

## State Update

### House and Senate Leaders Appoint Committee Chairs

Senate Democratic Leader Bob Mellow (D-Lackawanna) made the following committee chair appointments of interest for the 2009-10 legislative session:

- *Education – Andrew E. Dinniman (D-Chester/Montgomery)*
- *Aging & Youth – LeAnna M. Washington (D-Phila./Montgomery)*
- *Judiciary – Daylin Leach (D-Delaware/ Montgomery)*
- *Labor & Industry – Christine M. Tartaglione (D-Phila.)*
- *Public Health & Welfare – Vincent J. Hughes (D-Montgomery/Phila.)*

Senate President Pro Tempore Joe Scarnati (R-Jefferson) made the following committee chair appointments of interest for the 2009-2010 legislative session:

- *Education – Senator Jeffrey Piccola (Dauphin)*
- *Aging and Youth – Senator Pat Vance (Cumberland)*
- *Judiciary – Senator Stewart Greenleaf (Bucks/Montgomery)*
- *Labor and Industry – Senator John Gordner (Columbia)*

- *Public Health and Welfare – Senator Ted Erickson (Chester)*

House Republican Leader Sam Smith (R-Jefferson) made the following committee chair appointments of interest for the 2009-10 legislative session:

- *Children & Youth – Dennis O'Brien (Philadelphia)*
- *Education – Paul Clymer (Bucks)*
- *Health & Human Services – Matt Baker (Tioga)*
- *Judiciary – Ron Marsico (Dauphin)*
- *Labor Relations – Gene DiGirolamo (Bucks)*

House Speaker Keith McCall (D-Carbon) made the following committee chair appointments of interest for the 2009-10 legislative session.

- *Children & Youth – Rep. Louise Williams Bishop (D-Philadelphia)*
- *Education – Rep. Jim Roebuck, (D-Philadelphia)*
- *Health & Human Services – Rep. Frank Oliver (D-Philadelphia)*
- *Judiciary – Rep. Thomas Caltagirone (D-Berks)*
- *Labor Relations – Rep. Robert Belfanti (D-Columbia/Montour/Northumberland)*

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### **Six in Ten Students Fail State Science Test**

Sixty-four percent of Pennsylvania high school students enter 12<sup>th</sup> grade without the science skills necessary to succeed in the high-tech global economy, according to science scores released recently as part of the 2008 Pennsylvania System of School Assessment (PSSA).

Results also were released nationally for the Trends in International Mathematics and Science Study (TIMSS), which assesses the math and science achievement of 4<sup>th</sup> – and 8<sup>th</sup> – grade students from around the world. The TIMSS results show U.S. students continue to trail their peers in many other nations when it comes to science proficiency.

The number of countries scoring above the U.S. in science has grown since the last TIMSS results in 2003. This year, U.S. 4<sup>th</sup> graders scored behind students in seven countries, compared to four countries in 2003. U.S. 8<sup>th</sup> graders scored behind students in 10 countries this year, compared to seven countries in 2003.

Statewide, 81.5 percent of 4<sup>th</sup> grade students scored at grade level in science, but performance falls to 52.7 percent at grade level in the 8<sup>th</sup> grade and only 35.7 percent at grade level in the 11<sup>th</sup> grade.

Education Secretary Gerald Zahorchak said the data indicates that Pennsylvania needs to make its high school science instruction more rigorous and engaging as part of a broader effort to better prepare our graduates to compete in a high-skills global workforce. Pennsylvania's solutions include:

- *Enrolling more high school students in college courses in science and other academic subjects.*
- *Creating Classrooms for the Future that use technology to transform teaching and learning in high schools.*
- *Ensuring that all school districts have adequate resources to offer a strong curriculum and help struggling students.*
- *Proposing new statewide high school graduation requirements to make sure that every student is*

*ready for college or the workforce when they receive their diploma.*

Information on this year's PSSA science results can be found on the Department of Education's Web site at

[http://www.pde.state.pa.us/a\\_and\\_t/cwp/view.asp?A=3&Q=146079](http://www.pde.state.pa.us/a_and_t/cwp/view.asp?A=3&Q=146079).

### **Legislation Would Help Students Afford College**

Two state representatives are offering proposals that would help students afford college.

State Rep. Tony Payton, D-Phila., said that part of the General Assembly's \$200 million surplus could be used to fund his proposed REACH Scholarship Program legislation.

Payton's legislation, which he introduced last session as H.B. 1722, would create Reliable Educational Assistance for College Hopefuls, or REACH, a statewide merit-based scholarship program for all Pennsylvania students who maintain at least a 3.0 grade-point average and a 90 percent attendance record. The program would ensure those students receive a scholarship covering all tuition and fees to any university in the Pennsylvania State System of Higher Education.

Payton said use of the surplus funds to kick-start the REACH program would send 70,000 students to college.

The legislature keeps the funds in reserve to remain operational during a budget crisis, but Payton said reducing the surplus to fund the REACH program would still leave the General Assembly with enough money to continue functioning during a budget stalemate.

State Rep. John Yudichak, D-Luzerne, is also introducing legislation that would help Pennsylvania college students afford the cost of tuition.

The Endow Pennsylvania's Future legislation would transfer \$100 million in General Assembly leadership accounts each year to the Pennsylvania Higher Education Assistance Agency (PHEAA).



Each of the four caucuses – House and Senate Democrats and House and Senate Republicans – would provide \$25 million from their leadership accounts. Collectively, the caucuses have more than \$200 million in surplus funds.

The legislature keeps the funds in reserve to remain operational during a budget crisis, but Yudichak said reducing the surplus to fund student grants would still leave the General Assembly with enough money to continue functioning during a budget stalemate with the governor.

Both will introduce his legislation when the House returns to session in January.

PPC will be releasing a report on college affordability in January. Please watch our web site for more information.

### **Education Department Releases Report on College Affordability**

The Department of Education recently released a report *The Cost of Higher Education in Pennsylvania* which details to what extent the cost of postsecondary education in the state of Pennsylvania constitutes a significant barrier to college access, retention, and graduation.

Pennsylvania enrolls more students in higher education than all but three states in the country. Higher education options are abundant, ranging from community colleges to public and state related universities to a broad array of independent institutions. Pennsylvania can also boast of having one of the largest need-based grant aid programs in the country. The Pennsylvania Higher Education Assistance Agency (PHEAA) annually distributes \$452 million in grant aid to Pennsylvania college students across the Commonwealth.

Despite all of these merits, the cost of attending college in Pennsylvania is a serious and growing concern. This issue has been exacerbated by recent reports of a student loan crisis that threatens to constrict access to affordable loans and further reduce postsecondary education options.

This report contains data gathered from a variety of sources, including the College Board, PHEAA, the Integrated Postsecondary Education Data System (IPEDS), Peterson's Financial Aid Survey, the U.S. Census Bureau, and the annual National Association of State Student Grant & Aid Programs (NASSGAP) Survey.

This report can be found at [www.pdehighered.state.pa.us/higher/lib/higher/Cost\\_of\\_Higher\\_Education.pdf](http://www.pdehighered.state.pa.us/higher/lib/higher/Cost_of_Higher_Education.pdf).

### **State System Announces Cost-Saving Measures**

Pennsylvania's state-owned university system is freezing the salaries of 1,500 employees and will leave 128 job vacancies unfilled in response to a weakened state economy. Hiring of instructors will continue. The hiring freeze will cover the remainder of the current fiscal year, which ends June 30.

The Pennsylvania State System of Higher Education (PASSHE) Board of Governors in October agreed to a request by Governor Edward G. Rendell to set aside \$22 million in state funding the State System expected to receive this year. Those returned funds would help the Commonwealth address an expected \$1.6 billion budget shortfall in the current fiscal year. The \$22 million is equal to 4.25 percent of the nearly \$520 million PASSHE expected to receive as part of the 2008-09 state budget.

The Board also voted to request \$526.9 million from the state next year to help fund the operation of the 14 state-owned universities. The annual state appropriation provides about one-third of the funds needed to operate PASSHE universities. Student tuition and fees cover most of the rest. The funding request represents an increase of \$28.4 million, or 5.7 percent, over PASSHE's current base appropriation from the Commonwealth.

The Board of Governors will host a special budget workshop at its January meeting to further review its fiscal situation.



### CHIP Update

CHIP enrollment jumped to 182,418 in December, a 1 percent increase over the month. The program grew 9.8 percent over the year. There were 10,300 children enrolled in CHIP in December who would not have been eligible before Cover All Kids.

### Revenue Update; More Budget Freezes Announced

Pennsylvania collected \$2.1 billion in general fund revenue in December, \$156.6 million, or 6.9 percent, less than anticipated. Fiscal year-to-date general fund collections total \$11.2 billion, which is \$814.5 million, or 6.8 percent, below estimate.

In light of the revenue situation, Governor Rendell announced another \$128 million in budget cuts to fill the gap and also announced freezes to non-union state employee wages. Out-of-state travel was also curtailed.

In addition, Rendell announced a wage freeze for more than 13,600 non-union employees and directed 51 cabinet and executive officials to donate back, after state and federal taxes, the net amount of a 2.8 percent cost-of-living increase mandated by a 1995 law. The wage freeze will save \$14.3 million through the end of this fiscal year.

Rendell is proposing to close the projected \$1.6 billion deficit for the fiscal year ending June 30

without any new taxes. The governor's plan includes the following:

- \$464 million from the already announced budget cuts and other cost-saving measures, including a wage freeze and travel restrictions;
- \$36 million in budget cuts by the General Assembly and other independent agencies – reductions that have yet to be identified by those entities;
- \$375 million from a portion of the commonwealth's \$750 million Rainy Day Fund – which will safeguard the remaining half of the Rainy Day Fund to meet future economic challenges;
- \$174 million in income from the Marcellus Shale natural gas drilling leases;
- \$450 million in anticipated federal fiscal relief; and
- \$101 million in unused funds left over in state accounts from prior-year budgets.

The governor will make his annual budget address on Feb. 3.

### Session Update

Members of the House and Senate were sworn in on Tuesday, January 6. The Senate is scheduled to be in session January 20 (non-voting), 21 (non-voting), 26, 27, 28. The House is scheduled to be in session on January 26, 27, and 28.

## Federal Update

### PPC President Urges for Economic Recovery Package

On Dec. 18, PPC President Joan Benso joined Americans United for Change and others at the Pennsylvania Capitol in urging for \$100 billion in stimulus relief that will provide real solutions to our short and long-term economic challenges. Congress, which convenes this month, must act quickly to pass economic recovery legislation to help families and state governments deal with the recession.

The legislation must provide well-designed economic stimulus and relief for low-income children and

households hit hardest by the recession. It must include measures that will help stave off large increases in severe poverty and that most effectively stimulate the economy. Nationally, the unemployment rate in November rose to 6.7 percent. Pennsylvania's rate has been at or below the national level for 69 of the past 71 months.

Pennsylvania, like 43 other states, faces budget shortfalls for this year and/or next year. In our case, the estimate is as high as a \$1.6 billion shortfall at the conclusion of the fiscal year June 30. Because states generally must pass balanced budgets, the



slowdown in revenues and the increased demand for safety net programs will force many states to make difficult choices in the months ahead.

“A minimum of \$100 billion must be provided to the states over the next two years. The lion’s share of state fiscal relief should come through a temporary increase in the federal share of Medicaid funding,” Benso said. “This will provide states with funds to meet rising health care costs and protect Medicaid coverage for eligible children, elderly, people with disabilities and others. The enhanced federal share of Medicaid also should extend to the matching rate for federal child welfare funding.”

Congress also must include in the recovery legislation increases in critical federal programs including food stamps, unemployment insurance, child care assistance, housing vouchers and more.

Benso urged Congress to take decisive action to reauthorize the State Children’s Health Insurance Program. SCHIP provides general programmatic guidance and funding for state CHIP programs. Parents who are in the eye of the current economic storm need the assurance that their children are covered with health insurance. And Pennsylvania needs the assurance that the federal plan will continue to support CHIP, a successful partnership between the federal and state governments.

Children who have health insurance coverage are more likely to be immunized, to have an ongoing relationship with a primary care physician and to receive appropriate care for chronic medical conditions. In addition, health coverage is strongly linked to academic success. Congress passed reauthorization bills with strong bipartisan majorities in 2007, but they were ultimately vetoed. The vetoed bills must be considered and enacted, with a few improvements, before the program expires March 31.

You can read more on this topic in Joan Benso’s OP-ED to the Patriot-News at [http://papartnerships.org/pdfs/news\\_clip\\_122208.pdf](http://papartnerships.org/pdfs/news_clip_122208.pdf)

### Nation's Unemployment Rate Rises to 6.7%

New figures from the Labor Department show a much sharper worsening of employment conditions than economists expected. Some 533,000 nonfarm jobs were eliminated in November, the most in one month since the mid-1970s, and figures for the prior two months were revised upward by 199,000. The unemployment rate rose two-tenths of a point to 6.7 percent in November; it would have been even higher if large numbers of discouraged workers had not given up looking for work.

### Most States Face Education Cuts

According to the Center on Budget and Policy Priorities, 27 states have made cuts to their education budgets because of the weakened economy. Education is by far the largest component of state budgets. Some 46 percent of all state general fund expenditures is devoted to elementary, secondary, and higher education.

Florida, for instance, has cut funding by \$130 per pupil. Massachusetts enacted budget freezes to Head Start, universal pre-kindergarten programs, and early intervention services to help special needs children develop appropriately and be ready for school. In addition to cuts announced in October by Gov. Rendell, Pennsylvania also joins other states in cuts made to higher education.

For more information, visit the Center’s web site at [www.cbpp.org/12-17-08sfp.htm](http://www.cbpp.org/12-17-08sfp.htm).

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