



# Education Brief

## FY 2008-2009 Proposed Budget

**Senator Gib Armstrong**  
**Chairman**  
**Senate Appropriations Committee**

**Senator James J. Rhoades**  
**Chairman**  
**Senate Education Committee**

**February 5, 2008**

### OVERVIEW

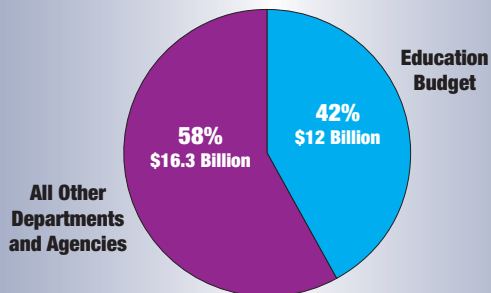
The Governor's FY 2008-2009 proposed budget includes \$12 billion in appropriations for basic and higher education programs, a \$475.6 million, or 4.1% increase over FY 2007-2008.

For basic education programs, the proposed

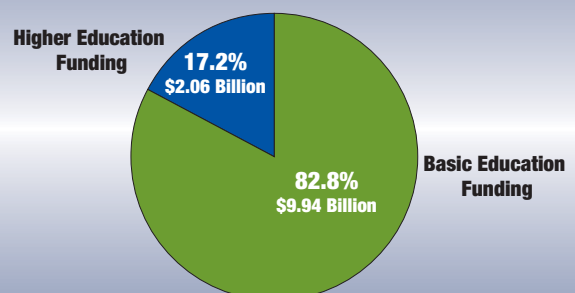
budget includes \$9.94 billion, a \$472.1 million, or 5% increase over FY 2007-2008.

Appropriations for basic and higher education represent 42% of the overall proposed FY 2008-2009 budget.

**FY 2008-09 Governor's Proposed Budget – \$28.3 Billion**



**FY 2008-09 Governor's Proposed Basic and Higher Education Funding**



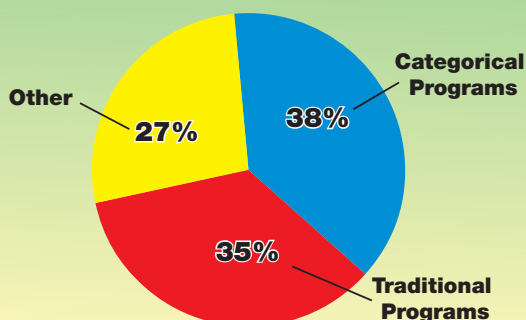
### Categorical Vs. Traditional Programs

Of this proposed \$472.1 million increase for basic education programs, \$59.5 million is directed toward categorical funding initiatives that have been created since FY 2003-2004. These initiatives would provide funds to school districts for specific programmatic purposes.

Of the Governor's proposed increase, \$321.6 million, or 68.1%, is directed toward traditional basic and special education subsidy programs that provide funds to school districts for general operating purposes.

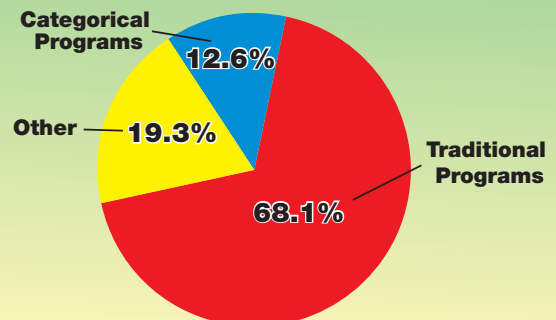
**CATEGORICAL PROGRAMS VS. TRADITIONAL PROGRAMS**  
**FY 2007-2008**  
**Actual**

*(as percentage of overall funding increase for the Department of Education)*



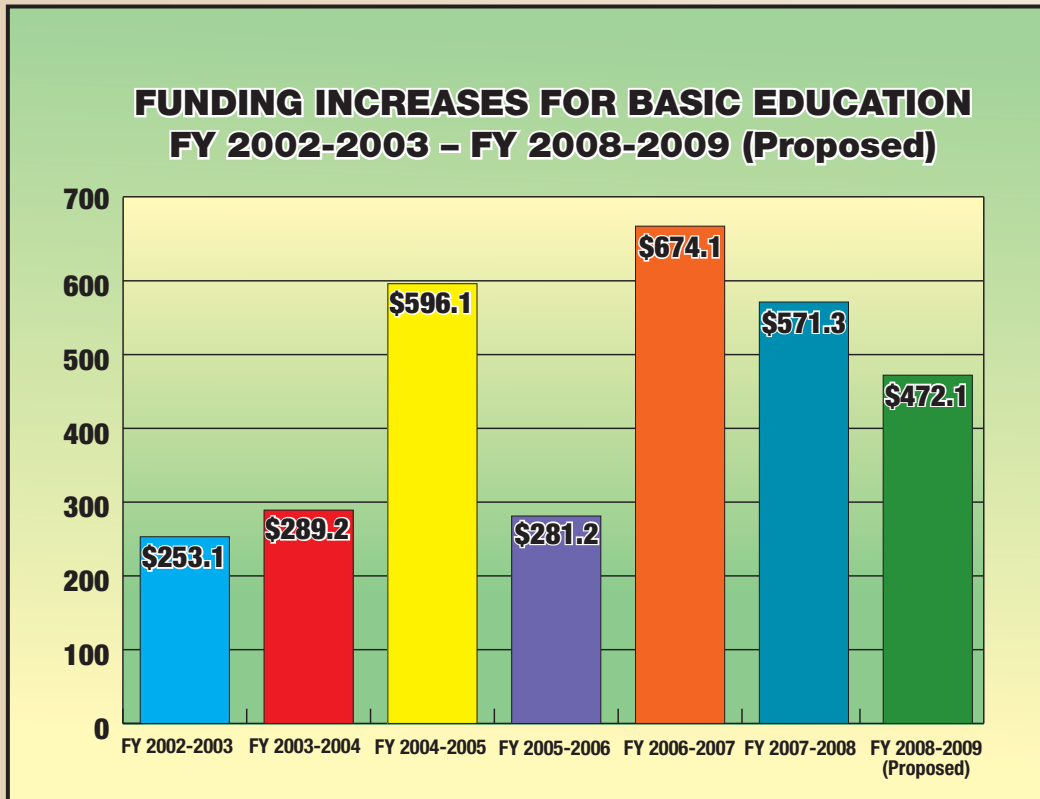
**CATEGORICAL PROGRAMS VS. TRADITIONAL PROGRAMS**  
**FY 2008-2009**  
**Proposed**

*(as percentage of overall funding increase for the Department of Education)*



## Overall Funding Increases for Basic Education

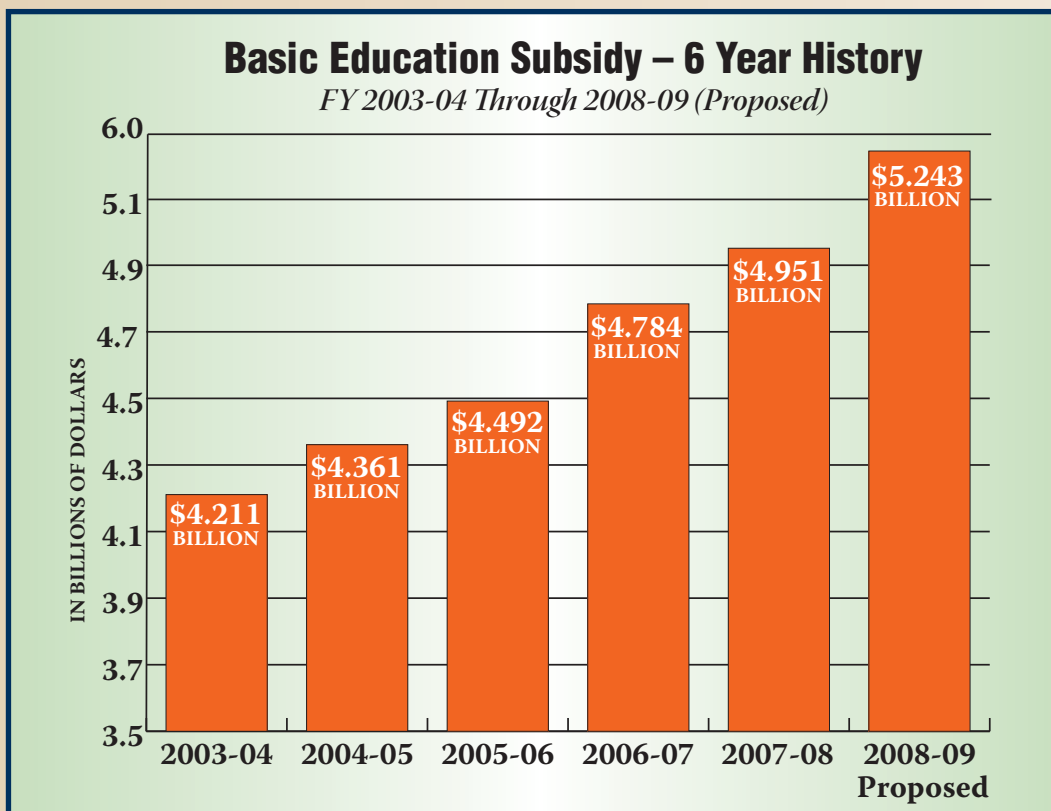
Funding for basic education programs has increased by \$2.7 billion between FY 2002-2003 and FY 2007-2008.



## BASIC EDUCATION SUBSIDY

The basic education subsidy provides state funding to all 501 school districts for general operating purposes. It accounts for 53% of the total appropriations for basic education programs. Between FY 2003-2004 and FY 2007-2008, this appropriation increased by \$865 million, or 21.2%.

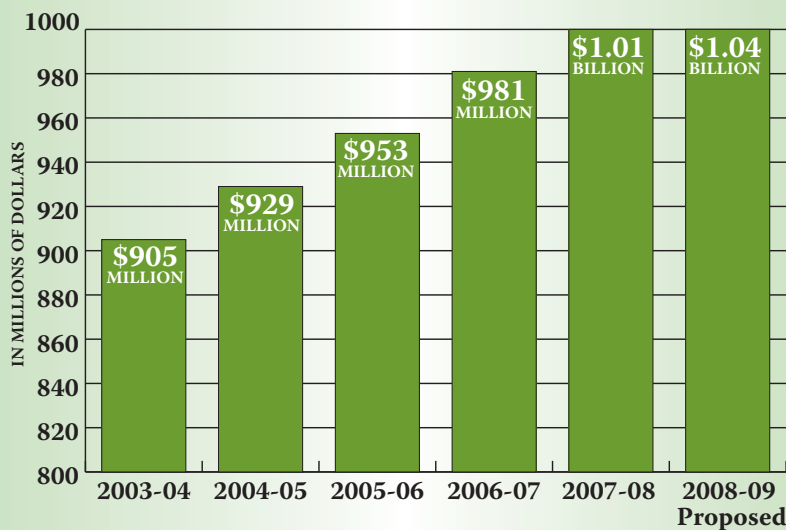
The Governor's proposed FY 2008-2009 budget includes a basic education subsidy appropriation of \$5.243 billion, a \$291.3 million, or 5.9% increase over FY 2007-2008.



## SPECIAL EDUCATION SUBSIDY

### Special Education Subsidy – 6 Year History

FY 2003-04 Through 2008-09 (Proposed)



The special education subsidy provides state funding to all 501 school districts for the support of students with disabilities. Between FY 2003-2004 and FY 2007-2008, this appropriation increased by \$135.7 million, or 15.5%.

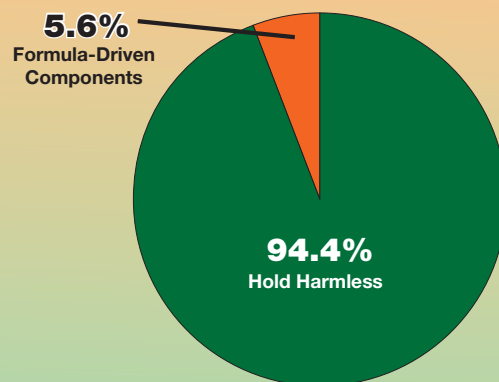
The Governor's proposed FY 2008-2009 budget includes a special education subsidy appropriation of \$1.04 billion, a \$30.3 million, or 3% increase over FY 2007-2008.

## BASIC EDUCATION SUBSIDY - HOLD HARMLESS

The largest single component of the \$5.24 billion basic education subsidy is the "hold harmless," which ensures that no school district receives less in state funding than it did in the immediately preceding year, regardless of any change in the number of students enrolled in the school district or fluctuations in its relative wealth.

In the Governor's proposed FY 2008-2009 budget, 94.4% of the basic education subsidy appropriation is directed to the "hold harmless," with only the remaining 5.6% allocated on a formula basis.

### BASIC EDUCATION SUBSIDY FY 2008-2009 (Proposed) Hold Harmless vs. Formula-Driven Components



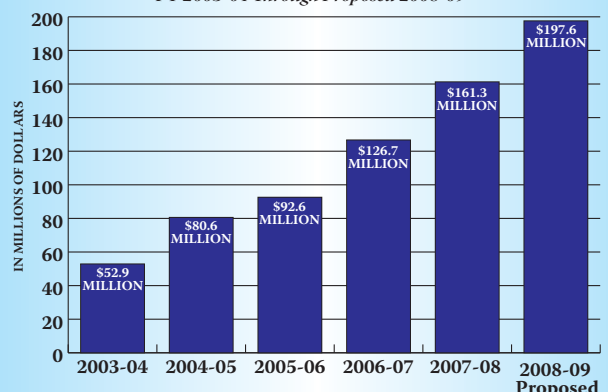
## CHARTER SCHOOL REIMBURSEMENT PROGRAM

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 2007-2008, 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 2006-2007.

The Governor's proposed FY 2008-2009 budget includes a charter school reimbursement appropriation of \$197.6 million, a \$36.3 million, or 22.5% increase over FY 2007-2008.

### School District Reimbursement for Charter School Costs – 6 Year History

FY 2003-04 Through Proposed 2008-09



# Categorical Funding Programs

In addition to funding increases for traditional subsidy programs, 12.6% of the overall proposed FY 2008-2009 increase for basic education programs is directed to categorical spending programs, such as the accountability block

grant program and the classrooms for the future program.

Overall funding for these programs is proposed to increase by \$59.5 million, or 9.4%, in FY 2008-2009.

## INCREASES FOR CATEGORICAL FUNDING PROGRAMS FY 2008-2009 (Proposed)

PROGRAM	Actual FY 2007-2008 \$	Proposed FY 2008-2009 \$	\$ Increase	% Increase
Accountability Block Grant Program	\$275,000,000	\$275,000,000	\$ —	—
Dual Enrollment	\$ 10,000,000	\$ 12,000,000	\$ 2,000,000	20%
Science, Its Elementary	\$ 13,500,000	\$ 15,000,000	\$ 1,500,000	11%
Classrooms for the Future	\$ 90,000,000	\$ 90,000,000	\$ —	—
Teacher Professional Development	\$ 30,367,000	\$ 47,056,000	\$ 16,689,000	55%
Adult and Family Literacy	\$ 23,434,000	\$ 23,434,000	\$ —	—
High School Reform – Project 720	\$ 11,000,000	\$ 11,000,000	\$ —	—
Shared Services Grants	\$ 1,000,000	\$ 1,000,000	\$ —	—
Pennsylvania Assessment	\$ 31,619,000	\$ 58,400,000	\$ 26,781,000	84.7%
Pre-K Counts	\$ 75,000,000	\$ 87,555,000	\$ 12,550,000	16.7%
Tutoring	\$ 66,000,000	\$ 66,000,000	\$ —	—
Head Start	\$ 40,000,000	\$ 40,000,000	\$ —	—