

ISSUE BRIEF

SENATE POLICY DEVELOPMENT AND RESEARCH OFFICE

PREPARED IN CONJUNCTION WITH THE SENATE REPUBLICAN POLICY COMMITTEE

Education Funding 2008-09

Introduction

More than 32 percent of the \$1.13 billion increase in the FY 2008-09 General Fund Budget – or \$347.4 million – was for education (PreK-12 and higher education). PreK-12 education funding grew to nearly \$9.7 billion, with basic education seeing an overall 5.5 percent increase, \$274.7 million, for a total of \$5.2 billion. This funding level guaranteed all school districts at least a three percent increase over Fiscal Year 2007-08 and represented the largest increase in basic education funding in at least two decades.

Additionally, the budget included:

- \$1.03 billion for special education funding, an increase of \$16.8 million with each district receiving its 2007-08 Special Education Formula Funding and a minimum two percent increase;
- \$271.4 million for Accountability Block Grants;
- \$86.4 million for Pre-K Counts, an increase of \$11.4 million;
- \$65.1 million for tutoring programs;
- \$45 million for Classrooms for the Future;
- \$39.5 million for Head Start assistance; and
- \$14.5 million for science education support to elementary students.

Public School Code Changes

One of the key elements of the budget was a more equitable formula for funding basic education. The language for this formula was contained in House Bill 1067 (Mann), which was enacted into law as [Act 61 of 2008](#). These changes are intended to focus the funding formula on helping school districts move closer to their “adequacy target” - the level of resources needed for students to succeed - calculated based on, among other factors, a poverty supplement, district size supplement, English language learner supplement, and geographic price adjustment.

Act 61 of 2008 amended the Public School Code to make numerous other changes. The measure:

- Provided procedural changes to background checks for prospective employees as requested by the Federal Bureau of Investigation;
- Prohibited the change or establishment of high school graduation requirements;
- Authorized school districts to reopen their 2008-09 budget to reflect additional changes to state allocations from the enacted General Appropriations bill;
- Permitted a parent or guardian to request classroom placement of twins or higher-order multiples with certain limitations;

- Extended the scope and implementation of violence prevention programs to include “bullying” and required each school entity, no later than January 1, 2009, to adopt a policy related to bullying or to include a bullying policy as part of its existing Code of Student Conduct;
- Required that a student’s disciplinary record be transferred when a student transfers in or out of a public or nonpublic school;
- Extended the authority for educational assistance funding (tutoring) to the 2008-09 school year to be used by schools that fail to achieve proficiency in mathematics and reading. Funding would be pro-rated if there are insufficient funds;
- Required day care providers receiving Pre-K Counts funds to increase the required quality STAR rating from STAR 2 to STAR 3 to continue eligibility for the Pre-K Counts program;
- Established the Virtual High School Study Commission in the Department of Education to examine the feasibility and costs associated with creating a state-operated, Internet-based high school, known as the Pennsylvania Virtual High School;
- Established charter school requirements that:
 1. Prohibit an administrator of a charter school from receiving compensation from another charter school or from a company that manages a charter school;
 2. Allow a first class school district to renew a charter for one year pending additional academic performance information and allow the charter school to operate at more than one location;
 3. Allow the governing body of a first class school district to place conditions on a charter school, in corrective action status, when seeking renewal;
 4. Establish that charter schools providing alternative education services can apply for Alternative Education Program grants;
 5. Require a charter school applying for funding under the Disruptive Students Program to provide written support from the chartering school district;
 6. Provide that enrollment caps cannot be placed on charters or cyber charters unless agreed to by the charter school; and
 7. Reimburse school districts for transportation costs associated with charter schools;
- Provided increased funding to reimburse school districts for costs related to charter schools and cyber charter schools;
- Allowed a school district, designated as a Commonwealth Partnership District (Pittsburgh School District), to dispose of unused and unnecessary land and buildings with certain restrictions;
- Provided for school districts that have been declared a Commonwealth Partnership school district to receive an additional \$4 million for basic education funding;
- Added language to continue the Department of Education’s ability to utilize funds not expended, encumbered or committed from appropriations for grants and subsidies to assist school districts certified as empowerment districts (in 2008-09 this would apply to the Chester-Upland School District);
- Created a task force in the Department of Education to investigate the impact of school construction mandate waivers on taxpayers and report the findings to the General Assembly in six months;
- Made changes to community college payments by allowing additional payments from outside sources to be allocated to the economic development stipend portion of the subsidy and by using audited numbers on full-time equivalent enrollment data;

- Required each institution of the State System of Higher Education and the state-related universities to electronically file their annual reports, which includes data for all programs at the institution, to the Department of Education and the Joint State Government Commission;
- Expanded the Educational Improvement Tax Credit Program to include S-corporations and to increase the maximum amount businesses can contribute;
- Lowered the compulsory school age in a first class district from eight to six years of age, with certain exceptions for home schooling programs;
- Ensured that all libraries subject to the Library Code and compliant with library standards are eligible for state aid;
- Required a first class school district to report to the House and Senate Appropriations Committee on the Education Management Organizations (EMOs) receiving funds from the district;
- Provided school districts with the same amount in Pennsylvania Accountability Grants as the previous year; and,
- Expanded the program options from which school districts may choose to expend Pennsylvania Accountability Grants to include: career awareness programs, the purchase of library materials and the expansion of library service hours. Funding would be pro-rated if there are insufficient funds.