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SPECIAL EDITION • STATE BUDGET UPDATE

Gov. Corbett's Budget Proposal Comes Up Short for Kids

Gov. Tom Corbett's proposed \$27.14 billion spending plan for fiscal 2012-13 holds mostly bad news for Pennsylvania's children, reducing overall spending for early childhood and K-12 education, and likely reducing availability of proven initiatives such as full-day kindergarten. These reductions are coupled with serious cuts to higher education, while the proposed budget has no new revenue sources.

"On the whole, the governor's budget priorities fail to show adequate commitment to the well-being of Pennsylvania's children, and his short-term attempts to cut costs will cause long-term setbacks to the commonwealth's efforts to build a competitive workforce," Pennsylvania Partnerships for Children President and CEO Joan Benso said in response to Corbett's budget plan.

For a review of budget line items impacting children, [CLICK HERE](#).

The governor's proposed budget calls for more than \$30 million in cuts to pre-kindergarten and child care, despite Corbett's campaign pledge in 2010 to double the number of children who benefit from these proven programs.

The elimination of the Accountability Block Grant program - funded in fiscal 2011-12 with a supplemental appropriation from fiscal 2010-11 – likely will mean fewer children benefitting from full-day kindergarten. In addition, a number of line items to fund public education services have been blended into a newly created Student Achievement Education Block Grant, resulting in a net loss of more than \$78 million to meet the public education needs of Pennsylvania's children.

While the overall commitment to children is lacking, there are some positive notes to be found in Corbett's spending plan, such as the inclusion of:

- *\$15.6 million in additional dollars to continue implementation of the Keystone Exams to ensure students have met state academic expectations for high school graduation.*

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- \$3.717 million for improved teacher and administrator evaluation tools, ultimately helping to create more effective teachers and boost student achievement.
- \$301,000 to develop a “School Report Card” system that assesses all public schools based on academic performance, school safety and fiscal strength.

As the budget season unfolds, PPC will closely monitor developments and alternative proposals to the governor’s spending plan to ensure children’s interests are brought to the table. Every year that goes by without adequate funding for crucial children’s programs is another year of missed opportunities for our youngest Pennsylvanians.

Fostering Connections Part of Budget Proposal

Gov. Corbett’s proposed 2012-13 budget includes plans to implement the federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (Fostering Connections), meant to promote adoption and legal guardianship and provide greater support for older youth who remain in foster care. PPC supports this effort and worked with the administration to have it included in the budget.



Fostering Connections provides federal reimbursement for states that extend adoption and legal guardianship subsidies to age 21, expand eligibility criteria for youth to remain in foster care until age 21 and allow youth to re-enter foster care between ages 18 and 21. The governor’s budget proposal projects Fostering Connections will save the state \$4.5 million by drawing down additional federal funds that are available to aid older youth in foster care.

“Fostering Connections can increase the number of older youth who find permanent families through adoption or legal guardianship and save the commonwealth and its counties money,” Benso said. “It is a great example of public policy that helps young people while using taxpayer resources wisely.”

The full benefits of Fostering Connections will be detailed in a report issued next week by PPC and the Juvenile Law Center. The report, based in part on a fiscal impact analysis, details the tangible benefits Fostering Connections holds for foster youth and taxpayers.

PA Medicaid Program Drops 88,000 Kids

A sharp decline in the number of children being served by Medicaid is raising questions among children’s advocates about whether the Department of Public Welfare (DPW) is cutting costs at the expense of children’s health care.

In August 2011, DPW began sending out hundreds of thousands of renewal notices to Pennsylvanians receiving Medicaid, allowing 10 days to respond and provide any necessary documentation to remain enrolled in Medicaid. If DPW did not receive and process all requested paperwork within this 10-day deadline, the individual or family was dropped from Medicaid.

By DPW’s own estimates, this process resulted in more than 88,000 children being removed from the program. Children’s advocates, health care providers and many of the families themselves have

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indicated that a number of these children were removed from the Medicaid rolls despite their families submitting the paperwork requested by DPW in a timely manner.

As part of the commonwealth's longstanding efforts to provide universal health care coverage for children, any Pennsylvania child whose family is no longer deemed eligible for Medicaid coverage is referred to CHIP. Yet as the number of children enrolled in Medicaid has dropped by tens of thousands, there has been no corresponding increase in CHIP enrollment, which has risen by only a few thousand children during the same time span.

This disparity in enrollment numbers indicates tens of thousands of Pennsylvania children who had health insurance just a few months ago now lack any health care coverage. This amounts to a serious health care crisis for our kids. A lack of insurance means a lack of preventive health care for children, and that ultimately leads to higher social and economic costs for all Pennsylvanians.

DPW officials have publicly claimed the reduction in the Medicaid rolls will yield savings, but if children who were improperly dropped from Medicaid due to bureaucratic issues re-enroll, those estimated cost savings will diminish and possibly disappear entirely.

In the interim, those affected children might have to seek medical care through avenues such as hospital emergency rooms, which are considerably more costly than a physician's office visit. In the worst cases, parents might defer medical care for a child due to a lack of insurance, risking greater medical issues, higher medical costs and possibly life-threatening situations.



MET Project Releases Interim Report

The Measures of Effective Teaching (MET) Project recently released [an interim report](#) focused on its evaluation of five high-quality teacher observation models – including the Danielson Framework for Teaching, which the Pennsylvania Department of Education is currently piloting with more than 7,000 teachers across the state. The study finds that high-quality classroom observations require clear standards and well-trained evaluators, and that combining multiple measures of effective teaching – including classroom observation, measures of student achievement and student feedback – significantly outperforms traditional methods of evaluating teacher effectiveness.

The MET Project, funded by the Bill & Melinda Gates Foundation, is a research partnership of academics, teachers, and education organizations to investigate better ways to identify and develop effective teaching.

Pennsylvania Partnerships for Children has been working to improve teacher effectiveness through a statewide campaign called ["Making the Grade: Effective Teaching in Every Classroom."](#)



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Harper Named Chair of House Children & Youth Committee

Rep. Kate Harper (R-Montgomery) has been named as the new chair of the House Children and Youth Committee, succeeding former Rep. Dennis O'Brien (R-Philadelphia), who left the House in December to join the Philadelphia City Council. Harper had been chair of the House Ethics Committee before being named to head the Children and Youth Committee.

Harper said the committee will be working closely with the newly created Task Force on Child Protection to review and implement any recommendations it might make, as well as assessing the efficiency and effectiveness of child protection programs offered through DPW to ensure they are benefitting children most in need.

Task Force on Child Protection Holds Inaugural Meeting

Pennsylvania's newly formed Task Force on Child Protection convened its first meeting on Jan. 26 with a discussion on the scope of the task force's work and the pace at which it should proceed.

Task Force Chairman David Heckler noted the group is due to issue a final report on its work by Nov. 30, but he said that timeline would make it difficult for lawmakers to consider any needed legislation before the end of the session. He suggested a task force schedule that would "identify matters about which we have a great deal of consensus" by spring and provide legislative proposals as early as May or June so lawmakers would have "grist for their mill" to begin deliberations during summer.

The task force also discussed holding hearings in various regions of the state to better gather public input.

The next meeting of the task force has been tentatively scheduled for 10:30 a.m. on Thursday, March 8, in Harrisburg.

In addition to Heckler, other members of the task force include:

- *Dr. Rachel Berger, member of Child Protection Team at Children's Hospital of Pittsburgh;*
- *Jackie Bernard, Chief Deputy District Attorney, Blair County;*
- *Dr. Cindy W. Christian, M.D., director of Safe Place: The Center for Child Protection and Health, Children's Hospital of Philadelphia;*
- *Hon. Arthur Grim, Senior Judge, Court of Common Pleas of Berks County.*
- *Carol Hobbs-Picciotto, MHS, Intake Social Worker, City of Philadelphia.*
- *Garrison Ipock Jr., executive director, The Glen Mills Schools, Glen Mills;*
- *Jason Kutalakis, senior partner, Abom & Kutalakis LLP, Carlisle;*
- *Delilah Rumburg, Pennsylvania Coalition Against Rape and the National Sexual Violence Resource Center.*
- *William Strickland, president and CEO of Manchester Bidwell Corporation;*

Public Welfare Secretary Gary Alexander serves as an ex-officio member of the task force, and Beverly Mackereth, DPW's deputy secretary for the Office of Children, Youth and Families, also is expected to lend her expertise to the task force's work. Additionally, Lt. Gregg Mrochko of the State Police Bureau of Criminal Investigation serves as a liaison and resource to the panel.



Pennsylvania's Children's Health Insurance Program

CHIP Update

CHIP enrollment increased slightly to 194,531 in January, up from 194,439 the previous month. There were 17,084 children enrolled in CHIP who would not have been eligible prior to the Cover All Kids expansion.

Revenue Update

Pennsylvania collected \$2.2 billion in General Fund revenue in January, which was \$10.4 million — or 0.5 percent — less than anticipated. Fiscal year-to-date General Fund collections total \$13.8 billion, which is \$497.2 million — or 3.5 percent — below estimate.

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DPW to Impose Asset Test for SNAP

The Department of Public Welfare (DPW) is moving ahead with a plan to impose an asset test when determining eligibility for the Supplemental Nutrition Assistance Program, but the test will not be as stringent as initially planned.

DPW Secretary Gary Alexander announced on Feb. 1 that the maximum assets allowable will be \$5,500 for a typical family household and \$9,000 for households with occupants who are 60 or older or have a disability. Some assets — including home equity, a primary vehicle, educational savings accounts and pension plans — would be exempt.

The asset limits are higher than DPW initially proposed. In a letter to federal officials, the department outlined plans to impose asset limits starting May 1 of \$2,000 per household and \$3,250 for a household with occupants who are older or disabled.

Pennsylvania will be in a small minority of states that impose a SNAP asset test. Pennsylvania eliminated its asset test entirely in 2008, joining 34 other states that have no such test.

As of December 2011, more than 1.8 million Pennsylvanians in nearly 880,000 households were eligible for SNAP.

FEDERAL UPDATE

'State of the Union' Stresses Need for Better Education, Job Training

President Barack Obama took advantage of his time before Congress in his State of the Union address to stress the returns on investments in learning, from basic education through job training.

In the Jan. 24 speech, the president proposed:

- **Systems to improve teaching:** *A great teacher can boost the lifetime earnings of an entire classroom by hundreds of thousands of dollars. President Obama is seeking a new competitive program that would allow states to work with teachers and unions to reform colleges of education and make them more selective, create career ladders and tie earnings to performance, establish more leadership roles and improve professional development, create multiple-measure evaluation systems, and reshape tenure to protect good teachers and promote accountability. The president would also boost funding to prevent teacher layoffs and avoid increases to class sizes or decreases in the number of school days.*

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- **Requiring high school attendance:** Stronger laws to prevent dropouts increase students' lifetime earnings. The president called on state governments – beyond the 20 that have already done so – to require students to stay in school until they graduate or turn 18.
- **School-business partnerships to train and place 2 million skilled workers:** Many industries have difficulty filling jobs that require specific technical skills, and shortages of qualified workers for mid- and high-level positions will continue in health care, advanced manufacturing, clean energy, and information technology. The president proposed new partnerships, modeled on programs in cities nationwide, among community colleges and businesses to train and place 2 million Americans in good jobs by schooling them in specific skills that employers need. The president also proposed partnerships among high schools and industries to create more career academies, which combine academic instruction and skills training.
- **Reform job training and unemployment insurance:** The president urged Congress to reform unemployment insurance by requiring workers seeking emergency federal benefits to undergo eligibility assessments, while also offering new tools to help workers find new jobs. He also proposed one-stop shopping in programs, locations, and websites for dislocated workers seeking job services and training opportunities in their communities.

New Studies Underscore Need for Greater Teacher Effectiveness

Teacher effectiveness improves academic achievement, students' lifetime earning power, and Pennsylvania's long-term economic growth, but states and school districts nationwide must make up a lot of ground to put effective teachers in every classroom, according to the combined findings of three new studies.

[Economists at Harvard and Columbia universities tracked](#) 1 million children from fourth grade through adulthood and reported that a teacher's impact on student test scores – known as a teacher's "value added" – translates into a brighter economic picture for students. The higher the teacher's value added, the more likely the teacher's students were to attend college, earn higher salaries over their working lifetimes, and even save more for retirement.

Pennsylvania is working toward placing an effective teacher in every classroom, including initiatives that measure effectiveness through student test scores and other factors, but the state has a long way to go, according to a [new report from the National Council on Teacher Quality](#). The council gave Pennsylvania a D+ on its efforts to prepare, retain, and reward effective teachers, and progress has been only "moderate" so far.

The council found that Pennsylvania lacks several key elements to improving teacher effectiveness: A uniform, statewide policy connecting professional development with teacher evaluations, objective evidence of student learning as criteria in teacher evaluations, improvement plans for unsatisfactory teachers, and school-level data to help ensure the equitable distribution of teacher talent.

While evidence builds showing the importance of effective teachers, researchers at The Education Trust–West found that poorer students in largely minority areas of the Los Angeles Unified School District often had the least effective teachers.



Though [the study tracked students in one district](#), researchers cited the same phenomenon nationwide. They reported four key findings:

- *A teacher using effective teaching methods can dramatically increase student academic performance, whether students are behind or ahead academically.*
- *Measures of teacher quality such as years of experience and “Highly Qualified Teacher” status were poor predictors of teacher effectiveness.*
- *Low-income students were twice as likely to have a less effective teacher as students in more affluent areas. Latino and African-American students were two to three times more likely to have less effective teachers than their white and Asian counterparts.*
- *Layoffs at LAUSD in 2009 removed dozens of highly effective teachers from high-needs schools.*

House Education and Workforce Committee Releases ESEA Legislation



House Republicans’ [draft bills](#) to rewrite the Elementary and Secondary Education Act align with Senate Democrats and President Obama on some measures but have raised fears that reform of No Child Left Behind has taken on partisan tones.

The measures introduced by U.S. Rep. John Kline (R-Minn.), chairman of the House Education and the Workforce Committee, would scrap Adequate Yearly Progress while retaining NCLB’s current testing schedule. The Obama administration and Senate Democrats have proposed similar steps.

However, Kline’s bills would significantly lessen federal intervention in schools, including the lowest performers, and would give districts broad funding flexibility. They would also: require districts to evaluate teachers, in part, on student outcomes, and use them in personnel decisions; retain testing in math and reading in grades three through eight and once in high school, but eliminate science as a required subject; eliminate requirements that teachers be “highly qualified” or demonstrate subject competence and be state-certified; and limit spending on class-size reduction.

U.S. Secretary of Education Arne Duncan said the administration will continue to award waivers allowing states to swap some NCLB requirements for their own standards for preparing students for college and careers and evaluation standards for teachers and principals. Kline’s proposal “retreats from reform, accountability and bipartisanship,” Duncan said.

Associations for school officials say the Kline bills are a good starting point, maintaining accountability while continuing to test students. But advocates for special education students said the draft actually weakens accountability and regresses from standards and expectations that have helped special education students make significant progress.



National Science Foundation Study: University Per-Student Funding Declines

States reduced per-student funding for major public research universities by one-fifth during the past decade, while foreign competitors invested heavily in science, innovation, and higher education, according to [new data from the National Science Board](#). Although Pennsylvania's per-student investment rose by 8 percent between 2002 and 2010, from \$7,953 to \$8,602, the commonwealth still falls in the third-lowest quartile among states and below the national average of \$9,082. As a percentage of the universities' total revenue, state funding declined from 28 percent in 2001 to 19 percent in 2009. State funding had been rising after 2002 but dipped sharply beginning in 2008.

While state funding declined, enrollments were growing. The NSB report, which highlights trends that impact on the nation's competitiveness and capacity for innovation, found that Asia far outpaces the U.S. in science and engineering degrees. In 2008, the U.S. produced four percent of the world's engineering degrees, compared to 56 percent in Asia, including about one-third in China. About 30 percent of all university undergraduate degrees earned in China were in engineering.

The low share of degrees granted in the U.S. is worrisome because higher education in science and engineering "provides the advanced skills needed for a competitive workforce and, particularly in the case of graduate-level S&E education, the research capability necessary for innovation," said the NSB's Dr. José-Marie Griffiths.

State Investments Matter to Child Well-Being

Public investments have a direct impact on improving children's well-being, according to a comprehensive analysis of annual child well-being data released by the Foundation for Child Development.

"[Investing in Public Programs Matters: How State Policies Impact Children's Lives](#)" analyzed the 2012 State Child Well-Being Index, or CWI, which ranks and compares children's well-being by state in seven different domains.

By studying the strength of relationships between state policies and selected child well-being indicators, the report found that:

- *States with higher state taxes have higher CWI values than lower-tax rate states.*
- *The amount of state public investments in programs is strongly related to CWI values. Specifically, higher per-pupil spending on education, higher Medicaid child-eligibility thresholds, and higher TANF benefits show a substantial correlation with child well-being.*
- *Children's well-being is strongly related to the states where they live. Child well-being varies tremendously among states, ranging from high to low of New Jersey's 0.85 index value to New Mexico's negative 0.96 index value for New Mexico, the lowest-ranked state. Pennsylvania is 11th, at 0.43.*