



# Education Update

**From the Senate Education Committee**

JULY 18, 2005

## FY 2005-2006 Budget Increases Funding for Major Education Initiatives

The FY 2005-2006 state budget approved by the General Assembly on July 6 includes substantial funding increases for a number of basic education initiatives, including \$212 million more than FY 2004-2005 allocations for six major initiatives.

Initiative	FY 2005-2006	\$ Increase
Basic Education Subsidy	\$4,492,183,510	\$131,774,241
Special Education Subsidy	\$ 875,659,659	\$ 21,141,443
Charter School Reimbursement	\$ 92,602,000	\$ 12,015,000
Educational Assistance Program	\$ 66,000,000	\$ 28,000,000
Head Start Supplemental Assistance	\$ 30,000,000	\$ 15,000,000
Concurrent Enrollment	\$ 5,000,000	\$ 5,000,000

## General Assembly Approves More Flexibility in EAP Tutoring Program

As part of the education omnibus legislation approved as part of Act 46, the General Assembly acted to make the educational assistance tutoring program more flexible for school districts.

In a series of amendments to the program, legislators authorized eligible school districts to provide tutoring during the school day and allowed school officials to identify additional students for tutoring services.

Under the original law, the 84 school districts eligible for state tutoring funds could only offer tutoring services to students who scored below proficient on the prior year's Pennsylvania System of School Assessment (PSSA) exam. As a result, most students could receive tutoring only in the fourth, sixth and ninth grades.

With the Act 46 changes, school

districts can now provide continuous tutoring to any student who scored below proficient on the PSSA exam in any grade so long as that student is recommended for tutoring by school officials. As a result, students can be eligible for tutoring in grades kindergarten through nine.

For FY 2005-2006, the General Assembly appropriated \$38 million for the K-9 program.

### Senate Education Committee

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*Chairman*

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## General Assembly Increases Subsidy Funding to School Districts

**A**t the conclusion of the FY 2005-2006 state budget process, state funding through the basic education subsidy increased by \$131.7 million, or 3%, over FY 2004-2005, a \$22 million increase over the proposal Governor Rendell offered in February that restores the traditional funding supplements that he attempted to eliminate.

The General Assembly acted to restore funding supplements that target growing school districts, school districts with high tax effort and small school districts. These funding streams were omitted from the Governor's original proposal.

Included in the Act 46 omnibus education package were basic education subsidy elements that the Governor did offer in February, including the foundation supplement, the poverty supplement and the limited English proficient supplement.

As a result of the additional funding provided by the General Assembly and the restoration of the traditional funding supplements, 396 school districts will see basic education funding increases in excess of what the Governor proposed in February.

Supplement	Eligible School Districts	Amount
Base Supplement	501	\$57,999,997
Poverty Supplement	168	\$17,000,007
Foundation Supplement	225	\$22,326,532
Growth Supplement	200	\$ 9,500,000
Tax Effort Supplement	253	\$ 9,000,000
Small District Assistance Supplement	121	\$ 5,713,245
2% Guarantee Supplement	128	\$ 4,948,610
LEP Supplement	54	\$ 3,000,000

## Legislation Limits Unnecessary Reporting for EITC

**I**ncluded in the Act 46 omnibus education package was legislation clarifying the types of information that the Department of Community and Economic Development (DCED) can require organizations participating in the educational improvement tax credit program to report to the Commonwealth.

Under the amended law, the DCED can only require scholarship organizations to report information related to the number of scholarships awarded and the total and average amount of scholarships awarded, disaggregated by elementary and secondary school levels.

Educational improvement organizations would be required to report the types of educational improvement programs funded by the organization, a

description of how grant funds were used and the names of the public schools where grants were used.

Under the program, which was established in 2001, non-profit scholarship organizations provide grants to students who wish to attend non-public schools and educational improvement organizations provide grants to school districts for innovative educational programs. Businesses that contribute to either type of organization receive state tax credits.

The Act 46 language is identical to bills which were approved by the Senate and House of Representatives earlier this spring. The bills were introduced in response to attempts by the DCED to collect information that was not authorized by law.

## EAP Program Expanded To High School

**A** \$28 million funding increase in the educational assistance program will provide grants to additional school districts and area vocational-technical schools for tutoring in grades seven through twelve.

The addition to the program will assist school districts in which less than 54% of their eleventh grade students failed to score at proficient or higher on the 2003-2004 PSSA exam in reading or in which less than 45% of eleventh grade students failed to score at proficient or higher on the 2003-2004 PSSA exam in mathematics.

The funds will be used to improve reading and math competencies for students in those grade levels.

**For more information or detailed analyses of these topics, contact the Senate Education Committee staff at 787-2637.**