling, it appears all but certain that the economy is heading into a period of slower growth. If the economy turns more sluggish, then the projections will end up being overstated. If the slowdown does not materialize as projected, then the Commonwealth's fiscal picture could improve.

In addition to reviewing the fiscal highlights, Masch provided an update on the implementation of the FY 2007-2008 budget. Of interest, he noted the \$2.3 billion increase in education funding that has occurred since 2003 is paying dividends in student achievement. Since 2003, the Commonwealth has invested in meaningful programs including Pre-K Counts, the Accountability Block Grant Program, Dual Enrollment, and Project 720 (to name a few), in addition to more dollars for basic and special education. The latest Adequate Yearly Progress (AYP) and Pennsylvania System of School Assessment (PSSA) results show that the Commonwealth is on track to move all students to proficiency by 2014, as required by the No Child Left Behind Act. Masch added that Pennsylvania is one of only nine states

to have made significant progress since 2003 in elementary school reading and math according to the National Assessment of Educational Progress.

Committee Approves Costing Out Commission

The House Education Committee approved HR 460, establishing a joint legislative commission on public school finance. The Commission would be tasked with using the results of the recently-concluded Costing-Out Study to develop a new public education funding formula for the Commonwealth's schools. The measure now moves to the House floor for further consideration. <http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2007&sind=0&body=H&type=R&BN=0460>

The Costing-Out Study, conducted for the State Board of Education as required by Act 114 of 2006, grew out of a desire among state officials, educators, and others to understand what it costs for all of our students – no matter where they live – to attain state academic standards and demonstrate proficiency on state reading and math tests by 2014. It was also borne from a concern about the growing gap between high- and low-spending districts and the implications for the quality of education received by students in our lowest spending districts, and for local taxpayers.

The study, released Nov. 14, showed that in order to ensure that every child meets the state's standards for academic achievement, the per-pupil cost needs to average \$11,926 (compared with current spending of \$9,512). According to the study, the statewide cost of meeting the standards (in 2005-06) is \$21.63 billion, compared with actual comparable spending of \$17.25 billion. Achieving this adequacy level would require an additional \$4.38 billion or 25.4 percent increase in funding.

There is considerable debate as to whether a commission is necessary. Some argue that all that is needed is political will in the General Assembly to take



the information from the report and begin crafting a true education formula in the Commonwealth now rather than wait for commission recommendations. The Governor, legislative leaders and education advocates, including PPC, will weigh in on the issue as the FY2008-2009 spending plan is taking shape. Stay tuned!

New Laws Keep PA in Compliance with Federal Requirements

Governor Rendell signed two bills of importance to children into law in December, thereby maintaining compliance with federal law and keeping federal funding flowing to the Commonwealth. The governor signed HB 1961 into law as Act 73 of 2007 and requires additional criminal history record and child abuse registry checks for prospective foster and adoptive parents, child care service employees and self-employed family day care providers. <http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2007&sind=0&body=H&type=B&BN=1961>

The governor also signed SB 1156 into law as Act 76 of 2007 which allows a foster parent, preadoptive parent or relative providing care for a child to be heard at any hearing under the Juvenile Act and requires the court to provide for consultation with the child regarding the child's permanency plan in

a permanency hearing. <http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2007&sind=0&body=S&type=B&BN=1156>

PA Revenue Update

The Pennsylvania Department of Revenue reported that the Commonwealth collected \$2.2 billion in general fund revenue in December. This is \$39.9 million or 1.8 percent more than the official estimate. Fiscal year-to-date collections total \$11.7 billion, which is \$175.8 million or 1.5 percent above the official estimate.

January Assembly Session Dates

The House and Senate will be in session on the following remaining days in January: 14, 15, 16, 28, 29, and 30.

A National Pre-K Star

Pre[k]now, a public education and advocacy organization that advances high-quality, voluntary pre-kindergarten for all three- and four-year-olds, announced recently that Pennsylvania Gov. Ed Rendell has been voted **2007's Pre-K Star**. The organization conducted an online nationwide poll in December to find the nation's leading pre-K star in 2007. Gov. Rendell captured 56.7 percent of the votes, nearly doubling the closest competitor.

PPC congratulates the governor on this honor!

Federal Update

SCHIP Extension Approved through March 2009

When Pres. Bush vetoed the second incarnation of SCHIP reauthorization legislation in early December, Congressional leaders and SCHIP negotiators turned their attention to crafting a short-term SCHIP extension before adjourning for the remainder of the calendar year.

PPC and its allies in Pennsylvania and across the nation understood that the content of the extension was of great importance. We collectively voiced our opinion that the measure should provide sufficient funding to avoid any state shortfalls – and with no strings attached (in other words, continuing to operate SCHIP as it has up until this point) – and address the August 17 CMS SCHIP directive limiting



expansion. Sen. Arlen Specter responded to this messaging by penning a bipartisan “Dear Colleague” letter with Sen. Menendez from New Jersey urging congressional leaders and SCHIP negotiators to put the directive on hold. A total of 40 Senators signed onto the letter, including PA’s Sen. Robert Casey.

Before recessing for the calendar year, Congress passed and the President signed an extension that will fund SCHIP through March 2009. The extension provides sufficient funds to prevent shortfalls in the states. Unfortunately, the extension does not address the August 17 CMS SCHIP directive limiting expansion. This means that unless Congress takes action soon, Pennsylvania and 14 other states that currently cover children over 250% FPIG could face a lack of federal funding to cover these children this coming August. In all, 23 states are affected by the directive including the 14 noted above and others who are awaiting CMS approval of expansions, and those who have scaled back programs due to the directive. According to statistics compiled by the Pennsylvania Department of Insurance, approximately 3,300 currently-covered children could be affected by the directive.

The Commonwealth currently is assessing the directive and whether and how the state can be considered in compliance with it. First of all, the state must demonstrate that 95% of eligible children at or below 200% FPIG are enrolled in Medicaid or CHIP and document a less than 2% reduction of children covered by employer-provided plans in the past five years. Meeting these tests would allow the Commonwealth to continue to utilize federal funds to help cover children above 250% FPIG.

However, even if we met the tests, the Commonwealth would have to change its current six-month go-bare period for children above the age of two to a 12-month go-bare period for all children and possibly change its cost-sharing provisions to reflect new cost sharing requirements in the directive.

PPC and its allies will be working diligently in

the coming weeks and months with our congressional delegation to ensure that the directive is addressed before any Pennsylvania children are affected.

Good News for Head Start

President Bush signed the Improving Head Start for School Readiness Act of 2007 into law on December 12. The measure reauthorizes Head Start for five years. The reauthorization opens up the program to more children by expanding eligibility from 100% FPIG (about \$20,650 for a family of four) to 130% FPIG (about \$26,845 for a family of four). The measure also does more to ensure that teachers are better qualified, raises learning standards, and strives to coordinate early childhood education delivery systems.

Federal Budget Approved

Congressional budget negotiators finally pieced together a spending plan for the remainder of FFY 2008 that met the president’s approval. Bush threatened to veto any and all spending bills that wavered from his recommended spending totals. The president carried though on the threat when he vetoed the Health-Labor-HHS appropriations bill in November (see December issue of *CapWatch* for more details).

Lacking the votes to override a veto, House and Senate leaders cobbled together the 11 remaining appropriations bills into an omnibus spending bill, which Bush then signed. The measure adopts the president’s overall funding amount, but does not fund each and every program at his recommended levels. Instead, it shuffles money around to various line items to meet leaders’ funding priorities while staying within the president’s bottom line. Leaders took this action instead of merely passing another continuing resolution because the omnibus bill allowed the various line items to be adjusted as the leaders saw fit, whereas a continuing resolution merely funds programs at their existing levels.



Funding for three key programs follows:

Program	FFY 2007	President’s Proposal	Vetoed Labor-HHS Bill	Omnibus Budget Bill
CCDBG	\$2.062 Billion	\$2.062 Billion	\$2.1 Billion	\$2.1 Billion
Head Start	\$6.889 Billion	\$6.789 Billion	\$7 Billion	\$6.9 Billion
21 st Century Learning Centers	\$981 Million	\$981 Million	\$1.1 Billion	\$1.1 Billion

Poverty and Hardship in America

The Center on Budget and Policy Priorities released a report in December highlighting the great number of families living in need in the United States. The report compiles basic government figures to reveal the following:

- 36.5 million Americans, roughly one in eight – live in poverty;
- 15.4 million Americans live in extreme poverty – less than \$10,000 annual income for a family of four;
- 12.6 million households containing 35.5 million people lacked access to adequate food at some point during 2007;
- 16 million low-income households either paid more for rent and utilities than the federal government says is affordable or lived in overcrowded or substandard housing;
- 47 million Americans, more than one in seven, were uninsured.

Federal and state programs such as food stamps help many struggling families meet basic needs. Medicaid and SCHIP provide more than 50 million Americans with health coverage. Social Security and Supplemental Security Income reduce poverty for millions of seniors, people with disabilities and surviving children and spouses.

Despite the existence of these programs, serious gaps and hardship remain. It is these needs that drive PPC to do its policy development and advocacy work at the state and federal levels of government. We are working every day to help make the Commonwealth (and the country) a better place to raise a child and be a child.