

## ■ State Budget Update

### Budget Contains Great Investment for PA's Children

When the Governor's proposed budget was released in February of this year, PPC's Joan Benso remarked, "Kids win big this year." After a lot of work in the General Assembly, it does indeed look like kids won big in the FY 2006-2007 general fund budget. The budget contains a number of great investments for Pennsylvania's children.

"These additional resources potentially will make a dramatic impact on the quality of life of all Pennsylvania children," Benso said.

Key early childhood and basic education line items will see significant funding increases. In addition, the budget will fund the Governor's "Cover All Kids" proposal to expand availability of CHIP to all children in the Commonwealth. Unfortunately, budget negotiators could not agree on implementing legislation to facilitate the expansion of CHIP to cover all children. Crafting the legislation will now wait until the General Assembly reconvenes in the fall. A press release issued by the Governor's Office notes that the Governor received a signed agreement from all four legislative caucuses with a commitment to move the enabling legislation for the program in the beginning of October. When the Governor proposed the new program, he announced that the first children would be enrolled in January 2007 if the legislation is passed this fall all signs are that the state may

**Critical action required by PA advocates on federal legislation**

✓ See Action Needed on page 3 to join a sign-on letter to our U.S. Senators.

still be able to meet that start date. We have also been told that hearings may take place on the legislation. Stay tuned to PPC updates to learn more in the coming weeks.

Highlights of the budget include:

#### **Early Childhood Education**

- Education Accountability Block Grant – \$250 million, a \$50 million increase over the current fiscal year.
- Head Start – \$40 million, a \$10 million increase over the current fiscal year. While \$5 million less than the Governor offered this is a great step forward for PA's pre-kindergarten efforts.
- Child care services – a \$27.462 million increase over the current fiscal year. This represents both an increase in child care

*continued on page two*

<b>Inside</b>	
Federal Update .....	5

### *State Update continued from page one*

subsidy and quality line items. In addition, additional funds for child care subsidy for TANF recipients were also increased at the level proposed by the Governor in February. An exact amount is not included in this update as the child care funding for TANF families is embedded in the larger cash assistance line item. The Administration also gave the General Assembly a heads up that they will likely come back for supplemental funding to help families as they meet the work participation rates in TANF.

- Increased funding for Nurse Family Partnerships as requested by the Governor.

#### **Education and College and Career Readiness:**

- 5.86% increase in the basic education subsidy.
- 2.89% increase in special education funding.
- \$3.3 million increase for Project 720, the high school reform initiative.
- \$3 million increase for dual enrollment to allow students to take college-level courses. This is \$1 million more than requested by the Governor. A significant portion of these funds are set aside for low-income students who would otherwise be unlikely to have this kind of opportunity.
- \$3 million to improve career counseling in Pennsylvania middle and high schools.
- \$650,000 to conduct a “costing out study” to determine the true costs to educate children so that they can meet the Pennsylvania academic standards. The costing out study will be spearheaded by the State Board of Education.

#### **General Assembly Passes Minimum Wage Increase**

The state House and Senate passed SB 1090, which establishes a \$2 increase in Pennsylvania's minimum wage starting in 2007. An increase in

Pennsylvania's minimum wage would be the first in nine years since Congress raised the federal minimum wage to \$5.15 an hour. Since then, 21 states and Washington, D.C., have raised their minimum wage.

Under SB 1090, Pennsylvania's minimum wage would rise to \$7.15 an hour on July 1, 2007, with an intermediate step of \$6.25 to be effective on Jan. 1, 2007. Special provisions allow employers to pay employees under 20 years of age a training wage (less than the minimum established in the legislation) for the first sixty days of employment. Employers with 10 or fewer employees would have an extra year to reach the new minimum wage.

According to published reports about 423,000 Pennsylvanians earn less than \$7.15 an hour, the minimum wage in New York and New Jersey.

(The U.S. House Appropriations Committee recently passed an amendment offered by Rep. Steny Hoyer (D-MD) to increase the minimum wage from \$5.15 to \$7.25 an hour. There has not been an increase in the federal minimum wage since 1997.)

#### **Child Care Regulations Published**

The Department of Public Welfare published in the July 1st Pennsylvania Bulletin proposed regulations that seek to establish consistent child care policies within the Office of Income Maintenance, and the Office of Child Development. This is an exciting and long overdue step towards a unified child care system. A 30-day comment period commences upon publication. To review the regulations please view: <http://www.pabulletin.com/secure/data/vol36/36-26/1206.html>

#### **State Board of Education Takes Action on Pre-K and Teacher Certification**

The State Board of Education proposed several revisions to its teacher certification regulations (Chapter 49) at its meeting on June 29th. The

changes are designed to assure future teachers will have preparation in teaching students with disabilities and English language learners and that certificates will be better aligned with the developmental levels of the children to be taught ranging from pre-K to grade 12. Under the proposed changes:

- Future teachers will need the equivalent of nine credits in teaching students with disabilities and three credits in teaching English language learners.
- Beginning in 2012, teachers of preschool through 3rd grade will need an early childhood certificate; teachers of 4th through 6th grades will need an elementary/middle school certificate; and teachers of 9th through 12th grades will need a secondary school certificate; teachers of 7th and 8th graders can have either an elementary/middle or secondary school certificate.
- Head teachers in preschool programs operated under contract with school districts will be required to have early childhood certification within five years.
- Preschool teachers in contracted programs will be able to participate in school district professional development programs.

PPC has been advocating these changes for several years, and PPC President and CEO Joan Benso spoke in favor of them at last week's State Board meeting.

The proposed regulations will be published at [http://www.pde.state.pa.us/stateboard\\_ed/site/default.asp?g=0&pdinternetNav=|](http://www.pde.state.pa.us/stateboard_ed/site/default.asp?g=0&pdinternetNav=|).

The State Board has also invited public comments until July 17 on proposed prekindergarten regulations (Chapters 4, 11, and 12). Comments may be addressed to Jim Buckheit, Executive Director, State Board of Education, 333 Market Street, Harrisburg, PA 17126-0333. PPC Director of Education Initiatives Robert Feir submitted comments to the State Board last week:

- Praising the inclusion of a requirement that there be at least two adults (a teacher and aide) for every

20 children and urging its retention in the final regulations.

- Supporting the Board's inclusion of minimum education requirements for pre-K teacher aides in contracted community-based programs.
- Urging the Board to add a provision (removed from Chapter 49 at the request of the Independent Regulatory Review Commission) requiring head teachers in contracted community-based programs to have at least an associate's degree in early childhood education or child development if they are not yet certified in early childhood education.
- Suggesting that the Board add a requirement that districts consult with pre-K parents and community providers in developing their initial pre-K plans.

The *Pennsylvania Bulletin* invitation for public comments, along with a text of the proposed regulations, can be found at <http://www.pabulletin.com/secure/data/vol36/36-24/1074.html>

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### ✓ ACTION NEEDED

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#### **Please Join our Sign-On Letter to Senators Specter and Santorum**

If you are interested in signing on to a Pennsylvania advocate letter concerning S. 3521 which proposes a series of radical measures that could lead to massive cuts over time in domestic programs, please let us know by Friday, July 7. Please contact Tameka Rice at PPC at 717-236-5680 or [trice@papartnerships.org](mailto:trice@papartnerships.org)

The letter addresses two core issues to education, health and human services advocates:

1. The "Line Item Veto" which would give the President broad discretionary power to strike single line items from the federal budget passed by Congress. While the line item veto is being touted as a way to control reckless spending on pork it allows the President to eliminate other

*continued on page four*

programs that he/she may not support. In recent years, the President's budget has included severe cuts or elimination to key children's programs such as Medicaid, Head Start, Even Start and others. If the line item veto becomes law...the President could simply eliminate such programs with the stroke of a pen.

2. The "Stop Over Spending" Act would set targets for discretionary spending and deficit reduction. Again, while it sounds good the details depict quite another picture. Programs such as Medicaid which is currently an entitlement would face funding caps that would reduce services or slash payments to providers. Discretionary programs such as Head Start would fall victim to the chopping block to meet the deficit reduction targets. This is short sighted policy.

The draft letter is below – minor edits may be made to customize to Senator Specter and Senator Santorum.

The Honorable [NAME]

United States Senate

Washington, D.C. 20510

Dear Senator \_\_\_\_\_:

We write to express our deep concern about S. 3521, the "Stop Over Spending" Act introduced by Senate Budget Committee Chairman Judd Gregg.

While we eagerly agree that reducing this nation's deficit must be a top priority for Congress, the timing of this bill is both ironic and disappointing.

We have appreciated your relentless leadership to secure even a "modest" increase in this country's investment in vital, life altering investments in education, health, community development, and human services. (An edit will be made in the Santorum letter to replace the prior sentence with something more appropriate.) Unfortunately, spending on domestic programs has ceased to be as great a priority as it should and needs to be within Congress.

S. 3521 would perpetuate this trend making far-reaching changes in the federal budget process all the while overlooking that genuine deficit reduction requires a broad range of solutions including analyzing current and potential revenue sources. Ultimately true fiscal discipline requires that every spending choice and tax policy be subject to scrutiny and revision.

This bill lacks such balance. The changes embodied in this bill would force Congress to make staggering reductions in spending on important American priorities including: protecting children, providing health care for our most vulnerable, assuring access to education and job preparation activities, making child care available to hard working low-income workers, fostering community development, preserving benefits for our veterans, and public safety.

The cumulative impact of this legislation would have far-reaching and detrimental consequences on virtually every Pennsylvania child and family.

As you know, promoting artificial budget caps and fixed deficit targets, as this bill does, ignores their real life consequences especially when they focus squarely on domestic priorities.

For example, according to independent budget analysts, health care providers could eventually see their Medicare payments slashed by as much as 30 percent. Just three short years from now, children's services, including Head Start, could be cut by \$1.4 billion, or 15 percent. During that same period vocational and adult education could be cut by \$1.5 billion, or 73 percent and student loans would also be at risk of cuts over time. Community policing could be cut by \$300 million, or 75 percent. Clean water and drinking water funds could be cut by \$354 million, or 19 percent. Even veterans' benefits would be subject to the budget axe, with cuts in disability compensation, veterans' pensions, and VA medical care. The Gregg bill does not represent a balanced approach to deficit reduction.

In addition to the mandated cuts resulting from the Gregg bill, this legislation also would shift power to the President and to unelected commissions. For example, the legislation includes a line-item veto proposal that raises particular concerns about the balance of power between Congress and the President. This provision would inflict the President into the legislative process as it promotes the power of the President to cancel — or threaten to cancel — carefully negotiated spending provisions agreed upon by Congress.

This particular version of the Line Item Veto is far reaching and won't adequately address an area overdue for reform — the growth and abuse of earmarks.

Funding for annually appropriated programs as well as for entitlement expansions — such as, for example, a measure to extend health care coverage to more uninsured children — would be subject to a line item veto if a President so

chose, but the vast preponderance of new tax breaks would be shielded from the line item veto.

Congressional leaders should not ignore the analysis of budget experts that such a requirement might end up being ineffective at trimming the nation's deficit since it puts the President in the driver's seat with regard to spending while undermining the ability to raise revenue desperately needed to pay down the debt and sustain American priorities.

We urge you to reject S. 3521 opting instead for renewed commitment to common-sense budget reforms that proved effective in the past, such as restoration of the two-sided Pay-As-You-Go rules that would apply to both entitlement increases and tax cuts.

We remain grateful for your leadership and look forward to your continued good work on behalf of Pennsylvania's children, families and communities.

## Federal Update

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### Specter's Bid to Augment Health & Education Budgets Rejected

In June the U.S. Senate gave final approval to a \$94.5 billion FY-06 supplemental spending bill for military operations in Iraq and Afghanistan, foreign aid and hurricane relief. Only Labor-HHS Appropriations Subcommittee Chairman Arlen Specter, R-Pa., voted against the measure, as conferees rejected an effort to add \$7 billion in education and health care funds that Sen. Specter sought for next year's spending bills. Pennsylvania Partnerships for Children applauds the senator on persevering on this initiative.

### House Appropriations Approves Labor-HHS-Education Budget

On June 13, the House Appropriations Committee on Labor, HHS, Education and Related Agencies approved the Fiscal Year 2007 Labor-HHS-Education appropriations bill at just under \$142 million. The bill sets federal spending for numerous programs for families and communities — including Medicaid, child care, child welfare, job training, and mental health spending. It appears that funding for many critical children's programs has been frozen at last year's funding level with no adjustment for inflation.