



# Education Brief

## Governor's Proposed FY 2009-10 Budget

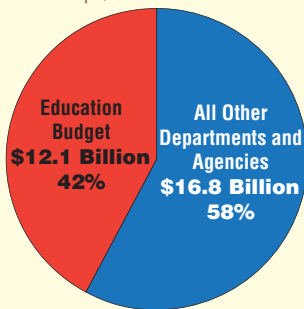
**Senator Jake Corman**  
Chairman  
Senate Appropriations Committee

**Senator Jeffrey E. Piccola**  
Chairman  
Senate Education Committee

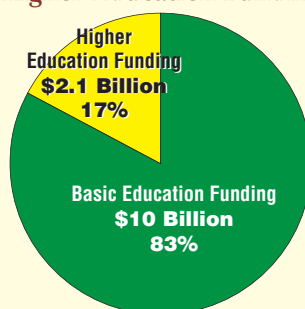
FRIDAY, FEBRUARY 6, 2009

### Overview

**FY 2009-10  
Governor's Proposed Budget  
\$28.9 Billion**



**FY 2009-10  
Governor's Proposed Basic and  
Higher Education Funding**



The Governor's FY 2009-2010 proposed budget includes \$12.1 billion in appropriations for basic and higher education programs, a \$210.1 million, or 1.8% increase over FY 2008-2009.

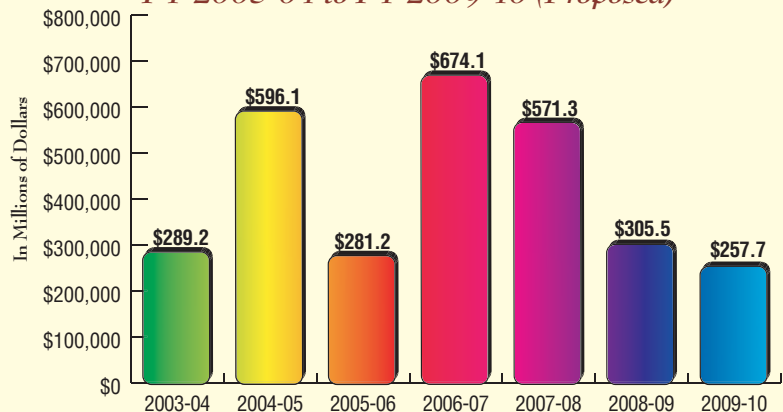
For basic education programs, the proposed budget includes \$10 billion, a \$257.7 million, or 2.6% increase over FY 2008-2009.

Appropriations for basic and higher education represent 42% of the overall proposed FY 2009-2010 budget.

### Overall Funding Increases for Basic Education Programs

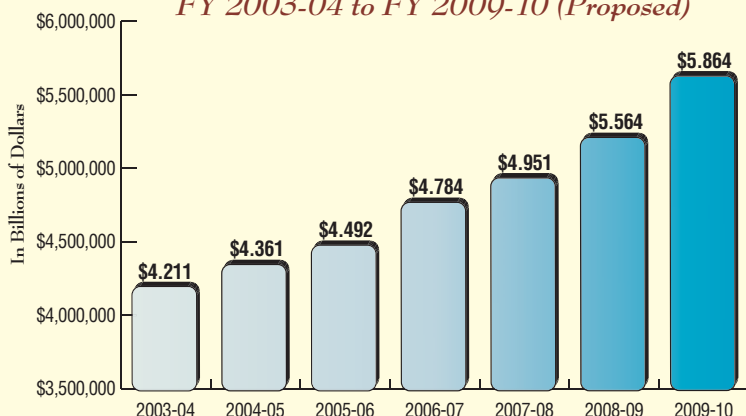
Funding for basic education programs has increased by \$3 billion, or 42.2% between FY 2003-2004 and FY 2009-2010.

**Funding Increases for Basic Education Programs  
FY 2003-04 to FY 2009-10 (Proposed)**



### Basic Education Subsidy

**Basic Education Subsidy: 7-Year Increase  
FY 2003-04 to FY 2009-10 (Proposed)**



The basic education subsidy provides state funding to all 500 school districts for general operating purposes. It accounts for 58.5% of the total appropriations for basic education programs. Between FY 2003-2004 and FY 2008-2009, this appropriation increased by \$1.5 billion, or 36.2%.

The Governor's proposed FY 2009-2010 budget includes a basic education subsidy appropriation of \$5.864 billion, a \$300 million, or 5.4% increase over FY 2008-2009.

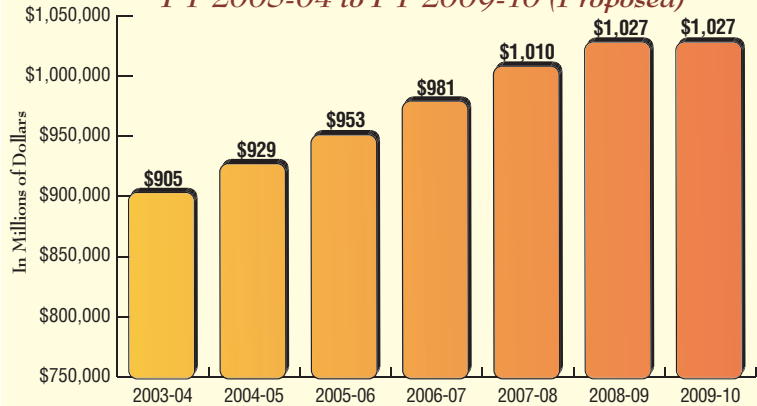
The Governor's proposed budget folds \$338.3 million appropriated for PA Accountability Grants, the Education Assistance Program and Basic Education Formula Enhancements into the basic education subsidy appropriation in FY 2008-2009 and 2009-2010.

## Special Education Subsidy

The special education subsidy provides state funding to all 500 school districts for the support of students with disabilities. Between FY 2003-2004 and FY 2008-2009, this appropriation increased by \$152.5 million, or 17.4%.

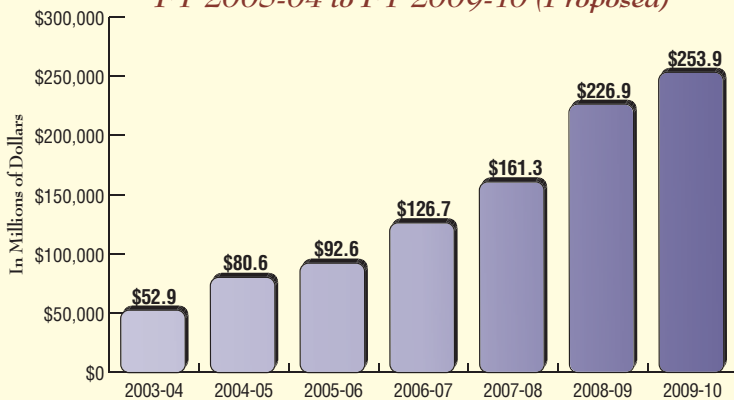
The Governor's proposed FY 2009-2010 budget includes a special education subsidy appropriation of \$1.027 billion, the same amount as provided in the FY 2008-2009 budget.

### Special Education Subsidy: 7-Year Increase FY 2003-04 to FY 2009-10 (Proposed)



### School District Reimbursement for Charter School Costs

FY 2003-04 to FY 2009-10 (Proposed)



## Charter School Reimbursement

The charter school reimbursement line item provides funds to each school district with students enrolled in a charter school or cyber charter school. In FY 2008-2009, each school district received a reimbursement of approximately 30% of the payments the school district made to charter schools and cyber charter schools in FY 2007-2008.

The Governor's proposed FY 2009-2010 budget includes a charter school reimbursement appropriation of \$253.9 million, a \$27 million, or 11.9% increase over FY 2008-2009.

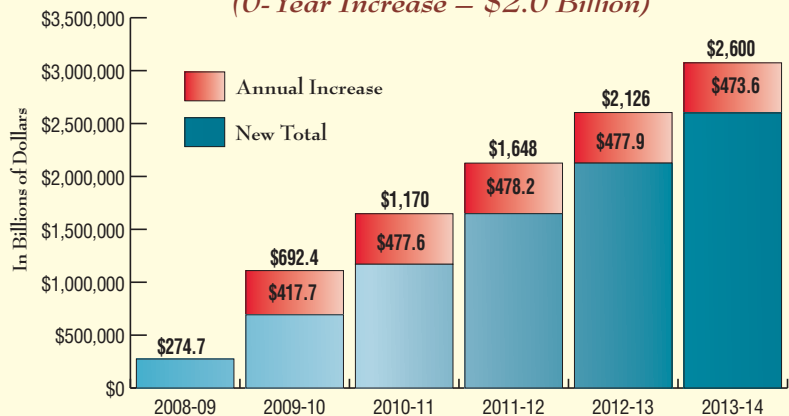
## Costing-Out Study Progress Report

The Governor's basic education subsidy plan, which is based on the Costing-Out Study, included a commitment to incrementally increase funding by \$2.6 billion over a 6-year period. The implementation schedule originally proposed would provide an additional \$417.7 million, or 8% in FY 2009-2010.

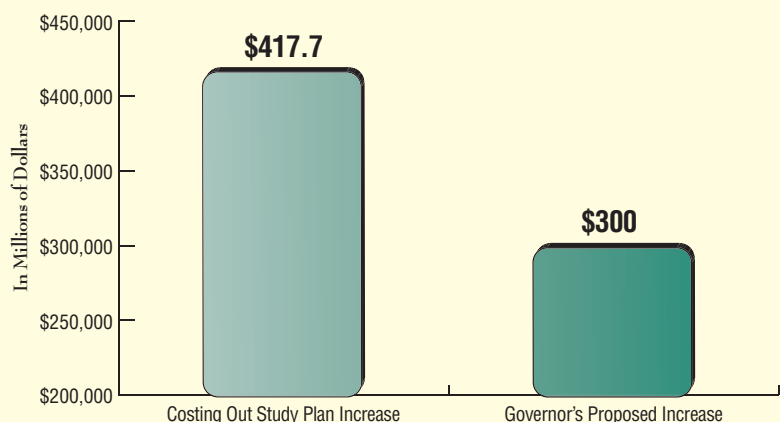
The Governor's FY 2009-2010 proposed budget includes just \$300 million in new funding for the basic education subsidy, 71.8% of what was initially proposed.

Due to the fact the basic education subsidy is less than was proposed in the original 6-year plan, if eventually implemented, it is likely that an additional year will be needed to meet the Costing-Out Study's adequacy target.

### Costing-Out Study 6-Year Funding Plan (6-Year Increase – \$2.6 Billion)

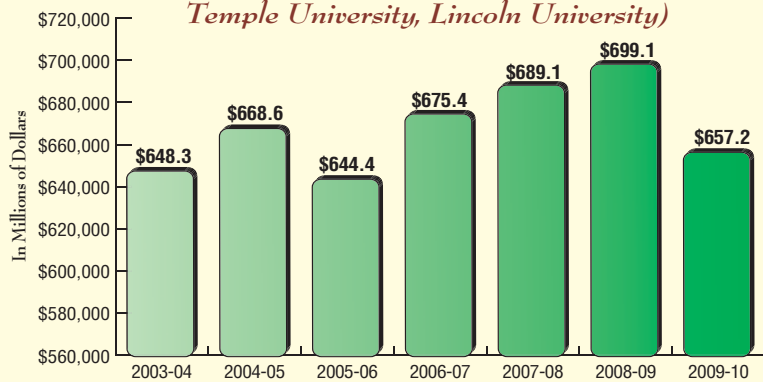


### Comparison Costing-Out Study Plan Increase and Governor's Proposed Increase for Basic Education



# Funding for State-Related Universities

**State-Related University Funding**  
(Penn State University, University of Pittsburgh,  
Temple University, Lincoln University)



The Commonwealth has traditionally provided support to our state-related universities, Pennsylvania State University, Temple University, the University of Pittsburgh and Lincoln University, through the non-preferred appropriations process. Between FY 2003-2004 and FY 2008-2009, funding for state-related universities increased by \$31.8 million, or 4.8%.

The Governor's proposed FY 2009-2010 budget includes \$657.2 million for the state-related universities, a \$41.9 million, or 6% decrease over FY 2008-2009.

# Categorical Funding Programs

In addition to funding for traditional subsidy programs, \$190.9 million of the FY 2009-2010 proposed budget for basic education programs is directed to categorical spending programs, such as the Pre-K Counts Program and the Classrooms for the Future Program.

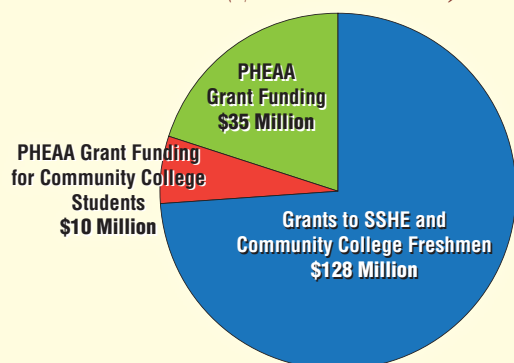
The level of funding for categorical programs in the FY 2008-2009 and FY 2009-2010 budget is reduced by the Governor folding \$336.3 million appropriated as PA Accountability Grants and the Education Assistance Program into the basic education subsidy appropriation.

New Programs	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
PA Accountability Block Grant	\$ -	\$200,000	\$200,000	\$250,000	\$275,000	\$ -	\$ -
Education Assistance Program (Tutoring)	\$ 25,000	\$ 38,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ -	\$ -
Pre-K Counts	\$ -	\$ -	\$ -	\$ -	\$ 75,000	\$ 86,412	\$ 95,053
Dual Enrollment	\$ -	\$ -	\$ 5,000	\$ 8,000	\$ 10,000	\$ 10,000	\$ 10,000
Head Start Supplemental Assistance	\$ -	\$ 15,000	\$ 30,000	\$ 40,000	\$ 40,000	\$ 39,480	\$ 39,480
Science: It's Elementary	\$ -	\$ -	\$ -	\$ -	\$ 13,500	\$ 14,500	\$ 13,625
Classrooms for the Future	\$ -	\$ -	\$ -	\$ 20,000	\$ 90,000	\$ 45,000	\$ 22,000
Project 720/High School Reform	\$ -	\$ -	\$ 4,700	\$ 8,000	\$ 11,000	\$ 10,857	\$ 10,734
<b>Totals</b>	<b>\$ 25,000</b>	<b>\$253,000</b>	<b>\$305,700</b>	<b>\$392,000</b>	<b>\$580,500</b>	<b>\$206,249</b>	<b>\$190,892</b>

*In Thousands of Dollars*

# Tuition Relief Act

**Governor's Proposed Tuition Relief Distribution**  
(*\$173 Million*)



The Governor has proposed \$173 million for the Tuition Relief Act. The new act would provide \$128 million in grant money to help defray costs for incoming freshmen attending state-owned universities and community colleges. Eligibility would be limited to students whose annual family income is less than \$100,000 and a contribution of at least \$1,000 by each student would be required.

The Pennsylvania Higher Education Assistance Agency (PHEAA) would receive \$35 million to provide grants to students and \$10 million to specifically target grants to students attending community colleges.

Funding for the Tuition Relief Act would be generated from the legalization of video poker machines in private clubs, taverns and other establishments.