

## Federal Update

### U.S. House and Senate Moving Separate Budget Bills

On March 16, the Senate passed a budget resolution for FY 2007. An amendment co-sponsored by Sen. Arlen Specter provided an additional \$7 billion over the President's budget request, allowing Congress to fund the programs under the jurisdiction of the Labor-HHS-Education Appropriations Subcommittee bill at the level enacted two years ago, in FY05. In its budget, the Senate declined to force more cuts in entitlement programs (such as Medicaid, Medicare and Food Stamps) through the filibuster-proof reconciliation process.

The U.S. House Budget Committee approved a budget resolution March 29 that would provide \$10.3 billion less for domestic discretionary programs – including education, child care, health care and nutrition funding – than is needed to ensure that these programs keep pace with inflation in FY 2007. A vote on the House budget resolution could take place this week.

Over five years, the cuts to the annually-appropriated programs would swell to \$167 billion. This reduction means that services important to the health and well-being of Pennsylvania's children would have to be reduced or fewer children and families could be served. Domestic discretionary programs include education, job training, social services, housing, Head Start, and Women, Infants and Children (WIC) nutrition aid, among many others.

The House resolution also calls for \$6.8 billion in entitlement reductions over five years. This would be offset by \$1.7 billion in increased entitlement spending for a net of \$5.1 billion in cuts over five years. According to the Center on Budget and Policy Priorities, though the size of the cuts is not significant, a great deal of damage could be done to programs through the reconciliation process.

Of interest, a group of 23 House Republicans sent a letter to U.S. House Speaker Hastert, urging the Speaker to support increasing domestic discretionary spending. PA Representatives Platts, Weldon and Gerlach were signatories on the letter. In addition, Pennsylvania's Todd Platts joined with Rep. Lynn Woolsey of California in drafting a bipartisan "Dear Colleague" letter asking fellow House members to join them in requesting a \$540 million increase in discretionary Child Care Development Block Grant (CCDBG) funds for FY 2007 from the House

Appropriations Committee. Rep. Tim Holden – D; Rep. Chaka Fattah – D; Rep. Michael F. Doyle – D; Rep. Allyson Schwartz – D; Rep. Mike Fitzpatrick – R; and Rep. Tim Murphy – R signed onto the letter.

Last week PPC joined with fellow children's and family advocates in asking Pennsylvania's

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members of the U.S. House to add more domestic discretionary spending to the budget or oppose the

resolution. As noted above, a vote on the resolution is expected this week. Be sure to check our web site at [www.papartnerships.org](http://www.papartnerships.org) for updates.

## State Update

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### **A Plan to “Cover All Kids”**

State Sen. Robert J. Mellow announced that he will introduce legislation in the Senate aimed at reducing the number of children without medical insurance.

The “Cover All Kids” initiative, which was unveiled by Gov. Ed Rendell during his FY 2006-07 budget address, will use state and federal dollars to expand the existing CHIP program to provide affordable, comprehensive health care coverage to all children in the Commonwealth. More than 133,000 children in PA are uninsured.

Gov. Rendell’s proposed budget commits \$4.4 million in state funds and provides for a waiver through the federal government for an additional \$10.2 million to cover the cost of the program.

“Cover All Kids” will assist parents of children whose combined family income exceeds the income eligibility limits of CHIP, yet cannot afford to purchase insurance for their children. As reported previously in CapWatch, children under 200% of poverty will be eligible for CHIP free of charge, while children in families up to 350% of poverty will be able to buy into the program at low cost with estimated premiums between \$23 and \$32 per month. Children living in families above 350% poverty will be able to buy into the program at the estimated cost of \$143 per month.

### **2007 PA Budget Moving**

The Pennsylvania House of Representatives is expected to consider HB 2499 early this month. The measure is the House version of the 2006-2007 general fund budget. The measure does not include any of Governor Rendell’s proposals for new and expanded programs. The bill reflects the current fiscal year budget with a few adjustments. We expect numerous amendments to be offered on the House floor prior to final passage. Be sure to check our web site at [www.papartnerships.org](http://www.papartnerships.org) for updates.

Following final action in the House, the measure will move to the Senate for further consideration and debate. Under the Constitution of Pennsylvania, the General Assembly must pass a general fund budget by the close of the fiscal year on June 30, 2006.

### **“Ounce of Prevention” Heading to Governor**

The House and Senate recently passed HB 200, sponsored by Rep. Phyllis Mundy (D-Luzerne). The measure establishes the Ounce of Prevention grant program to fund community-based efforts to provide home visits for at-risk families and young children. The home visits promote parenting skills, child health and safety, school readiness and family self-sufficiency. Mundy said early-intervention programs that help parents with children between birth and age 5 can play a significant role in helping parents master the skills needed to care for their children, and help kids prepare for school, stay healthy and avoid juvenile delinquency. These programs also help direct families to other state, local and federal resources that are available. The measure now moves to the Governor’s desk for final action.

### **Hearing on Earned Income Tax Credit**

The House Finance Committee held a public hearing recently to discuss an Earned Income Tax Credit. During testimony by the PA Department of Revenue, officials noted that replacing PA’s Tax Back program with an EITC could leave many low-income households worse off than they are already. Revenue officials testified that some senior citizens and families with more than two children could lose some of the benefits provided under the current program. Revenue noted that giving taxpayers the option of using whichever program (an EITC or Tax Back) results in the greater credit would be helpful, but difficult to administer.

### Budget Briefings on Tap

Budget Secretary Michael Masch and Department of Public Welfare Secretary Estelle Richman will hold joint briefing sessions across the state on the proposed budget for FY 2006-07. Secretaries Richman and Masch will review key elements of the Governor's proposed 2006-07 budget, such as:

**Pennsylvania Cares.** This proposal includes:

- All Kids," which provides access to affordable and comprehensive health care coverage for uninsured children, and has first-year costs of \$4.4 million in state funds and \$10.2 million in federal funds for 15,000 children;
- PACE Plus Medicare, a \$244.8 million initiative to fund a comprehensive state pharmaceutical benefit that complements Medicare Part D and ensures that PACE enrollees will not incur increased out-of-pocket costs; and
- A child care initiative that will provide \$663.4 million in combined state and federal funds – an increase of \$112.3 million, or 20 percent – to expand services to 17,000 more children, improve the quality of early learning experiences, provide for a 2 percent cost-of-living adjustment and maintain current programs.

**Investing in the Future.** With a \$601 million increase in total education spending, this initiative includes:

- PreK-12 Education – \$8.6 billion in total, a \$517 million (6.4 percent) increase;
- Classrooms for the Future – \$20 million for a new multi-year program to place Internet-equipped laptop computers on each student's desk in mathematics, science, English and history high school classrooms and provide multi-media technology for teachers; and
- The public library subsidy – a \$14.1 million increase to \$75.5 million, the largest amount ever appropriated by the commonwealth in support of public libraries.

The meeting dates are as follows:

*Friday, April 21*

**Scheduled to attend:** PA Welfare Sec. Estelle Richman & PA Budget Sec. Michael Masch

**Location:** Allentown Jewish Community Center; 702 N. 22nd Street, Allentown

**Time:** 9:00 am – noon

*Wednesday, April 26*

**Scheduled to attend:** Sec. Richman and Sec. Masch

**Location:** Regional Enterprise Building; 425 Sixth Ave., 31st floor, Pittsburgh

**Time:** 8:45- noon

### Learning More about High School Dropouts

On March 29, the House Education Committee held an informational meeting in Philadelphia on high school dropouts. PPC President and CEO Joan Benso testified before the panel. Benso informed the Committee that PPC launched the Pennsylvania Ready By 21™ Coalition to promote youth-centered public policies and programs designed to ensure that all Pennsylvanians aged 12-21 have equitable access to high-quality education and support services.

Benso stressed "we must take steps not only to improve our data collection systems, but improve our understanding of why young people leave high school and base our reform efforts on keeping them in school and better preparing them for what comes next." She urged policymakers to help prevent dropouts by building a school climate that fosters academics, gives students meaningful opportunities to explore career interests and creates strong relationships between students and at least one involved and engaged adult. Benso also shared suggestions for high school reform with the Committee, including modifying career guidance systems, fostering smaller learning environments, assuring multiple pathways for high school completion, and fully aligning state standards and local assessment along with interim benchmarks.

Other organizations testifying at the meeting included the PA Department of Education, Philadelphia School District, The Philadelphia Education Fund, the

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Philadelphia Youth Network, Philadelphia Citizens for Children and Youth, and Chester County Middle College High School.

The House Education Committee is considering legislation, HB 1729, that requires exit interviews for students who withdraw from school.

### **Early Childhood Day of Action**

Early childhood education teachers, child care providers, professional associations, advocates, and parents will converge on PA's Capitol Hill May 2 to present a united voice for support and expansion of early childhood education and care investments in Pennsylvania. Visits to House and Senate representative's offices will include delivering messages from QUEST's Reaching for the STARS campaign. The messages, printed on yellow stars from parents, children, and staff in early childhood programs, will describe how much they value the state's investment in high-quality programs for young children.

A media event is scheduled for the early afternoon in which speakers will stress the importance of expanded investments in Keystone STARS, child care subsidies for low-income, working parents, and pre-K & Head Start. Sponsors of the event include PA QUEST, Philadelphia Citizens for Children and Youth, Delaware Valley Association for the Education of Young Children, Pennsylvania United Child Care Union, Pennsylvania Child Care Association, Pennsylvania Partnerships for Children, and others.

For more information, please contact Lee Weal (lee@dvaeyc.org) or call DVAEYC at 215-963-0094.

## **Education Update**

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### **Chapter 49 Teacher Certification**

The public is invited to present testimony on changes to the Chapter 49-2 Certification of Professional Personnel.

Of note to early childhood and other education professionals are sections that speak to certification and

### **Insurance Responsibility in PA**

State Reps. Kathy Manderino and John Taylor announced plans April 3 to introduce bipartisan legislation that would force large corporations in Pennsylvania to pay their fair share of health-care expenses for employees and their families.

The legislation (H.B. 2495) would create the Health Care Accessibility/Insurance Responsibility Act to ensure that working Pennsylvanians have adequate health-care coverage. Under this act, for-profit businesses that employ 10,000 or more people would be required to invest at least 9 percent of payroll funds into health-care coverage for employees. Nonprofits employing 10,000 or more people would have to invest at least 7 percent. On average, Pennsylvania employers spend 9.9 percent of payroll on health care for their workers.

Employers who do not comply would be required to reimburse the state for any of the amount not covered.

These reimbursements would be put into a "Fair Share Health Care Fund" and used to subsidize the state's Medical Assistance, Children's Health Insurance Program, and adultBasic insurance programs.

The monthly insurance coverage fees are often higher than workers' take-home pay, which forces many of them to apply for public health assistance. Additionally, because many employers only offer coverage a year or two after initial employment, some are left in a gap where they have no insurance at all.

training for pre-K through high school teachers, as well as continuing education of staff focused on educating students with disabilities and English language learners in inclusive settings.

The proposed changes would tier certification, with no overlap in grades or age. Teachers working with children in pre-K through third grade would seek Early Childhood

certification. Elementary/Middle certification would cover students grades four through eight with Secondary certification covering grades seven through 12. Proposed changes in Special Education certification would more closely align the certification to the age and grade groupings of the general certifications. Teachers interested in a special education specialty would seek one of three age/grade focuses: Special Education/Primary (Pre-K through eight) with Early Childhood (Pre-K through third); Special Education/Middle (Pre-K through eight) with Elementary/Middle (grades four through eight); or Special Education/Secondary (grades seven through 12) with a content certificate.

The proposed changes in the regulations also address the increased formal partnerships between school districts and community-based organizations to provide pre-K programs. The new regulations include providing community-based teachers professional education opportunities and describe teacher qualifications for programs collaborating with schools to provide pre-K programs. Teachers in community-based pre-K partnerships will need to possess a minimum of an associate's degree in early childhood education or child development. Within five years from the date of the partnerships, all pre-K teachers would need to be certified in Early Childhood Education.

The provisions apply to new instructional certificates issued after Jan 1, 2010 for the ECE certificate (elementary ed/middle school, etc.) The community provider provision is applicable once the regulations go into effect. Current teachers in PA public schools and teachers in training were grandfathered.

These changes will increase the focus of training for teachers in pre-K through third grade on child development, literacy, and language acquisition. This matter is in its first stage – before the Chapter 49 Committee – not the full State Board.

The proposed regulations are available on the State Board of Education's page on the Pennsylvania Department of Education's web site. Notice of the hearings and instructions on how to register to present testimony are also available on the site at ([http://www.pde.state.pa.us/stateboard\\_ed/](http://www.pde.state.pa.us/stateboard_ed/))

The following hearing dates are scheduled:

April 28 – 10:00 a.m.  
Chester County Intermediate Unit,  
Downingtown

May 2 – 10:00 a.m.  
Department of Education,  
Harrisburg

### **Pre-K Regs Approved**

The State Board of Education gave preliminary approval to the state's first pre-K regulations at its meeting in Harrisburg on March 16. The regulations now begin the regulatory review process, during which they will be subject to public comment and review by the House and Senate Education Committees and the Independent Regulatory Review Commission.

The regulations, which amend three chapters of the Board's regulations, specify class size limits (no more than 20 children to 2 adults); require at least half-day programs for the full school year; set education requirements for paraprofessionals (see discussion of Chapter 49 for teacher requirements); and require the provision of comprehensive services to pre-K students. District strategic plans will be required to include plans for pre-K to kindergarten transition and connections to early intervention programs for young children with disabilities.

The proposed regulations require the Secretary of Education to provide districts with academic standards for pre-K and information about developmentally-appropriate curriculum, instruction, and assessments. However, the regulations do not require school districts to offer pre-K programs and do not require parents to send their children to pre-K.

A special Committee of the Board, chaired by Edward Donley, a member of the PPC Board, developed the regulatory proposal over the past year and a half.