



## FOR IMMEDIATE RELEASE

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October 9, 2009

## Stimulus Funds Keep PA School Improvement on Track

*Budget deals uses stimulus dollars for continued investment in education,  
but some key programs face cuts*

HARRISBURG - The Governor and the General Assembly, with some help from the federal stimulus package, agreed today to a 2009-10 education budget that maintains the new adequacy formula adopted in 2008, provides new resources for local improvements to basic education programs, and keeps the state on track toward the long-term objective of more equitable state funding for public education.

“Despite the exceptional economic and budget conditions faced by the Commonwealth, legislative leaders and the Governor still found a way to make resources available for new investment in school improvements,” said Baruch Kintisch, Policy Director for the Education Law Center.

Pennsylvania’s new adequacy formula and accountability system, adopted in 2008, remain in effect and are used in the 2009-10 budget to distribute basic education resources totaling \$5.25 billion. This represents an increase in basic education of \$300 million, funded by tapping into federal stimulus stabilization dollars.

The Commonwealth’s education formula remains established in law and sets an adequacy target for each school district based on the number of students enrolled and the costs of preparing them to meet state academic standards.

The formula then strives to close each district’s adequacy gap by distributing basic education funding based on relative wealth, tax effort, and other factors reflecting district need. The accountability system, also set in state law, monitors district investment of new resources and ensures school improvements in key areas benefiting student achievement.

Additional advancements are still possible in how Pennsylvania funds and supports special education. While special education funding remains at the same level as last year — representing the sixth straight year that resources for Pennsylvania students with disabilities fell behind the rate of inflation — the General Assembly will have the opportunity to adopt badly needed special education funding and accountability reform legislation, in the form of House Bill 704 and Senate Bill 940, later this year.

“Overall, Pennsylvania is one of the few states in the nation to use education stimulus funds for local school reforms that benefit student achievement,” said Janis Risch, Executive Director of Good Schools Pennsylvania. “Other states have used nearly every penny of stimulus merely to ‘back fill’ for cuts in state appropriations.”

The budget agreement reached by Pennsylvania’s leaders does, however, roll back some programs affecting disadvantaged students and school districts. For example, cuts totaling about \$150 million affect programs such as student tutoring (Education Assistance Program), teen pregnancy, school libraries, teacher professional development, career and technical education, and school improvement/high school reform.

The General Assembly will face similar challenges in funding public education next year. In addition to the \$300 million in stimulus dollars used to provide an increase above 2008-09 levels, \$354 million in additional stimulus dollars are used to replace state basic education funding in 2009-10. If this same approach is taken next year, tapping into education stimulus dollars currently received by Pennsylvania but held in reserve, then the state will face difficult funding and revenue decisions when stimulus ends after 2010-11.

“Despite these challenges, we look forward to better economic times,” Sandy Zelno, School Reform Associate for Education Law Center “when the state can resume using state dollars through the formula to implement the long-term adequacy phase-in adopted in 2008.”

Until then, public education remains inadequately funded by the state for hundreds of thousands of Pennsylvania’s most disadvantaged children and schools. In addition, many of our older communities are over-taxed to support public education, which perpetuates a cycle of disinvestment by homeowners and businesses. This ongoing problem weakens our economy and the long-term sustainability of communities, and in the future the General Assembly must not lag in its commitment to resolving these issues.

Details of the 2009-10 PA Education Budget can be found below or by clicking [here](#). To print a copy of this release, click [here](#).

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## **2009-10 Pennsylvania Education Budget Details As Adopted by the General Assembly on 10-9-09 In HB 1416 and SB 1614**

### **Basic Education funding**

State dollars = \$4.871 billion (\$354 million less than 2008-09)

Federal Stimulus Stabilization Dollars = \$654 million  
(filling in for a \$354 million rollback in state dollars and also providing a \$300 million increase)

There is a minimum increase for all school districts in the basic education line item of 2 percent, costing over \$9 million.

The geographic cost variable in the basic education formula is changed, adding about \$216 million in state expenditures for about 230 school districts with costs of living lower than the state average. In 2008 the formula saved this amount of funding by lowering state expenditures for low-cost districts.

The requirements are modified for Basic Education Accountability Plans by school districts receiving the largest increases, so that the PA Department of Education can waive these requirements for up to 25% of the increase for districts facing losses in local revenue.

### **Special Education funding**

\$941 million plus an additional \$86 million for the Contingency Fund, Intermediate Units, and Institutionalized Programs, totaling \$1.027 billion

\$173 million for Early Intervention for pre-school children (\$11.6 million lower than 2008-09)

\$0 for Homebound Instruction (\$748,000 less than 2008-09)

\$98 million for Approved Private Schools (\$2 million more than 2008-09)

\$5.5 million for Intermediate Units (\$780,000 less than 2008-09)

The special education formula remains broken. Students with disabilities are the only student group for whom the state formula has not been reformed to consider adequacy factors. Consideration of the school code bill (HB 11) is being delayed, with dozens of legal changes included instead in the annual fiscal code bill which is being adopted with the 2009-10 budget. HB 704, fixing the special education formula, is included in HB 11 and awaits further action this year.

### **Early Childhood funding**

\$86.4 million for Pre-K Counts (same as in 2008-09)

\$271 million for Accountability Block Grants (same as in 2008-09)

\$39 million for Head Start (same as in 2008-09)

### **Other Education Line Items**

Over \$150 million total is cut from a variety of other education line items, many affecting disadvantaged students and districts. For example:

\$59 million for Student Tutoring (Education Assistance Program) (\$5.7 million less than 2008-09)

\$62 million for Career and Technical Education (\$2 million less than 2008-09)

\$25 million for Teacher Professional Development (\$17.5 million less than 2008-09)

\$11.4 million for School Improvement Grants (\$11.4 million less than 2008-09)

\$3.7 million for High School Reform/Project 720 (\$7.1 million less than 2008-09)

\$0 for Teen Pregnancy and Parenthood (\$1.7 million less than 2008-09)

\$60 million for Public Library Subsidy (\$15.7 million less than 2008-09)

\$3 million for Library Access (\$4.3 million less than 2008-09)

\$0 for Safe and Alternative Schools (\$23 million less than 2008-09)

\$0 for Classrooms for the Future (\$45 million less than 2008-09)