

COMPLICATIONS

Revenue uncertainty threatens to derail boost in school funding

Friday, June 20, 2008

Fears that a stagnant economy will adversely affect next year's revenue picture have complicated already difficult negotiations on a new state budget.

An accurate read should be available next week on what Gov. Ed Rendell has predicted to be a year-ending surplus in the range of \$200 million to \$350 million. In February, when the governor unveiled his proposed \$28.3 billion budget, the surplus on June 30 was projected to be \$400 million.

Senate Majority Leader Dominic Pileggi, R-Delaware County, referring to "disappearing projected surpluses," warned that next year the state could be facing a budget deficit of \$300 million or more. That set the stage for a strict party-line vote on a Senate Republican budget bill that shaved about \$400 million off the governor's original budget plan, the largest piece of which was a \$118 million cut in a proposed \$291 million funding increase for public education.

Senate Republicans are rightly cautious about the economy and its impact on next year's revenues. We laud them for wanting to avoid a budget crisis at this time in 2009. But it's even more important for the state finally to address its education-funding shortfall, as pointed out in a "Costing-out Report" sought and funded by the Legislature. The governor proposed a new school-funding formula that, over a six-year period, would infuse \$2.6 billion in additional funds for school districts. The objective is to ensure that every district has sufficient funds to deliver a quality education for each student.

The Pennsylvania Constitution is clear as can be that the General Assembly is responsible to "provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the commonwealth." (Article III, Section 14.) Shortchanging education, even in a fiscally challenging year, is not a constitutionally permissible option.

Rendell proposed making a first down payment in fiscal 2008-09 in putting education funding where it needs to be. And the question for Senate Republicans becomes: "If not this year, when?"

It's essential for the good of the commonwealth and its future that it break out of the cycle of educational mediocrity. We've made it clear many times that we do not believe this can be accomplished with dollars alone. And we've also made clear that we don't believe that all the conclusions of the Costing-out Report are necessarily correct.

Nevertheless, the evidence is overwhelming that smaller class sizes and greater personal attention to students with learning or other difficulties reaps substantial

benefits, as does early childhood education. These initiatives, by the very nature of the fact that they are labor intensive, cost more money.

We do not minimize the scope of the financial challenge lawmakers face this year and next in shaping a budget that's right for Pennsylvania. But part of the long-term financial solution is to get education right, so that more students enter the work force ready to contribute and to earn their way. The state is doing a less than satisfactory job of that today, which has to change.

And that change should begin with this budget. It's the job of the administration and legislators to find a way to get it done in a fiscally responsible manner.