

State Update

2009/10 Rendell Budget Summary

Governor Ed Rendell announced his executive budget for FY 2009-2010 before a joint session of the General Assembly Feb. 4. The Governor noted that Pennsylvania is facing challenges not seen since the Great Depression. The recession dramatically influenced the Governor's executive budget. The proposal cuts and eliminates a number of state programs, but it still manages to prioritize key investments in vital programs, particularly those that benefit children.

According to the executive budget, the Commonwealth should end the fiscal year on June 30 with a deficit of \$2.3 billion. The Governor's plan would close the gap through a combination of federal fiscal relief, frozen funding for certain programs, tapping the Rainy Day Fund, and other means. According to documents supporting the executive budget, the \$26.6 billion proposal is a decrease of \$64.5 million from the current fiscal year appropriation.

More than \$400 million has been frozen in the current fiscal year as revenues have dropped sharply due to the ongoing recession. The salaries of all executive and non-union employees have been frozen. While there is no general tax increase, the

executive budget includes a proposal to increase the cigarette tax by 10 cents, a proposal to tax smokeless tobacco and cigars, and a new tax on the extraction of natural gas. There are no proposed increases in sales tax, income taxes or corporate taxes.

Below are areas of importance to Pennsylvania Partnerships for Children:

Education

- The 2009/10 budget will increase basic education by \$300 million to total \$5.864 billion. The increase will continue to address the education funding adequacy gap cited in the General Assembly's 2007 Costing-Out study.
- The Accountability Block Grant and the Education Assistance Program will be funded at \$271.4 million and \$65.1 million respectively. Both programs will be rolled into the basic education funding base.
- Special Education will receive no increase in state funds due to an expectation of significant federal support through the economic stimulus package.
- The expansion of Pre-K Counts by \$8.6 million will allow an additional 1,000 children to benefit from this proven program.

Published by Pennsylvania Partnerships for Children, a strong, effective, and trusted voice to improve the health, education, and well-being of the Commonwealth's children. Joan L. Benso, President and CEO.

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- The budget calls for \$39.5 million for the Head Start Supplemental Assistance program. The 2009-10 funding will make it possible to enroll 5,620 children ages 3 and 4.

Higher Education

- The Governor introduced a college aid tuition plan, the Pennsylvania Tuition Relief Act, that would provide assistance to families earning less than \$100,000 a year through a last-dollar scholarship model. The Governor proposed to pay for the aid by allowing thousands of bars, taverns and private clubs that have state liquor licenses to each have up to five video poker machines.
- The proposed budget includes continuing \$10 million in funding for dual enrollment.
- Governor Rendell also proposed \$130 million for capital projects at the 14 universities that make up the State System of Higher Education, and \$100 million for projects at four state-related schools – Pitt, Penn State, Temple and Lincoln universities.
- The budget proposes to restore \$35 million in cuts that would have occurred next year because of reductions to aid programs run by the Pennsylvania Higher Education Assistance Agency.
- The proposed budget restores current fiscal year budget freezes for the Pennsylvania State System of Higher Education institutions and funds them at \$519 million; increases community college funding by \$5 million and continues to fund state-related institutions at the current available funding level.

Health Care

- The budget includes \$407 million in state and federal funds for Cover All Kids, an increase of 13 percent, to provide affordable health care for 206,836 low-income children.
- The 2009-10 budget proposes to expand the adultBasic insurance program to provide affordable basic health care for an additional 50,000 uninsured adults, many of whom are parents of children enrolled in CHIP.

Child Care

- The budget includes \$792.1 million in state and federal funds, which includes funds for an additional 3,700 children in child care subsidy and resources to continue quality initiatives like Keystone STARS and TEACH.

Child Welfare

- The budget restores \$11 million in budgetary reserve funds that will be coupled by an additional \$9 million to advance performance-based contracting with counties to help safely reduce the number of children in placement by 20 percent by 2010.
- The budget includes an increase in funding of \$295,000 to support family centers. Nurse Family Partnerships was level-funded.

Early Intervention

- The budget calls for \$323.8 million for Early Intervention. This increase will serve an additional 2,980 children birth to 5 with developmental delays.

You can review the Governor's full budget at www.governor.state.pa.us.

House and Senate Committee Rosters Available

As PPC addresses key issues such as high quality public education, child welfare, children's health, early childhood education and afterschool and youth development issues, we often work with key committees in the House and Senate. In the House these committees include the Education, Children and Youth, Judiciary, Health and Human Services, Appropriations and Labor Relations committees. To view the rosters of these and other House committees, visit http://www.legis.state.pa.us/cfdocs/legis/home/member_information/representatives_sc.cfm. In the Senate, the key committees include Aging and Youth, Education, Appropriations, Judiciary and Public Health and Welfare and Labor and Industry



committees. To view Senate committee rosters, visit http://www.legis.state.pa.us/cfdocs/legis/home/member_information/senators_sc.cfm.

PPC Sets Policy Goals for 2009-2010

PPC has unveiled its public policy goals for 2009-2010 including children's health, child welfare, early care & education, high quality public education, and afterschool and youth development.

Learn more at:

www.papartnerships.org/capitol_agenda.asp

Then, sign up to be part of our advocacy network and receive timely updates and alerts on ways you can support Pennsylvania's children!

<http://qa3.org/joinppc/join.tcl>

PAready@21

College Costs in PA Sixth Most Expensive in Nation

Three-quarters of the jobs of the future require postsecondary education, but less than half of today's workforce has the skills and education to fill the jobs. While postsecondary education is a goal for many students, college is financially out of reach for many Pennsylvania families.

Statewide, about 265,000 people of college age – 18 to 21 – live in families with annual income less than \$41,000 for a family of four. Lower income families must dedicate a higher percentage of their annual income to pay for school than moderate and higher income families.

Before student loans, families making \$20,000 or less with a dependent student attending a

Pennsylvania State System of Higher Education (PASSHE) institution must devote an average of 73 percent of their income to pay for college. Families making \$60,000 with a dependent student attending a PASSHE school must pay almost one-quarter of their income in college costs.

Loans are a necessity for many college students to attend college, but they can be a financial burden. In 2007, 71 percent of college students in Pennsylvania graduated with an average loan debt of nearly \$24,000.

As part of PPC's PA Ready@21 initiative, we released *The High Cost of Higher Education*. In the report, we highlight the importance of a postsecondary education for family-sustaining jobs, assess the cost and affordability of higher education in Pennsylvania, and make policy recommendations to make postsecondary education more affordable. The policy recommendations include two models: last-dollar scholarships (after all other forms of financial aid have been exhausted) for low-income students, and alignment of college costs with family incomes by establishing a share of tuition based on family income. The report can be found at www.papartnerships.org/collegeafford.

Many Students Unprepared for College

One in three Pennsylvania high school graduates who enrolls in a state-owned university or community college cannot pass a first-year college math or English course, and the failure of our high schools to prepare those students costs taxpayers more than \$26 million annually, according to research presented last month to the State Board of Education.

Education Secretary Gerald L. Zahorchak said the findings show the commonwealth must do more to better prepare its graduates, including implementation of statewide graduation requirements.

The research presented to the State Board of Education examined course enrollment trends at the state's 14 community colleges and the 14 institutions in the Pennsylvania State System of Higher Education in 2006-07. The data, provided by



PASSHE and the community colleges, shows that during the 2007-08 school year alone:

- 20,465 of the 62,247 recent Pennsylvania high school graduates who enrolled in state system institutions or community colleges required one or more remedial courses in core academic subjects so they could catch up to their college-level peers.
- Those students enrolled in a total of 37,311 of these remedial courses at the college level.
- The students requiring these additional courses came from 522 local education entities, including school districts, charter schools and vocational/technical schools.
- The cost of those courses totaled nearly \$26.5 million – an average of about \$1,300 per student.
- While students themselves incurred about \$12.8 million of these additional coursework costs, the remainder of the costs were paid by taxpayers at the local and state levels.

Secretary Zahorchak said the remediation data is further proof of the need to implement statewide graduation requirements to ensure all graduates have the academic skills needed to compete at the college level. The State Board of Education has a critical role in reviewing and adopting graduation requirements.

While Pennsylvania has statewide academic standards that define what students should know in each grade, each of the state's 501 school districts sets its own requirements for earning a diploma. To see how graduates from your district ranked, visit http://www.pdenewsroom.state.pa.us/newsroom/lib/newsroom/Remediation_Report.pdf.



Number of Uninsured People in PA Climbs

The state Dept. of Insurance released a report that shows that the number of Pennsylvanians without health care coverage tops one million.

Adults are more likely than children to be uninsured, and this shows up in the fast-growing waiting list for the adultBasic program, which provides subsidized health coverage to adults who have been uninsured for at least six months. The waiting list for adultBasic is projected to climb to 282,000 by June. The list currently stands at 183,000.

Only 5 percent of children, up to age 18, are uninsured, compared to 12 percent of adults 19-64. Thanks in large part to CHIP and Medical Assistance, all Pennsylvania children have access to health care coverage. The CHIP program illustrates how public-private partnerships can work to provide coverage.

Pennsylvania's overall uninsured rate – at just over 8 percent – continues to be better than the 15.8 percent national average, but the trends are heading in the wrong direction.

To view the full report of the number of uninsured children and adults by county, please visit <http://www.ins.state.pa.us/ins/cwp/view.asp?Q=549713&A=11> and click on View Reports.

New Guidelines Aim to Speed Up School Enrollment

New guidelines issued by the Dept. of Education will make it easier for new students to enroll in school. The guidelines require students to be enrolled within five school days after a district receives proof of residency, age and immunization records. They also prohibit districts from demanding a student's Social Security number or immigration status as a condition of enrollment.

The change comes after The Education Law Center in Philadelphia asked the department last summer to examine whether enrollment policies in some districts were too strict.

This decision is especially helpful to some 20,000 children who encounter Pennsylvania's foster care system at any given time. They often have several placements throughout their experience with the



system. This often makes their enrollment in school difficult. More than 30 percent of all children who spend between 12 and 24 months in foster care experience three or more foster care placements. The repeated movement can create distress and upheaval in their lives.

The department said the guidelines are not mandatory, but are a suggested approach for schools.

PA Supreme Court Adopts New Rules to Put Appeals of Children's Cases on Fast Track

The Supreme Court of Pennsylvania recently adopted a comprehensive set of rules changes to expedite children's cases involving dependency, custody, adoption, termination of parental rights and paternity. The changes will move children's appeals faster as they go from county trial courts to review in the Superior Court and the Supreme Court.

Among the children the proposal is intended to help are victims of abuse or neglect who've been removed from their parents under court order and are living in foster care or in other temporary homes. The changes also impact children awaiting adoption while legal disputes play out over parental rights. Still other children are at the center of custody battles between litigious parents.

Under the new rules, all fast track cases would be identified with the notation "Children's Fast Track" in red ink to ensure that these cases are not overlooked in docketing or in the filing process. The Superior Court and the Supreme Court would be given special notice of fast track appeals. The Children's Fast Track cases will be subject to compressed filing deadlines from the first notice that a trial judge's ruling is to be appealed and at each step of the appeals process thereafter.

CHIP Update

CHIP enrollment jumped to 183,891 in January, a .8 percent increase over the previous month. The program grew 10.1 percent over the year. There are 10,744 children enrolled in CHIP in January who

would not have been eligible before Cover All Kids was implemented.

Revenue Update

Pennsylvania collected \$2.2 billion in general fund revenue in January, \$261.7 million, or 10.7 percent, less than anticipated. Fiscal year-to-date general fund collections total \$13.3 billion, which is \$1.1 billion, or 7.5 percent, below estimate.

Session Update

Both the House and Senate are scheduled to be in session February 9-11.

REGISTER NOW!

March 8-9, 2009

"Getting Everyone Covered" Conference in Harrisburg

This is the year of opportunity for health system reform. Policymakers at the national and state levels are focusing on the need to broaden access, bring rising costs under control, and build a sustainable health system that serves us all.

Getting Everyone Covered will bring together policymakers, advocates and citizens who want to fix our health care system. Speakers will include a representative from President Obama's Administration, PA Insurance Commissioner Joel Ario, Senate Public Health and Welfare Committee Chairman Ted Erickson, Pinnacle Health Chief of Endocrinology Dr. Renu Joshi, and others. Also invited are Governor Ed Rendell and Senators Arlen Specter and Bob Casey.

The conference begins Sunday evening, March 8, with a reception at 7 p.m. The formal conference program begins at 10 a.m. Monday, March 9. You may register for the entire event or for either day. The cost for the entire event is only \$25 per participant.

[CLICK HERE](#) to view the entire conference program and to register.



Federal Update

SCHIP Reauthorization Enacted

On Feb. 4, President Obama signed SCHIP reauthorization into law. The measure reauthorizes SCHIP through federal fiscal year 2013 and provides sufficient funding to insure approximately 4 million children nationwide who are currently uninsured.

The reauthorization law also guarantees dental coverage for SCHIP enrollees, strengthens the program's financing structure to ensure greater stability for state CHIP programs, offers grants for outreach activities, and begins a new child health quality initiative. The new law also eliminates the five-year waiting period for legal immigrant children and pregnant women, granting this population access to much-needed health care through Medicaid and SCHIP.

According to an analysis performed by the Congressional Research Service, Pennsylvania could receive a \$312.5 million allotment in 2009 under the law. This is an 87 percent increase compared to our 2009 federal allotment of \$167 million under current law.

The House passed the legislation Feb. 4 by a vote of 290-135, with 8 members not voting. In terms of the PA delegation, Representatives Altmire, Brady, Carney, Dahlkemper, Dent, Doyle, Fattah, Gerlach, Holden, Kanjorski, Patrick Murphy, Tim Murphy, Murtha, Platts, Schwartz, Sestak, and Thompson voted for the bill. Representatives Pitts and Shuster voted against it. The Senate passed the legislation Jan. 29 by a vote of 66-32, with one member not voting. Of interest, Senators Casey and Specter voted for the measure.

In 2007, Congress passed two reauthorization bills with broad bipartisan support, but both bills were ultimately vetoed. Congress and the president ultimately agreed to extend the program through March 31, 2009.

“This marks a great milestone for children’s health coverage,” said Joan L. Benso, president and CEO of PA Partnerships for Children. “The Commonwealth has the assurance that the successful federal-state partnership that has made Pennsylvania a leader among states when it comes to access to children’s health coverage will continue. With the federal reauthorization law now in place, Pennsylvania families have the assurance that CHIP is there when they need it.”

House Economic Recovery Package Approved and Sent to Senate

On Jan. 28, the U.S. House of Representatives approved the American Recovery and Reinvestment Act, H.R. 1. The economic recovery package was approved by a vote of 244 to 188, largely along party lines.

In terms of the PA delegation, Congressmen Altmire, Brady, Carney, Dahlkemper, Doyle, Fattah, Holden, Patrick Murphy, Murtha, Schwartz, and Sestak voted for the bill. Those voting against the bill were Congressmen Dent, Gerlach, Kanjorski, Timothy Murphy, Pitts, Platts, Shuster and Thompson. The House package contains a combination of economic stimulus measures and tax cuts costing \$825 billion. The package provides significant, but temporary, support engineered to jumpstart the sagging economy. The package also recognizes the struggle that nearly all 50 states are experiencing with their budgets, and provides funds directly to states to help them continue to provide critical government services, such as education and health care.

The Senate is currently debating its version of the economic recovery package on the floor. S.B.1, the American Recovery and Reinvestment Bill of 2009, was passed by the Senate Finance Committee Jan. 27 in a 14-9 vote. Reports suggest that the chambers will work out the differences between the



two bills in a conference report. The self-imposed goal is to send the economic recovery package to President Obama's desk by Feb. 16.

Both measures contain crucial investments and financial supports that will help vulnerable Pennsylvanians weather the recession and enable state governments to maintain their investments in human services and education. With Governor Rendell now reporting that Pennsylvania's state budget shortfall for the current fiscal year is estimated to reach \$2.3 billion and reports from State Rep. Dwight Evans (Chairman of the State House Appropriations Committee) that that two-year budget deficit will top \$5.5 billion, funds proposed in both the U.S. House and Senate economic recovery packages will be key to maintaining Pennsylvania's commitment to children, long-term economic growth and supports for low-income families.

To access the most up-to-date estimates (as of our deadline) on how the economic recovery packages could help the Commonwealth and its residents in the areas of Medicaid, state budget stabilization, education, child care, unemployment insurance, job training, food stamps and the child tax credit, click here: <http://www.cbpp.org/1-22-09bud.pdf>.

Conference on Children and Youth

In January, Congressmen Chaka Fattah and Todd Platts reintroduced a bill (H.B. 618) to re-establish a White House Conference on Children and Youth in 2010.

Critical issues such as health care and education must be a priority in addressing the nation's most vulnerable citizens. Statistics from the Child Welfare League of America show that nationwide, more than 12 million children live in poverty. Almost 9 million children are without health care and it is estimated that some 900,000 have been abused or neglected.

Senator Mary Landrieu (D-LA) is expected to reintroduce the Senate bill, which last year had the cosponsorship of Sen. Bob Casey.

Although the legislation calls for a conference at some point in 2010, work before a conference would include meetings and sessions nationwide involving communities, states, and organizations wanting to focus attention and potential solutions on their most vulnerable families and children. The legislation is almost identical to last year's bill.

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