

February 6, 2018

**PCCY Analysis
Governor Tom Wolf's 2018 Budget Proposal**

A conservative down payment

The Commonwealth's 2.6 million children will be able to access more of the resources necessary to get a better start in life because of the funding priorities outlined in Governor Wolf's proposed FY 2018-19 budget. School districts and colleges will also be able to provide more of the resources needed to provide a quality education. All of this is possible only if the PA's legislature finally acts on the will of its citizens and enacts a reasonable severance tax on natural gas or identifies other sustainable revenues to undergird a state budget that provides for the urgently needed investments in our children.

Set against the backdrop of unacceptably high levels of child poverty and the rising skill level of competitors in the global economy, the success of the next generation of Pennsylvanians depends on the sustainable and conservative down payment provided for by the Governor's budget proposal.

Right direction, but a 21st century economy demands more

A significant portion of the \$33 billion state budget is appropriately dedicated to help fund our 500 school districts, 205 colleges and universities, and the hundreds of career and technical education programs and thousands of early learning programs across the commonwealth. By supporting this budget request, the Pennsylvania legislature can make a clear statement that it will help the next generation thrive by adopting research-based strategies to boost their lifetime chances of success.

Public Citizens for Children and Youth (PCCY) urges all elected officials to recognize that as robust as the Governor's proposed investments in our children is, it boils down to less than \$12 per child per day to cover the cost of the full continuum of education essential for every child. Pennsylvania lags other states when it comes to investing in our greatest asset—our students who will be our future workforce, our entrepreneurs, our next generation of CEO's and lawmakers. The good news is that this budget is a step in the right direction, but Pennsylvania continues to be out spent and out-performed and our children are suffering the consequences.



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We urge all lawmakers to recognize that this budget does not yet commit the ongoing resources required to prepare the next generation in the same fashion that America's Greatest Generation did for the millions of Pennsylvania's baby boomers who are now entering their retirement years. Much more must be done in the years ahead.

Early Learning Programs grow, but greater return on investment is within our reach

This budget proposal wisely provides additional funding for pre-K and high-quality childcare. The Governor's proposed addition of \$40 million to support expanded access to high-quality pre-K will reach more than 4,400 children. This investment is worthy of early and strong support from every legislator who calls themselves a champion of families. An additional \$23 million for both access and quality of child care will increase the potential for as many as 1,600 children to start school ready to learn. These funds are another win for families, and they move the Commonwealth in the right direction.

By agreeing to the proposed funding for pre-K, the legislature can ensure that the Commonwealth reaps at least \$160 million in return for its investment with predictable savings and new revenues from the proven, lifetime impact on children who benefit from high quality pre-K.

Even with this increase, only about 42% of all children eligible for publicly funded pre-K or high-quality care can be served. Obviously, we must do better.

Among the 30 states that fund pre-K, Pennsylvania ranks 18th. New Jersey is spending five times more per capita for pre-K than Pennsylvania and West Virginia, which launched its pre-K program in 1983 and made it universal for all four-year-olds beginning six years ago. It invests three times the rate per-capita than Pennsylvania. Because we adults aren't keeping up, a greater share of kids Pennsylvania kids are being left out.

We say, "Why not PA?"

We urge the legislature to take seriously the views of voters of both parties who overwhelmingly agree that quality early learning programs help set up children for academic success.

Legacy of under-investment Slows Public Education Recovery

Last year, with the support of Republican and Democratic leaders in the House and Senate, Governor Wolf made good on a promise to restore the devastating \$1 billion cut made to public education in FY 2011. Fortunately, the bi-partisan agreement on education spending in the last

three years also produced a school funding formula that more fairly distributes new dollars to school districts.

The proposed increase of \$120 million in funding for basic and special education will make it possible for districts to avoid cuts that will otherwise be necessary to meet rising pension, charter and other mandated costs imposed by state law.

Unfortunately, according to the legislature's funding formula, school districts across the state are still short of more than \$3 billion in funding needed to meet reasonable funding levels. Far too many members of the House and Senate represent school districts that are struggling to stay afloat. In a startling number of legislative districts, class sizes have swelled, schools have no librarians, counselors, nurses, or sports. Arts have been sacrificed or cut so that they reach too few students. What's more, access to quality high school classes and options for the brightest students and the students struggling most are non-existent.

We urge the legislature to support the Governor's proposal appropriation but also recognize that by doing so, less than 10% of school funding will be allocated to school districts via the fair formula adopted by the legislature. Much more must be done to accelerate the pace of investment in the poorest districts so that the very districts where students face the greatest challenges have the resources necessary for those students to excel.

Pennsylvania is among a troubling league of states that shortchange their children by failing to appropriately fund public schools. Comparing state spending on a per-capita basis (one of the few credible ways to compare spending across states), Pennsylvania ranks 32nd for investing in K-12 education. Even when we adjust for income, we rank even closer to the bottom: 39th in state spending for K-12 education for every \$1,000 of personal income of the state's residents. As a result, more than in any state in the nation, in Pennsylvania, the quality of a child's education is determined simply by their zip code.

Pennsylvania's lack of commitment to adequately fund its schools is evidenced in performance measures as well. The Commonwealth's students rank 25th in the nation for math performance. With 40% of 8th grade students failing the English Language Arts PSSA, Pennsylvania ranks 12th in reading achievement, far behind the education powerhouse states of Massachusetts and Maryland.

Technically speaking, a good high school education pays

The ambitious and critically needed increases provided for Career and Technical Education means that thousands more students can graduate with the skills needed to enter the workforce and support themselves and their families.

The proposed \$50 million increase in proven high school technical education programs shows a commitment to direct limited state resources toward proven educational strategies to boost high school graduation rates.

The average high school graduation rate for students concentrating in CTE programs is 93% compared to the national average of 80%. Moreover, 91% of high school graduates with 2-3 CTE credits enroll in college. This investment recognizes that improved access to career and technical education is a “must do” for every school district in the Commonwealth.

However, not all districts have the resources to provide high quality career technical education options. For this reason, PCCY urges the legislature to recognize that many of the school districts where a technical education is a powerful pathway for students to graduate and join America’s middle class, are the very same districts that are woefully underfunded.

We specifically call on the legislature to target new career technical education funds to districts that are demonstrably farther behind the spending levels needed to prepare today’s students to the changing economy. If targeted, these funds have the greatest return in investment for the Commonwealth, local economies, and Pennsylvania’s next generation workforce.

New approaches to old problems make it possible for the most vulnerable children to thrive

Beyond education, Governor Wolf’s groundbreaking proposal to protect children from the horrific impact of a parent addicted to opioids deserves immediate bi-partisan support. The Governor’s forward-thinking proposal for a \$6.5 million investment to expand home visiting programs that deploy nurses to homes of at-risk families, including families where a parent is or was recently addicted to opioids, is both visionary and potentially life-saving for the 800 families these expanded funds will serve

Research tell us that about a third of women of childbearing age had at least one opioid prescription in the last year. Far too many babies born to these mothers may suffer the horrific effects of the drug exposure and worse yet to the drug withdrawal at birth. We urge the legislature to fully fund this budget request to ensure these children are not simply protected, but that they have the chance to thrive.

Finally, the Governor proposes another powerful new strategy to help children who are intellectually disabled transition from high school to adulthood with the supports they need. This proposal makes sure fewer of our most vulnerable children fall through the cracks in support systems after high school. The Governor’s proposal compassionately streamlines the paperwork burden for families and smooths the transition from one system to another so that

children can continue to reach their potential as they become young adults without getting caught up in the bureaucracy.

Pennsylvania's budget has grown by 176%, in part because of precipitous growth in spending on corrections since FY 1996. The annual spending increase for corrections and probation outpaced nearly any other state expenditure in the last 22 years. For instance, in that same period funding for public schools via the basic education funding grants grew by 69%.

The Governor's budget proposal's focus on boosting the quality of education, offering more high school options that work, and coupling those investments with expanded high -quality pre-K, launches the Commonwealth on a course to permanently reducing incarceration costs by preparing the next generation to succeed and prosper.

PCCY believes this budget is a sustainable and conservative down payment necessary for setting the sights of this great state forward to the future.

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