

State Update

News from the Pennsylvania School Funding Campaign

As a member of the Pennsylvania School Funding Campaign, PPC's President and CEO Joan L. Benso has embarked on an editorial board tour this spring with other members of the Campaign to ask for editorial endorsement of the governor's 2008-09 basic education funding proposal which includes an increase of 5.9 percent, or \$291 million. The teams are meeting with editors and education reporters from newspapers including, but not limited to, The Philadelphia Inquirer, the *Pittsburgh Post-Gazette*, the *Harrisburg Patriot-News*, *Allentown Morning Call*, *Scranton Times*, *Lancaster Intelligencer Journal* and the *Reading Eagle* to ask for support and to present the Campaign's recommendations (*See below*).

The PA School Funding Campaign (PSFC) supports the Governor's 2008-09 basic education proposal because it provides an historic investment in the state share of public education and is a critical first step toward a multi-year effort for reforming the funding system based on the essential principles of equity, adequacy, efficiency, accountability and predictability. The Campaign also supports the following four recommendations to be included in the final

2008-2009 budget to ensure that the Governor's proposal aligns more closely with the Campaign's goals and principles.

PSFC recommends to the Administration and to the Legislature:

- 1) At a minimum, maintain state support at the full aid ratio share for all school districts.
- 2) Account for special education students and funding for their programs consistent with the Costing-Out Study.
- 3) Increase transition assistance from 1.5 percent to 2.0 percent, at a minimum.
- 4) Apply revised accountability provisions only to school districts not making Adequate Yearly Progress (AYP).

The goals of the Pennsylvania School Funding Campaign are:

- 1) To implement and fully finance by 2013 a comprehensive, systemic and sustainable education funding plan based on the core principles of adequacy, equity, efficiency, accountability and predictability, and
- 2) To allocate sufficient funds in the FY 2008-2009 budget to make a significant start toward implementation of a new school funding formula based on the state's Costing-Out study.

continued on page two

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.

| | |
|-----------------------------|----------|
| Inside This Issue | |
| Federal Update | 5 |



State Update continued from page one

Visit www.paschoolfunding.org to learn more about the Pennsylvania School Funding Campaign, and to become a partner in the efforts.

In other news, the Campaign surveyed all 2008 primary election candidates for the Pennsylvania Senate and Pennsylvania House of Representatives. Candidates were asked about the strengths and weaknesses of the state's current education funding system, the adequacy of educational resources, funding for early childhood education, and the educational opportunities they feel should be available to every Pennsylvania child.

Read what the candidates had to say about public education funding in Pennsylvania:

<http://www.paschoolfunding.org/2008primary/index.shtml>

PA House Approves Sweeping Health Plan

The House adopted a strong legislative proposal to extend more affordable health coverage to hundreds of thousands of uninsured adults. The Pennsylvania Access to Basic Care (ABC) program would offer subsidized coverage to adults earning up to 200% FPIG and allow adults earning up to 300% FPIG to buy coverage at the Commonwealth's cost. Special exceptions identical to those in the Commonwealth's CHIP program would allow adults with incomes above 300% FPIG to buy into the program.

PA ABC would expand upon the current adult Basic benefits to include eligible working people and also add prescription drug coverage, behavioral health services, wellness care and disease management. The program would employ a six-month go-bare period.

The plan would be funded by a mix of premiums paid by individuals and employers, funding from the legislature, tobacco settlement funds, federal matching funds and extra funds from the Health Care Provider Retention Account after all unfunded liability payments from the Account have been fully paid.

PA ABC includes small employer coverage options and would give grants to small employers who offer health insurance coverage to their low-income workers.

The measure, SB 1137, now moves to the Senate for concurrence in the House amendments to the Senate bill.

No PA Rebate for Poor

Gov. Rendell shelved his plan last month to give rebates of up to \$400 for nearly 475,000 low-income Pennsylvanians this year because of strong legislative resistance. The rebates would have been in conjunction with the federal rebates approved by Congress and Pres. Bush in January. But Rendell said he did not have the support of the PA General Assembly because the rebate plan did not reach enough people, particularly the middle-class.

Federal rebates are to be mailed to qualified households beginning in May.

CHIP Enrollment Continues to Climb

CHIP enrollment increased to 169,828 in March. Free CHIP was up by more than 700 to 148,385, the highest it's been since August 2007. Reduced-Cost CHIP grew to 20,291 and At-Cost CHIP was up to 1,152. There were 6,833 children enrolled in CHIP this month who would not have been eligible before the Cover All Kids expansion.

This number decreased slightly due to the new Federal Poverty Limits that went into effect March 1. The difference in children previously included in the newly eligible population are now included in the below 235% FPL group, which were always eligible for CHIP enrollment.

The CHIP enrollment in March was 9.6 percent greater than one year ago. The March enrollment was 0.9 percent greater than February enrollment.



Changes to Child Care Regulations

The Department of Public Welfare submitted final form child care facility regulations March 10 to the Independent Regulatory Review Commission (IRRC). The regulations were published in the PA Bulletin in June 2006, but were withdrawn from consideration by IRRC in October 2006. These final form regulations contain changes in response to comments and suggestions raised during the initial review process. The changes also reflect current laws that directly impact the operation of child care facilities, incorporate the Department's statements of policy issued since 1992, implement developments in recommended health and safety practices and reflect best practices and research in the field. Pennsylvania's child care regulations have not been significantly updated in more than 16 years, while the use of out-of-home care has grown exponentially. The regulations protect more than 300,000 children cared for in approximately 9,000 child care centers, group child care homes and family child care homes in the Commonwealth.

Specific changes in the regulations include SIDS prevention, playground safety, staff tuberculosis testing, removal of recalled toys and equipment, requirements for the supervision and the release of children, and swimming pool accessibility. The final form regulations also update the regulations to include correct references to other applicable laws and will facilitate inclusion of children with special needs in child care facilities. In addition, the Department has enacted changes to make the regulations easier to read and more accessible to providers and parents.

IRRC is scheduled to meet and act on the regulations April 17. Comments must be received by IRRC by 10:30 a.m., April 16. Written comments may be sent to IRRC by fax at (717) 783-2664, by email to irrc@irrc.state.pa.us, or by regular mail to Arthur Coccodrilli, Chairman, IRRC, 333 Market Street, 14th Floor, Harrisburg, PA 17101.

Written comments should reference the regulation number: #14-506 (#2539). Written comments sent to IRRC will be included in IRRC's public record file which is available online at:

<http://www.irrc.state.pa.us/Regulations/RegInfo.cfm?IRRCNo=2539>

Pennsylvania Revenue Update

The Pennsylvania Department of Revenue reported that the Commonwealth collected \$4 billion in General Fund revenue in March, \$109.8 million, or 2.7 percent, less than anticipated. Fiscal year-to-date General Fund collections total \$19.8 billion, which is \$180.5 million, or 0.9 percent, above estimate.

"The March collections shortfall could be an indicator that the national economic slowdown is beginning to affect Pennsylvania," Secretary of Revenue Tom Wolf said in a statement.

April General Assembly Session Dates

The House and Senate will be in session on the following remaining days in April: 7, 8, 9, 28 (Senate only), 29 (Senate only), 30 (Senate only)

**DON'T FORGET TO VOTE IN
PENNSYLVANIA'S PRIMARY
ELECTION ON APRIL 22!!!**



Jump Start a Heart and Save Lives

Thousands of seemingly healthy youth die suddenly and unexpectedly each year in the U.S. due to undetected heart problems or heart problems that were discovered too late.

To help educate parents, teachers and others who come in contact with children every day about how to perform CPR and Automated External Defibrillator (AED), Parent Heart Watch will hold a free training event 11 a.m. to 6 p.m. **Sunday, June 1** on City Island in Harrisburg during “National Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) Week.”

The event, to be held at the carousel pavilion, will focus on providing instruction in CPR and AED use. Studies have shown that youth as young as the 6th grade can adequately perform CPR and AED. **Parent Heart Watch hopes to arm all families with the skills and tools to help save a life.** *(Though the training event is free, a donation of \$20 is suggested.)*

According to Parent Heart Watch, the national average for out-of-hospital cardiac arrest survival is under 5 percent.

- With CPR *only*, survival rate is 3-5 percent.
- Using an AED within 4–6 minutes increases survival rate to 60 percent.
- Survival rate decreases by 10 percent for every passing minute without an AED.
- National average ambulance response time is 9 minutes.
- Heart problems are the number one killer of children. *(American Heart Association)*

Participants can take home their free Family & Friends™ **CPR Anytime™** Kit and teach more friends and family! (\$29.95 value — 1 kit per family while supplies last)

Please register by emailing projectjumpstartaheart@comcast.net to be sure enough supplies are available for families.

Parent Heart Watch is a nonprofit organization whose mission is to help protect kids from sudden cardiac arrest (SCA). Most members are parents who have lost a child to SCA. National Cardiopulmonary (CPR) and Automated External Defibrillator (AED) Week is June 1-7. With the support of Youth Heart Watch at The Children’s Hospital of Philadelphia, an affiliate of Project ADAM®, and the American Heart Association.



Federal Update

National Report Says PA's Preschool Quality Improving

State-funded preschools served over one million children last year, yet public pre-K was unavailable for most 3- and 4-year-olds, according to *The State of Preschool 2007: State Preschool Yearbook* released March 19 by the National Institute for Early Education Research (NIEER).

The report ranks all 50 states on the percentage of children served and spending per child. It also compares the number of quality benchmarks each state meets. The survey found nationally that enrollment, quality and state spending increased in the 2006-2007 school year.

Pennsylvania ranked 7th in the nation in 2006-2007 on pre-k spending with \$5,519 per child, but combined enrollment for the three state-funded preschool education initiatives totaled only 7 percent of the state's 4-year-olds, for 28th place rank. However, the state ranked 14th in the nation for enrolling 3 percent of its 3-year-olds. The average number of quality standard benchmarks met by Pennsylvania's preschool initiatives increased from 3.6 for the 2005-2006 school year to 5.9 for the 2006-2007 school year.

The 2007 Yearbook does not include information on Pre-K Counts, Pennsylvania's newest preschool education initiative passed in July 2007 and implemented in the 2007-2008 school year with a \$75 million appropriation.

The Yearbook noted that children from wealthy families can attend expensive private preschools while the federal Head Start program and most state-funded preschool education is targeted at lower income families.

"The children left out are disproportionately from middle-income families that can't afford private schools," said W. Steven Barnett, NIEER's executive

director. "Failing to provide high-quality early education opportunities for these children compromises their ability to succeed in school and in life and has grave consequences for our society and economy."

The yearbook reported that in 2006-2007:

- Average state spending per child was \$3,642, halting a trend of declining per-child commitments that had persisted since at least the 2002-2003 school year.
- More than one million 3- and 4-year-old children attended state-funded preschool education programs.
- Thirty states increased enrollment. Nationally, enrollment was up by 80,000.
- Eight states met higher quality standards. Yet, some states still require preschool education teachers to have little more than a high school diploma.
- Of the 26 states that served 3-year-olds, enrollment increased in all but five states. Overall enrollment of 3-year-olds was up 10 percent, mostly due to increases in Illinois, which became the first state to commit to serving all 3-year-olds.

The report can be viewed at <http://nieer.org/yearbook/>

U.S. Department of Education to Mandate School Dropout Formula

Stating an urgent need for a more comprehensive and precise definition of "graduation rate," Secretary of Education Margaret Spellings announced April 1 she will take administrative steps to ensure all states use the same formula to calculate how many students graduate from high school on time, and how many drop out. Secretary Spellings stated the data would be made public so that people nationwide can compare how students of every race, background, and income level are performing.



According to the U. S. Department of Education, the new uniform graduation rate will require a disaggregation of data.

Federal Budget Bill Taking Shape

Both the U.S. House and Senate approved separate versions of a FFY 2009 budget bill in mid-March. The House adopted House Concurrent Resolution 312 by a vote of 212-207 after defeating a substitute amendment offered by the Republican minority by a vote of 157-263. The House also defeated substitute amendments proposed by the Congressional Black Caucus and the Congressional Progressive Caucus.

In the Senate, members voted on dozens of amendments, dealing with tax policy, entitlement spending, member earmarks and other issues. Amendments adopted in the Senate will have little impact, but the votes put members on record on a variety of issues. The marathon voting session ended with a final vote of 51-44 on the final Senate budget bill.

The budget resolution is a non-binding document that sets aggregate spending and revenue targets for the fiscal year beginning October 1 and outlines broad policy goals. It offers Congress a way to draw distinctions between its goals and those of the President.

Both the House and Senate budget resolutions would allot more discretionary spending for the 12 annual appropriations bills than the \$991.6 billion proposed by the President. The House plan calls for a \$25.4 billion increase above the President's request. The Senate version would provide \$21.8 billion more. Congressional negotiators must next fashion a conference report from the two measures before moving onto the 12 appropriations bills that make up the federal budget.

Harmful Medicaid Regulations Under the Close Scrutiny

You spoke up and Congress took notice! As reported in the March issue of *CapWatch*, PPC and a broad cross-section of 300 advocates and health care and social services providers joined together in signing onto a letter to the Pennsylvania congressional delegation strongly urging them to address a series of harmful Medicaid regulations that would cut \$50 billion from federal Medicaid funding for children, senior citizens and people with disabilities over the next five years. Others across the nation voiced similar concerns.

House Energy and Commerce Committee Chairman John Dingell (D-Michigan) and Tim Murphy (R-Pennsylvania) joined together to introduce H.R. 5613, the Protecting the Medicaid Safety Net Act of 2008. The measure imposes a one-year moratorium on the regulations, potentially killing them - depending on who is president at the time.

During the past year, the U.S. Department of Health and Human Services (HHS) has issued a number of regulations that would reverse long-standing Medicaid policies and eliminate federal payments for a variety of critical Medicaid functions. The rules in question would affect payments to: public safety net institutions; coverage of rehabilitation services for people with disabilities; outreach and enrollment in schools as well as specialized medical transportation to school for children covered by Medicaid; graduate medical education payments; coverage of hospital clinic services; case management services that allow people with disabilities to remain in the community; state provider tax laws; and appeals filed through HHS.

“The cuts to Medicaid target those who need help the most: children, and the mentally and physically disabled,” said Congressman Tim Murphy. “By eliminating preventative healthcare programs and assistance, there could be a devastating effect on the long-term healthcare of Medicaid patients. This



would only lead to higher costs in the future, and put the health of millions at risk.”

Representative Mike Doyle (D-Pennsylvania) is a co-sponsor of the measure. Other members of the Pennsylvania House delegation are sure to follow. The Energy and Commerce Committee will hold a hearing on the regulations and the legislation in early April and action on the bill is expected soon thereafter. A companion measure has been introduced in the Senate by Senator Jay Rockefeller (D-West Virginia). The Senate measure also halts the harmful 2007 federal SCHIP directive that could place certain funding for Pennsylvania’s CHIP in jeopardy.

Impact of Medicaid Regulations Measured

A new report released by PPC federal partner First Focus, entitled “CMS’ Medicaid Regulations: Implications for Children with Special Health Care Needs,” indicates that the Administration’s new rules for Medicaid and the State Children’s Health Insurance Program, if imposed, will disproportionately affect millions of American children with special health care needs (CSHCN).

The report, commissioned by First Focus and authored by Professor Sara Rosenbaum, JD, Chair of Health Policy at The George Washington University School of Public Health and Health Services, analyzes several regulations issued by the Centers for Medicare and Medicaid Services (CMS), determining that they run counter to Medicaid’s longstanding statutory protections for children. Moreover, the report concludes that the regulations most directly contravene provisions of the statute enacted to provide maximum protection to the nation’s most vulnerable children, including premature infants, children with birth-related disabilities, and children with special health care needs.

“Not only does this report find that the Administration’s recent actions adversely affect our most vulnerable population of children, but it also identifies the many ways in which CMS undermines the basic legal protections provided by the Medicaid statute,”

said Bruce Lesley, President of First Focus. “Moreover, as a recent study by a House Committee has indicated, these actions, if implemented, would reduce federal payments to states by nearly \$50 billion over five years – more than three times the impact estimated by CMS. As states battle to counteract the force of the recent economic downturn, this cost-shift to the states will saddle our nation’s most vulnerable children most in need of health care with the burden of paying for it or going without treatment and care. The rules would also reduce billions of dollars to our nation’s schools, which would be faced with the decisions to reduce funding for education and health services or raise state and local taxes to pay for the dramatic reduction in federal support.”

To read the full report please visit www.firstfocus.net

Congressional Afterschool Supporters Speaking Out

In the wake of the President’s proposal to cut afterschool funding by \$281 million and transform the main funding vehicle into a voucher program, students, parents, providers and members of Congress are calling for increased afterschool funding. On March 11, the House Subcommittee on Early Childhood, Elementary and Secondary Education conducted a public hearing on afterschool titled: “Afterschool Programs: How the Bush Administration’s Budget Impacts Children and Families.”

One of the witnesses at the hearing was Police Chief Michael Carroll of the West Goshen Township in Chester County, Pennsylvania. He spoke about the dangers students face in the hours after the school bell rings and before parents return home from work and the many ways afterschool programs support youth development.

Funding for afterschool will be decided when Congress debates the Labor-HHS-Education appropriations bill later this spring.