



Capitol Watch for Children

An update on state and federal policies affecting Pennsylvania's children

Vol. 11, No. 7

July 2007

Pennsylvania Partnerships for Children

Pre-K Today Update

A Resounding Victory for Pre-K Today in PA

After protracted budget negotiations that went well into the fiscal year, the General Assembly passed a budget (House Bill 1286) and amendments to the Education Code (House Bill 842) that include full funding for Pre-K Counts at \$75 million. The funding could serve about 11,000 new 3- and 4-year-old children starting next school year.

Currently about 49,000 3- and 4-year-olds are enrolled in Head Start or public school pre-K and K4 programs. This amounts to only 16 percent of the Commonwealth's nearly 299,000 3- and 4-year-olds.

The Department of Education is required to develop final-omitted regulations to govern Pre-K Counts and the processes for applying and awarding grants. As originally proposed by Governor Rendell in February, the program will make pre-K opportunities available to children at risk of education failure through a mixed delivery system.

“Special thanks to the governor for pushing to keep pre-K on the table and in the final budget deal; we could never have done this without his commitment and leadership,”

said Joan Benso, president and CEO of Pennsylvania Partnerships for Children. “We also want to offer our thanks to legislative leaders for recognizing the value in investing in pre-K and agreeing on a solid plan to improve the school readiness of Pennsylvania’s youngest learners. Pre-K Counts is a prudent use of taxpayer dollars.”

Each year the National Institute for Early Education Research (NIEER) grades public funded preschool programs based on a list of 10 quality indicators. In its 2006 State Preschool Yearbook, Pennsylvania’s programs received a grade of 4 out of a possible 10. The State Board of Education has approved the first-ever regulations for pre-K programs covering length of day and year, age appropriate standards-based curriculum, instruction, assessments, group size, comprehensive services, and credentials for teachers in contracted community-based programs and for all paraprofessionals. When fully approved and implemented, these regulations will boost Pennsylvania’s grade on the NIEER standards from a 4 to a 9+.

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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 Pre-K Today Coalition was formed in February to advocate for the governor's early childhood initiatives, including Pre-K Counts, his proposal to spend \$75 million to fund high-quality pre-kindergarten for 11,000 new 3-and 4-year-olds beginning next school year. More than 530 diverse organizations and 1,800 individuals endorsed the Pre-K Today Campaign, which was marked by editorial support by key newspapers across the state including, but not limited to, the *Philadelphia Inquirer*, the *Harrisburg Patriot-News*, the *Pittsburgh Post-Gazette*, the *Allentown Morning Call* and the *Scranton Times*.

In addition to a statewide print and broadcast media relations strategy, the campaign featured a comprehensive community outreach plan featuring a Lobby Day in Harrisburg attended by 600 pre-K advocates and a government relations strategy that resulted in more than 700 legislative visits to local and Capitol offices by Pre-K Today Coalition members.

"We have worked hard to ensure that all of Pennsylvania's children have a healthy, sound start to life, and we will continue this work," Benso added. "We know that high-quality pre-kindergarten helps improve a child's emotional, behavioral and academic readiness for school. We thank the leadership of our state government for helping guarantee a better start for thousands more Pennsylvania children."

FY 2007-2008 Budget Completed

Several weeks into the 2007-2008 fiscal year that began on July 1, the Commonwealth finally has a new \$27.477 billion budget. This one was worth the wait. It makes much needed investments in key areas such as child care, family support and education. Health and welfare investments increased by 3.5 percent compared to last year's budget and education investments increased by 5.8 percent. The budget includes no tax increases and adds considerable dollars to the state's Rainy Day Fund.



Pre-K advocates flank Gov. Ed Rendell during the signing of the budget that includes \$75 million for pre-K

COMMONWEALTH MEDIA SERVICES

The Fund now contains \$690 million to help the Commonwealth deal with the next economic slow-down.

Highlights of the FY 2007-2008 budget include:

Early Care and Education

- *Pre-K – \$75 million in dedicated funding for the new Pre-K Counts program;*
- *Accountability Block Grant – \$275 million, an increase of \$25 million over last year's appropriation. Funds can now be used for instruction of world languages in elementary grades, strengthening high school curricula, and training and professional development for elementary science teachers. Full-day kindergarten will be incentivized with \$15 million to establish or expand programs and \$5 million for maintaining full-day kindergarten. ABG also includes a \$5 million increase to provide a 2 percent COLA to every district;*
- *Head Start – \$40 million, equaling last year's appropriation;*
- *Child Care – \$360.313 million, an increase of \$96 million over last year's appropriation;*
- *Nurse Family Partnership – \$7.262 million, an increase of \$4.762 over last year's appropriation;*
- *Early Intervention – \$292.760 million in combined funds under the Departments of*



Education and Public Welfare, an increase of \$48.849 million over last year's appropriation;

- *Education Improvement Tax Credit – \$8 million for contributions to pre-K scholarship programs, an increase of \$3 million over last year's appropriation.*

Education and College and Career Readiness

The budget includes an increase of \$167.165 million for the Basic Education appropriation, bringing the largest education line item to \$4.951 billion for 2007-08. The appropriation includes \$58 million in a foundation supplement to aid districts that make a strong effort to collect taxes locally but still raise too little money to spend even at the state median. The targets set by the formula are \$9,337 per student for most districts and \$11,204 for those with at least 50% of students eligible for subsidized lunch. The \$58 million, however, will not bring all eligible districts to this goal. The foundation funding is the largest of the nine supplements included in the basic education appropriation. Other major appropriations:

- *Special Education – \$1.010 billion, an increase of \$29.419 million over last year's appropriation;*
- *Career & Technical Education – \$62.961 million, an increase of \$1.834 million over last year's appropriation;*
- *Project 720/ High School Reform – \$11 million, an increase of \$3 million over last year's appropriation;*
- *Dual Enrollment – \$10 million, an increase of \$2 million over last year's appropriation. The percentage of grants for low-income students was increased from 15 percent to 22 percent;*
- *Classrooms for the Future – \$90 million, an increase of \$70 million over last year's appropriation;*
- *Technical Colleges – \$2 million for the new program to ensure that underserved communities have access to 21st century workforce training.*

- *School Food Services – \$6.043 million in new funding to provide supplemental school lunch and breakfast reimbursement to schools that adopt Department-approved nutritional guidelines.*

Revenue Update

The Pennsylvania Department of Revenue reported that the Commonwealth collected \$2.6 billion in general fund revenue in June. This is \$240.3 million or 10.1 percent more than the official estimate. This means that the Commonwealth finished the 2006-2007 fiscal year with collections totaling \$27.4 billion, which is \$649.6 million or 2.4 percent above the official estimate.

Autism Coverage Bill Moves to Senate

The House approved legislation, House Bill 1150 (sponsored by House Speaker Dennis O'Brien, R-Philadelphia) that requires group health insurance policies to provide for the coverage and treatment of autism spectrum disorders for individuals under 21 years of age. The coverage would be subject to an annual cap of \$36,000. The mandate would also apply to Medical Assistance, CHIP and adultBasic. The measure now moves to the Senate for further consideration.

CHIP Enrollment Growing

According to the Department of Insurance, statewide CHIP enrollment reached a milestone of 161,400 in June. This is an increase of about 2,500 enrollees as compared to May enrollment statistics. More than 1,300 of the new June enrollees would not have been eligible for CHIP prior to the Commonwealth's Cover All Kids CHIP expansion. The June enrollment is an increase of 12.5 percent as compared to June 2006.

Minimum Wage Increase Takes Effect

Pursuant to legislation enacted in July 2006, the state's minimum wage increased to \$7.15 per hour on July 1. The increase for small employers rose to \$6.65 per hour on July 1. The 60-day youth training



wage will rise to \$5.85 per hour on July 24 for employees under 20 years of age. The state's minimum wage will rise again, to \$7.25 per hour, on July 24, 2009 to match the federal minimum wage.

The Pennsylvania Department of Labor and Industry has established a website that provides information on upcoming minimum wage changes at <http://www.dli.state.pa.us/landi/cwp/view.asp?a=142&Q=64690>

Improving Access to Dental Care

The House and Senate approved legislation to address the needs of those without access to routine, preventive dental services. Senate Bill 455 would allow public health dental hygiene practitioners to provide services within their current scope of practice, in specific institutions such as nursing homes, schools, mobile dental units and correctional facilities without the supervision of a dentist.

PPC's President and CEO Joan Benso testified at a public hearing in support of the measure and spoke on its merits at a recent rally at the capitol. Tooth decay is the number one chronic disease of childhood. Oral diseases and conditions can negatively affect children's growth, function and ability to learn. One challenge to finding needed dental care is the lack or high cost of dental insurance. Over 133,000 children lack medical insurance in Pennsylvania. National statistics show that there are 2.6 children with no dental insurance coverage for every child lacking health insurance.

Both CHIP and Medicaid cover dental services for children. Together, these programs cover one in three children in the Commonwealth. Unfortunately, even if a child has coverage through CHIP or Medicaid, access to dental care is hindered due to an overall shortage of dentists as well as a shortage of dentists that accept public coverage. Senate Bill 455 will effectively reduce barriers that keep children from receiving the routine preventive dental care

they need by opening up more options for dental care for children.

Senate Bill 455 now moves to the Governor's desk for final action.

In addition to this measure, the General Assembly approved a number of other bills that are a part of the Governor's Prescription for PA proposal that give non-physician medical providers more latitude to treat patients, and thereby increase access to care. The bills expand the scope of practice for certified nurse practitioners, physician assistants, nurse midwives, and clinical nurse specialists. The package of bills also moves to the Governor's desk for final action

TABOR Moving in Senate

On June 6, the Senate Finance Committee reported legislation (Senate Bill 7) and a proposed amendment to the Pennsylvania Constitution (Senate Bill 707) to cap state spending. The proposals would limit state spending according to a formula that accounts for inflation and population growth.

Imposing artificial curbs on state spending will negatively impact the Commonwealth's ability to provide services, both existing and new, to our children. PPC is working with a number of allied organizations to make sure that spending caps are not enacted so the Commonwealth can continue to dedicate adequate and appropriate resources to programs that provide critical services to children and their families.

House Moves Welfare Control Measure to Senate

The House adopted several floor amendments on July 12 to a Public Welfare Code bill that seek to control spending and reduce fraud under the Department of Public Welfare. The amendments were supported by both the Republican and Democratic caucuses. As amended, the measure: requires those applying for public assistance to do



so only at the nearest county assistance office; creates an income eligibility verification system; requires photos to appear on benefit cards; and requires the Department to report on the Pennsylvania Work Verification Plan to the General Assembly and post the reports on its website. The measure, House Bill 83, now moves to the Senate for further consideration.

The Pennsylvania State Board of Education’s Chapter 4 Committee will draft recommendations for high school graduation requirements related to the graduation competency assessments recommended by the Governor’s Commission on College and Career Success. The Committee will hold open meetings in King of Prussia on July 27 and Pittsburgh Aug. 1 to gather input from the public. The deadline to register for King of Prussia is July 20; the deadline to register for Pittsburgh is July 25. For details about the roundtables, see www.pde.state.pa.us/stateboard_ed/cwp/view.asp?Q=106648&A=3.

Federal Update

2008 Federal Budget Taking Shape

With the congressional budget resolution setting general spending guidelines for FFY 2008, the House and Senate Appropriations Committees worked in June on the 13 or so appropriations bills that comprise the federal budget. Of interest to PPC, the committees devoted significant early work to the Labor-Health and Human Services-Education (commonly referred to as Labor-HHS) spending bills. These bills provide the bulk of non-defense domestic discretionary spending for important health, education and children’s programs. Usually, the bills are among the last to receive consideration, but congressional leaders seem to be making a point that the bills are a priority and they are giving them early and substantial attention.

Both the House and Senate versions of the Labor-HHS bill increase spending by about \$7 billion over the current year. Both bills also increase spending as compared to the President’s proposed budget by about \$9 -\$10 billion. The President has threatened to veto any spending bills that do not conform with his proposed budget. Congressional leaders are clearly drawing a line in the sand on the Labor-HHS bills and prioritizing spending on important non-defense domestic discretionary programs. Nonetheless, consideration of the bills will be contentious. Floor action is expected to occur sometime before Congress recesses in August

Please see the following chart for key program funding under the House and Senate Labor-HHS bills.

| Program | Senate Labor- HHS | House Labor-HHS | FFY 2007 | President’s Proposal |
|-------------------------------|-------------------|-----------------|-----------------|----------------------|
| CCDBG | \$2.062 Billion | \$2.137 Billion | \$2.062 Billion | \$2.062 Billion |
| Head Start | \$7.089 Billion | \$6.964 Billion | \$6.889 Billion | \$6.789 Billion |
| 21st Century Learning Centers | \$1 Billion | \$1.106 Billion | \$981 Million | \$981 Million |



SCHIP Reauthorization News

The Senate Finance Committee was expected to take up SCHIP reauthorization in late June. Unfortunately, the committee has delayed consideration until sometime in July. The House Energy and Commerce is also expected to begin consideration of SCHIP reauthorization legislation sometime in July as well.

The Finance Committee has drafted a bipartisan mark-up that calls for \$35 billion in additional funding for SCHIP for the 5-year reauthorization. This stands in stark contrast to the \$50 billion in additional funding that was pledged in the Congressional budget resolution. In addition, President Bush attacked the expansion and threatened to veto the reauthorization legislation, calling it a step to “federalized medicine.” Republicans and Democrats alike shot back at the President, pledging support for meaningful reauthorization. PPC is committed to securing timely and meaningful reauthorization that lives up to the \$50 billion pledge in the Congressional budget resolution, protects the gains that have been made under the Cover All Kids CHIP expansion and provides incentives and rewards for further gains in providing coverage to children in the Commonwealth.

Highlights of the markup include:

- *\$35 billion above the baseline of \$25 billion in funding over five years will preserve coverage for 6.6 million children enrolled at this time – including those who would have lost CHIP coverage without this investment – and reach an estimated 4 million uninsured children;*
- *State allotment formula improved to reflect actual projected spending;*
- *Contingency funding to address unforeseen emergencies;*
- *Funding for outreach and enrollment efforts;*
- *Coverage above 300 percent of federal poverty level will receive regular Medicaid match rate;*

- *Improved premium assistance policies;*
- *States have the option to cover pregnant women for prenatal care vital to healthy newborn children;*
- *Childless adults currently enrolled in CHIP will be transitioned into Medicaid;*
- *Funds for existing coverage of low-income parents will transition into separate small block grants at a lower federal matching rate;*
- *New waivers for additional adult coverage will not be permitted;*
- *Improves pediatric quality measures for CHIP and Medicaid.*

PPC organized a sign-on letter to the members of the Pennsylvania Congressional delegation, urging timely and meaningful SCHIP reauthorization. The letter, which was endorsed by 275 organizations, urges Congress to enact reauthorization legislation that accomplishes the following:

- *Maintains the Congressional pledge of an additional \$50 billion for children’s health care programs;*
- *Ensures that investments in children’s health programs are not secured at the expense of other child services, such as Medicaid;*
- *Provides flexibility to states to expand and enhance programs;*
- *Eliminates barriers that keep eligible children from gaining or retaining public coverage;*
- *Improves the quality of care to insure children’s healthy development;*
- *Establishes performances-based measures and rewards states that have successfully reduced the number of uninsured children and improved the quality of care.*

In early June the National Governors Association sent a letter to key senators noting that “timely and full” SCHIP reauthorization is the governors’ highest health care priority this year. The Governors



recommend that reauthorization allow states to:

- *Provide coverage to the millions of currently enrolled individuals and that no eligible person be denied coverage due to a lack of federal resources;*
- *Establish coverage policies that work best in their state;*
- *Expand or improve programs by providing options and incentives from the federal government; and*
- *Improve outreach by rewarding states for reaching enrollment benchmarks.*

On June 25 Gov. Rendell, Senators Casey and Specter, Rep. Tim Holden and State Senator Tina Tartaglione spoke at a rally at the Pennsylvania Capitol in support of SCHIP. The Governor and the legislators stressed the importance of fully funding the program. They also highlighted the great success of CHIP in Pennsylvania and the need for meaningful reauthorization to keep the program strong. PPC's President and CEO Joan Benso also participated in the event as a key advocate for children's healthcare in the Commonwealth.

Pennsylvania newspapers continue to publish positive editorials and op eds calling on Congress to provide timely and meaningful SCHIP reauthorization. To date, 17 editorials and op eds have been published in newspapers from communities across the Commonwealth.

Child Indicators Legislation

The federal government has given the states far greater power to administer programs for children and families. In order to make informed decisions about where our limited resources should be invested, states need accurate, timely and reliable data about their children and whether or not the current programs are providing them with the assistance they need. Moreover, the federal government needs this information in order to assure that our scarce federal dollars are spent effectively.

Legislation has been introduced in Congress which would improve states' access to critical information about the condition of our nation's children. The proposal has been introduced in the Senate by Senators Rockefeller (D-WV) and Snowe (R-ME) as S. 1482. Rep. Fattah (D-PA) has introduced the measure in the House as H.R. 2477. At the time of publication, Rep. Platts (R-PA) has signed on as a co-sponsor.

The State Child Well-Being Research Act would expand the National Survey of Child Health and allow the collection and dissemination of important data in each and every state. Data would be collected on a rolling basis, so that key data would be available every year and subgroup data every two years. Data would be available to local, state, and federal policymakers four to six months after collection. While experts appointed by the U.S. Department of Health and Human Services would determine the actual questions included in the survey, some information that would be gathered includes:

- *Children's health data, to help guide decisions on how to best invest in improving children's health outcomes;*
- *Identification of children who are eligible for public health insurance but are not covered in order to increase enrollment rates in SCHIP;*
- *Data on children's contact with non-custodial parents, which can be used to improve fatherhood programs;*
- *Family structure and child well-being data (which can be used to assess the effectiveness of marriage promotion efforts funded through TANF);*
- *Data on parental perceptions of child care quality, accessibility, and affordability;*
- *Data on the amount of time children generally spend in child care, in order to guide decisions on hourly work requirements for families moving from welfare to work.*