

State Update

PA Department of Education Releases Plan for Stimulus Dollars

Secretary of Education Gerald Zahorchak announced that the Rendell Administration will seek to use \$418 million of the state fiscal stabilization dollars from the American Recovery and Reinvestment Act in school districts' basic education subsidy allocations for the 2009-10 fiscal year. This funding will replace the governor's original budget proposal, which sought to use \$300 million in state funds for basic education next year. The \$418 million in stabilization dollars will allow the Commonwealth to maintain its commitment to close school districts' funding gaps by the 2013-14 fiscal year by providing Pennsylvania with much-needed dollars as the funds originally proposed by the governor are needed to close other budget holes. The announcement was made at a State Senate Appropriations hearing March 3.

PDE is providing guidance to school districts on how federal stimulus dollars can and should be utilized. More information on how federal stimulus money can be spent with a focus on accountability and transparency is available on PDE's website:

http://www.pdeinfo.state.pa.us/education_budget/lib/education_budget/StimulusGuide.pdf.

A breakdown of all school districts' stimulus

allocations and the revised 2009-10 basic education funding estimate is also available on PDE's website:

http://www.pdeinfo.state.pa.us/education_budget/cwp/view.asp?a=3&Q=148704.

Rendell Hosts Conference on Higher Education Access, Affordability

As job competition grows and the cost of higher education increasing faster than the rate of inflation, state and national leaders convened a conference in State College to discuss the growing crisis of college access and affordability. The goal of the *Governor's Conference on Higher Education: Pathways to College Success* was to discuss ways to provide access to, and success in, higher education.

Governor Rendell and Education Secretary Zahorchak joined college and university presidents, faculty, and administrators from across Pennsylvania to discuss access to higher education. Rendell has proposed using revenue from legalized video poker to fund the Tuition Relief Act, which would provide students who qualify and attend state schools or community colleges in Pennsylvania with up to \$7,600 in aid. In addition a number of House and Senate members have proposed ideas to help students and families afford postsecondary education including:

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establishing a merit scholarship that would pay full tuition and fees at a PA State System of Higher Education university or an equal amount at a private or state-related institution, and redirecting existing state funds to increase funding for PHEAA for higher education assistance grants.

Leaders also discussed challenges the country and state are facing, including slipping high school graduation rates, re-engaging students who have dropped out and international competition.

PPC reported about this in its recent Ready@21 report, *The Higher Cost of Higher Education*. View PPC's report on college access and affordability at http://www.papartnerships.org/collegeafford/college_affordability.pdf.

PA ready@21

PPC Testifies On Graduation Requirements

Bill Bartle, Youth Policy Director for Pennsylvania Partnerships for Children, testified before the State Board of Education in March about revising statewide high school graduation requirements so that youth graduate prepared for a 21st century workforce. PPC believes that the regulatory language agreed to by the state Department of Education, the chairman of the State Board of Education and the Pennsylvania School Boards Association on high school graduation requirements is the right solution for Pennsylvania's students.

The modified regulatory language provides more flexibility to local districts, allowing them to determine the validated assessment tool that best meets their needs and ensures students have met the state's academic standards. The new requirements would provide a reliable and consistent assessment system for all students (with accommodations for special needs students). These assessments include the 11th grade PSSA or the 12th grade retake; validated local assessments; Advanced Placement or International Baccalaureate exams; or a series of state-developed end-of-course Keystone Exams in

English composition, reading, geometry, algebra I and II, biology, chemistry, American history, world history, and civics and government.

There also would be a guarantee of remediation for students who are struggling to meet the academic standards. The proposal includes a requirement or remediation of students not achieving their academic goals.

Finally, the state would provide tools for school districts to utilize, at their option, that help improve instruction and students' academic achievement. These tools include model curriculum, diagnostics to help educators identify children at-risk of dropping out of school and educational failure as early as 6th grade, assistance developing student tutoring programs, professional development for teachers, extended instructional time programs and if desired, technical assistance for school districts in developing quality local assessments.

To read PPC's full testimony before the State Board of Education, visit

http://www.papartnerships.org/pdfs/speechces09_031308.pdf.

House Hearing Examines Child Welfare System

The House Appropriations Subcommittee for Health and Human Services held a hearing on Pennsylvania's child welfare system on March 26. Representatives from the Commonwealth, county administrators, service providers and the judicial system presented testimony and participated in a roundtable discussion with legislators.

Much of the testimony centered on the current Needs-Based Planning and Budgeting process for county children and youth agencies and a draft bulletin from DPW's Office of Children, Youth and Families regarding residential services contracts. After announcing that certain sections of the draft bulletin would be withdrawn from the final bulletin and proposed through broader legislation proposing



changes to the Needs-Based budget, Secretary of Public Welfare Estelle Richman testified to the need to improve the delivery of child welfare services to children.

“As it stands now, positive outcomes for children – including fewer children in out-of-home placements, more children in permanent homes, and more placements in less expensive settings – may actually result in a lower county allocation from the state in the following fiscal year,” Richman said. “DPW is proposing legislative changes to create better incentives for counties and better outcomes for children.”

Pennsylvania’s current financing structure does not require county children and youth agencies to submit budgets that are data and outcome driven. In other words, budget planning is focused on counties’ current projected fiscal year expenses. DPW’s proposed legislation would shift the focus of Pennsylvania’s child welfare financing to an incentive and outcomes-based budgeting process. This change would require county agencies to build their budgets by examining the needs of the children, youth and families in their jurisdiction; creating a plan that connects these needs with identified best practices and outcomes based services that meet the identified county needs; and, connecting the applicable dollars to the plan.

Data compiled by PPC’s new child welfare initiative, *The Porch Light Project*, underscores the need to incentivize funding with desired outcomes for children served by the child welfare system. As of March 2008, and over two years in the system, 30 percent of children have a permanency goal to remain in foster care long-term or to be emancipated and age out of the child welfare system without a stable and supportive family. And while reunification with the birth family is the goal for most children in foster care, nearly 30 percent of children who return home will re-enter placement within 12 months. Another 25 percent are placed in group homes and institutions. Additionally, youth 13 and older represent more than 45 percent of children in foster care. Nearly 50 percent of those are placed in group

home and institutions. None of these placements represent permanency for children and youth.

“Pennsylvania has a relatively well-funded child welfare system when compared to other states. The problem is that our incentives are not aligned with permanency outcomes that we strive to achieve,” said Marc Cherna, Director of the Allegheny County Department of Human Services. “By connecting state financing with desired permanency outcomes for children, with a particular focus on increased reimbursement for in-home services, Pennsylvania can strive to improve outcomes for children by ensuring that they have stable, safe and permanent homes.”

For more information on the Porch Light Project, visit www.papartnerships.org/porchlight.

Legislation Would Expand Coverage for Dependents

The House and Senate separately approved legislation that would extend health insurance coverage to adult dependent children. Both bills were approved unanimously in their respective chambers of the General Assembly.

S.B. 189, sponsored by Senator Jake Corman (R-Centre) would extend insurance to adult dependent children, up to the age of 30, who are not married, have no dependents, are residents of the Commonwealth or are enrolled as a full-time student at an institution of higher education and are not provided insurance coverage or eligible government benefits.

H.B. 838, authored by state Rep. Mark Longiotti (D-Mercer) would extend parents’ health insurance coverage to their uninsured children through age 29. The bill would require health insurers to give insured parents or guardians the option of having their coverage extended to include an uninsured child through age 29. The insured person would be able to exercise this option at any time during the term of the policy. Employers would not be required to contribute to any premium increase that resulted, but could agree to do so.



PA Pre-K Enrollment Begins for 2009-10 School Year

Families interested in enrolling their children in Pennsylvania Pre-K Counts next fall are being urged to apply now by contacting any one of the early childhood education providers funded by Pennsylvania Pre-K Counts.

Pennsylvania Pre-K Counts enables school districts, Head Start providers, child care centers and nursery schools to deliver high-quality pre-kindergarten to more children, with an emphasis on those who are at the greatest risk of future academic failure.

“Pre-K Counts has proven successful for our children in a variety of social and emotional areas,” said Joan Benso, president and CEO of Pennsylvania Partnerships for Children. “Outcomes show that these children enter school more ready to learn with the age-appropriate skills needed to succeed. We’re pleased that the governor has promised even more funding to build the program and allow more children to be enrolled in the program.”

Eligible families include those earning 300 percent or less of the federal poverty level (such as a family of four earning \$66,150), English language learners, and families of children with special needs. Children are eligible for enrollment in the program from age 3 until the entry age for kindergarten.

In 2008-09, Pennsylvania Pre-K Counts has provided high-quality pre-kindergarten to approximately 11,800 three- and four-year-olds across the state. Gov. Rendell has proposed expanding funding for this program in the 2009-10 education budget by \$8.6 million – for a total of \$95 million – to give approximately 1,000 more children access to quality early childhood education.

Parents should contact Pennsylvania Pre-K Counts grantees directly for enrollment information. For more information on how to apply, visit www.papromiseforchildren.com.

For a complete list of current Pennsylvania Pre-K Counts grantees, visit the Pennsylvania Department

of Education Web site’s early childhood education page at http://www.pde.state.pa.us/early_childhood and click on the “Pennsylvania Pre-K Counts” link in the left-hand margin.

Stimulating Our Economy Through Early Education Investments

By investing in early childhood education (ECE) in Pennsylvania, policymakers will keep parents working and stimulate our economy today. According to a recent national study by Cornell University researchers, direct spending for ECE services generates more total sales and employment than increases in any other major sector. Pennsylvania is ranked highest among all states in the amount of economic impact that is stimulated.

- **For every dollar spent through Child Care Works and Keystone Stars,**
\$2.17 is circulated into the economy.
- **For every dollar spent through Pre-K Counts and Head Start,**
\$2.10 is circulated into the economy.

State by state information is available at http://government.cce.cornell.edu/doc/report_s/childcare/reports.asp.

Bill Would Require All Family Day Care Homes to Have Insurance

Legislation (S.B. 59) requiring all family day care home providers to have liability insurance as a condition of their certification was approved in March by the Senate Public Health and Welfare Committee.

The bill, sponsored by State Senator Jeffrey Piccola (R-Dauphin), is an effort to better ensure the safety of children who are cared for in residential-based child care settings. Piccola sponsored a similar bill



last year in response to concerns raised by constituents who contacted him after their son was critically injured while under the supervision of a family day care provider.

A family day care home is a child day care center located in a residential home that provides care to four through six children who are not relatives of the caregiver. These types of day cares are self-certifying, which means that providers must only submit a report to the Department of Public Welfare (DPW) that states they are in compliance with all regulations for certification. Regulations currently encourage the approximately 4,500 family day care homes in the state to carry liability insurance, but it is not mandated.

Piccola's legislation also includes a provision that will allow DPW to immediately notify parents and shut down a family day care in the event of an emergency circumstance when the health and safety of the children at the facility is threatened.

The legislation will be referred to the full Senate for consideration. A similar measure (H.B. 685) has been introduced in the House by State Rep. John Payne.

Learn More about Our Goals!

PPC's 2009-2010 Public Policy Priorities

http://www.papartnerships.org/capitol_agenda.asp

Dental Bill Would Ensure Children Receive Care

The House of Representatives has passed a bill (H.B. 602) authored by State Rep. Eddie Day Pashinski, D-Luzerne, which would improve access to dental hygiene in public and private settings by further expanding the scope of practice of expanded function dental assistants to help them better serve patients.

This is a step forward for children's health. According to the Children's Dental Health Project,

tooth decay is five to eight times more common than asthma. Oral diseases and conditions can negatively affect children's growth, function and ability to learn. Oral pain, the most frequent symptom of oral diseases and conditions, distracts children from paying attention in school. The pain also can limit a child's ability to speak and eat.

"Routine and preventative dental care is so important in promoting the health and well-being of our children," said Joan Benso. "According to national statistics, there are 2.6 children lacking dental coverage for every child lacking health coverage."

Last year, Benso testified before the Senate Consumer Protection and Professional Licensure Committee on this issue. At that time a 12-year-old Maryland boy, who did not have dental coverage, died from untreated tooth decay. When he finally received dental care, it was too late to save his life.

The bill was sent to the Senate for consideration.

Governor Rendell Creates Stimulus Oversight Commission

Governor Rendell has signed an executive order creating the Pennsylvania Stimulus Oversight Commission that will oversee the spending of Pennsylvania's \$10 billion share of the federal economic stimulus package.

Governor Rendell also appointed Ronald J. Naples as the chief accountability officer with the task of overseeing the spending. Naples has served on numerous boards of Philadelphia-area civic institutions and was chairman of the Federal Reserve Bank of Philadelphia in 2003.

The commission includes members of all four state legislative caucuses, the congressional delegation, representatives of the AFL-CIO, United Way and the PA Chamber of Business and Industry. The commission's first meeting was held in Harrisburg on Tuesday, March 31.

For more information on how stimulus funds are being spent, visit www.recovery.pa.gov.



Members of the Stimulus Oversight Commission:

Administration

Governor Edward G. Rendell
General Services Secretary James Creedon,
Chief Implementation Officer

PA Chamber of Business and Industry

Gene Barr, Vice President, Government and
Public Affairs

United Way of Pennsylvania

Tony Ross, President and Chief Executive
Officer, United Way of Pennsylvania

Pennsylvania AFL-CIO

Donald C. Siegel, International Vice President,
District 3, IBEW

Pennsylvania House of Representatives

Democratic Caucus: Representative
Jennifer Mann
Republican Caucus: Representative
Brian Ellis

Senate of Pennsylvania

Democratic Caucus: Senator
Robert J. Mellow, Leader
Republican Caucus: Senator Michael Waugh

U.S. Congressional Delegation

Republican Representative: To be determined
Democratic Representative Paul E. Kanjorski,
U.S. House of Representatives
J. Terry Kostoff, U.S. Senator Robert Casey
Charles Battaglia, U.S. Senator Arlen Specter

Elections Update

A special election will be held in conjunction with the May 19 Primary Election to fill a vacancy in the House of Representatives. The seat was vacated in March as David Argall, R-Schuylkill, resigned to be sworn in as a State Senator, to replace the late James J. Rhoades, who died in October.

Monday, April 20, is the deadline to register to vote in Pennsylvania's May 19 primary election. Voters will cast ballots in the municipal primary election for a variety of local and county races, as well as for candidates seeking Supreme Court, Superior Court, Commonwealth Court, Court of Common Pleas and municipal court seats. For a list of candidates for the May primary, to find out how to register to vote or to find your polling location, visit www.votespa.com.

CHIP Update

CHIP enrollment jumped to 188,777 in March, a 1.5 percent increase over the previous month. The program grew 11.2 percent over the year. There are 9,466 children enrolled in CHIP in March who would not have been eligible before Cover All Kids was implemented.



Revenue Update

Pennsylvania collected \$3.9 billion in general fund revenue in March, \$334.6 million, or 7.9 percent, less than anticipated. Fiscal year-to-date general fund collections total \$18.7 billion, which is \$1.6 billion, or 7.9 percent, below estimate.

Session Update

Both the House and Senate will be in session April 20 to 22 and 27 to 29.



Federal Update

President Obama Outlines Education Plan

In a speech to the United States Hispanic Chamber of Commerce March 10, President Obama outlined his education plan that not only prioritizes new investments in education – pre-K through postsecondary – but also requires new accountability reforms. The five priorities for President Obama’s school reforms include:

- *Investments in early childhood education;*
- *Better academic standards and assessments;*
- *Greater accountability in terms of recruiting, preparing and rewarding effective educators;*
- *Innovation in classrooms through charter schools, reform of the school calendar and restructuring the typical school day; and*
- *Access to higher education for all Americans.*

Following his speech, U.S. Secretary of Education Arne Duncan testified on March 12 before the U.S. House of Representatives’ Budget Committee. Secretary Duncan reinforced the president’s education reform priorities by connecting high-quality education for children and the skills they need to compete in a global economy. The president’s 2010 budget request includes resources to help states build high quality “zero to five” early child hood programs and leverage pre-existing state and local investments in early childhood education to improve quality. Duncan also indicated that the Obama Administration is focused on strengthening public schools by helping states implement rigorous academic standards and assessments that will ensure that students are college-ready and improve the quality of the education workforce.

To ensure that more kids have the option to further their education in post-secondary institutions, President Obama’s budget request proposes: that the Pell Grant program be a mandatory program in the federal budget and not subject to political

negotiations each year; to expand the Perkins Loan program to students with higher borrowing needs; to establish a direct lending program; and to begin a five-year, \$2.5 billion Access and Completion Incentive Fund to support state initiatives aimed at improving college completion rates for low-income students.

U.S. House Hosts Hearing on Improving ECE Programs

The U.S. House Education and Labor Committee held a hearing in March to examine ways to improve access to quality early childhood programs that will benefit all Americans. Nearly 12 million of the 18.5 million children under age 5 in this country are in some type of regular child care or early education program. Witnesses at the hearing testified about how quality early learning opportunities yield significant academic, health and other benefits from children birth through 5.

Harriet Dichter, Deputy Secretary for the Office of Child Development and Early Learning of the Pennsylvania Departments of Education and Public Welfare, and co-chair of the Pennsylvania Early Learning Council, testified that improving the national track record for investments and outcomes for young children is essential.

Dichter outlined three core points:

- *There is not just one investment or program that works. What matters, regardless of the program, is a common framework of high standards, accountability and sufficient investment to make a difference.*
- *The federal government has not been sufficiently proactive in this area, leaving too much to the states to do, especially on financing.*
- *Proper public-sector governance needs to be a focus to assure good outcomes and efficient use of public dollars.*



In Pennsylvania, fewer than four in 10 young children participate in a quality early education program. Thirty-eight percent of children under the age of five participate in state and/or federally funded quality early childhood programs. In the Commonwealth's 27 largest cities, 50 percent of children under age five participate in state and/or federally funded quality early childhood programs. Through the PA Pre-K Counts program, 11,800 at-risk three and four year olds use Keystone STARS, school districts, and Head Start providers.

The hearing came a week after President Obama announced early education as a critical part of his agenda. To learn more about PPC's early childhood education public policy priorities, visit: http://www.papartnerships.org/capitol_agenda.asp.

Federal Budget Update

The U.S House and Senate passed separate budget resolutions for FFY 2010 along party lines. As a reminder, budget resolutions do not carry the force of law, but they do serve as a benchmark for overall revenues and appropriations. The actual "spending" is found in the dozen or so appropriations bills.

Both measures support President Obama's proposed budget framework and priorities. For example, they provide reserve funds to pay for health care reform. However, the House and Senate resolutions do not specify how the funds will be paid for. The measures also provide a framework to invest in education, both early childhood education and postsecondary education.

A preliminary analysis of the resolutions indicates that the House budget resolution assumes domestic discretionary (excluding international) funding would be increased by 3.5 percent above 2009 levels, taking into account inflation and factoring out a must-do increase for the decennial Census and a technical increase for a Federal Housing Administration (FHA) loan program. The Senate budget resolution assumes an increase of 1.5 percent over last year's levels, taking into account inflation and factoring out a must-do increase for the decennial Census and a technical increase for a Federal Housing Administration (FHA) loan

program. The president proposed an increase of 3.9 percent for domestic discretionary programs, making the same adjustments for inflation, the Census and FHA loan guarantees.

On the tax side of the ledger, both chambers adopted President Obama's proposal to extend tax cuts for the middle class beyond their 2010 expiration date and to allow cuts for families making more than \$250,000 a year to expire. They do not include his proposal to make permanent the Making Work Pay Credit contained in the federal stimulus law. Also, the Senate voted to increase the exemptions for the estate tax beyond their current levels and lower the rate of the tax. The President proposed to hold the estate tax parameters at their current levels. Senator Casey voted against the amendment and Senator Specter voted for the amendment. PPC opposed the amendment on the grounds that the current parameters of the estate tax are sufficient and that any funds used to pay for changing the parameters would be better spent on appropriations for programs that help children and families.

The Senate also voted to include a reserve fund in the resolution to increase funding for 21st Century Community Learning Center programs. Both Senators Casey and Specter voted for the amendment. An amendment to include a reserve fund to improve child welfare, specifically for additional efforts to recruit and retain more resource families, was adopted under unanimous consent.

Once both chambers of Congress agree on a budget resolution, the House and Senate could separately begin crafting appropriations bills for FFY 2010.

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