

PASSHE in the Budget

The budget is complete-well, almost. After 101 days, the \$27.8 billion dollar budget was finally passed and signed by Governor Rendell on October 9, 2009. This budget cut many line items, but maintains last year's funding levels for early elementary and increases basic education funding by \$300 million. The 2009-10 enacted budget funds PASSHE a total of \$530,423,000, which helps to restore the cuts made to PASSHE in October of 2008 when all of its line items were reduced by 4.25 percent, or approximately \$22 million, which left PASSHE at \$497,168,000.

The biggest boost to PASSHE was the flow of stimulus funds. Overall, the General Education baseline for PASSHE in this budget was reduced to \$444,470,000. Along with line items for Affirmative Action, Program Initiatives, the McKeever Center, the PA Center for Environmental Education and the Recruitment of the Disadvantaged, the total state General Fund line item for PASSHE was \$465,197,000. Because of stimulus funding, PASSHE was able to receive over \$38 million for 2009-10 and an additional \$27 million for 2008-09, that can be used this year to restore cuts.

Overall, there were not many winners out of this budget, but APSCUF is thankful to the General Assembly and Governor's office for keeping PASSHE a priority in this difficult economic season by restoring the cuts made in 2008 and providing a slight increase from last year in this budget.

Though, due to shrinking revenue, this budget uses \$2.6 billion in federal stimulus money to cover gaps in the state losses of revenue, PASSHE being one example of a recipient. \$655 million worth of stimulus funds will be going to basic education. \$31 million of the same fund will be heading to the state-related universities to maintain funding, as the American Recovery and Reinvestment Act mandates this for public institutions. APSCUF members must continue to advocate to PASSHE funding, as the state will find itself in a difficult situation when the stimulus funds run out in 2011. PASSHE advocates will have to aggressively lobby to bring the PASSHE baseline level back up.

It looks like it will be an even more difficult climate next year for legislators to find additional revenue sources. With the debacle of this budget still lingering and having half of the Senate seats and all of the House seats up for election, legislators will be less likely to support new or increased tax revenue sources next year. Plus, they may want to consider doing the budget on time for once.

Fiscal Code agreed upon with Articulation Agreement language attached

Fiscal code legislation was approved by both chambers and enacted in House Bill 1614. The fiscal code lays out the various funds involved in paying for the general fund budget. The House approved the language 106-92. The Senate approved on a vote of 35-14. Articulation Agreement language was placed in the fiscal code, though would ultimately expire with the enactment of the 2010-11 budget, unless the legislature takes action to make it permanent through stand-alone or school code legislation. APSCUF has specific concerns about the legislation and will work with legislature when this issue is back on the table. The sponsor of the Senate Articulation Agreement legislation, Senator Dinniman, wrote a response to APSCUF over concerns. You can view his response at www.apscuf.org. The fiscal code also provides language to deplete the \$755 rainy fund to assist with the budget deficit. The Articulation Agreement language was agreed to by legislative leadership and the Governor.

The current legislation would expand the number of transferrable credits from a Community College to a PASSHE institution from 30 to 60 credits, and would accept full junior status of a student holding an Associate degree in either the Arts or Sciences into a parallel baccalaureate program. The legislation details that this must be in place by December 31, 2011.

Budget Items still in the Air

Though the actual budget, House Bill 1416, has been signed by the Governor, there are still items for the legislature to handle before certain funds start flowing. 28 institutions, labeled "non-preferreds," including the state-related institutions of Penn State, Pitt, Temple and Lincoln, will not see their allocations until table games legislation is agreed upon for Pennsylvania casinos. Penn State is to receive nearly \$334 million; Pitt, \$168 million; Temple, nearly \$173 million and Lincoln, around \$13.7 million, which includes stimulus funding. Each bill for these "non-preferreds" must be approved by a

two-thirds vote of the House and Senate. Legalizing table games would raise about \$200 million for the budget, and the legislature currently has held back voting on the non-preferreds in order that the budget would balance.

Looking at the House session schedule, enacting this legislation may take longer than one might assume, as the House chamber has indicated its next session day will be on November 9, 2009, a week after the General Election. The State Senate will convene next week to swear in its newest Senator, former Representative Bob Mensch. Senator-elect Mensch will serve the 24th Senatorial district, which has parts of Bucks, Lehigh, Montgomery and Northampton. This swearing-in will have the Senate Republicans controlling the chamber 30 to 20. As Mensch leaves the House, the House Republicans are left with 96 votes (two members serving active duty). A date for the special election to fill the 147th House seat has not been announced.

PHEAA sees funding

Students waiting to see how much they will receive through PHEAA should get more detailed information near the end of this week. The checks could still take about a month to process. The 2009-10 has allotted \$403 million for this year, which is a less than one percent decrease from last year's \$407 million. Despite this decrease, it is estimated that the PHEAA grants will remain the same as were estimated this summer. PHEAA will maintain for the 2009-10 academic year the maximum grant award of \$4,120. The average grant will be \$2,728.

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