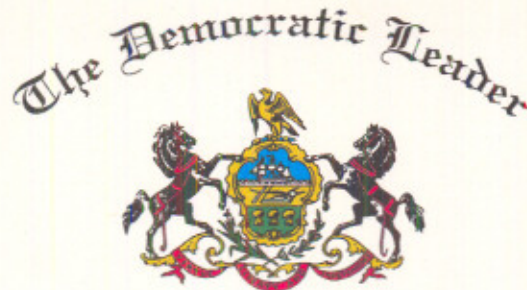


43RD DISTRICT
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Senate of Pennsylvania

COMMITTEES

RULES AND EXECUTIVE NOMINATIONS,
MINORITY CHAIRMAN

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April 21, 2011

Dear Educator:

As you know, Governor Tom Corbett's proposed budget, announced in early March, included deep cuts in education funding that will have a significant and long-lasting impact on our public schools.

Over the next few weeks, the General Assembly will debate revisions and complete work on the state budget. The governor's dramatic education spending cuts -- more than \$1.1 billion -- must be challenged. We are writing to ask for your help in reversing the Corbett cuts and restoring reasonable education funding.

During the past eight years, we have made unprecedented education progress at all grade levels, closed the performance gap between our best and worst achieving students, and become a leader among all states in classroom performance. Now, the governor's proposed funding cuts, coupled with losses in federal aid and pension funding challenges, will force local school districts to make decisions that will cripple future progress.

We can't afford to turn back the clock. It is critical to our future economy that we make the necessary investments that will create opportunities for our children.

Governor Corbett's budget plan would make unprecedented reductions in basic education aid. Plus, his budget plan would eliminate tutoring assistance, the accountability block grant program, and an adequacy-funding formula that has demonstrated success.

The current year education budget was balanced with \$654 million in federal American Recovery and Reinvestment Act (ARRA) funds, plus an additional \$387 million in federal education jobs aid. School districts understood it would be difficult for the state to replace ARRA funds next year, but few anticipated more significant reductions, totaling over \$1.1 billion.

Senate Democrats believe there are other options. We have proposed a budget savings plan (summary enclosed) that would help restore funds for education. Our budget savings plan uses efficiencies and policy changes across all facets of state government to find \$1.14 billion in additional funds.

We believe this money can then be redirected to fund education, health care and other lines that were slashed in the Corbett budget. The Senate Democratic plan provides more funds for all schools, but is particularly focused on the needs of the poorest, struggling school districts.

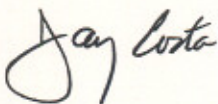
Our education funding plan would restore funding for the Accountability Block Grant program providing crucial support for full day kindergarten and other early learning programs, tutoring assistance to enable underperforming students to achieve success, and charter school reimbursements for local school districts to partially offset their lost costs.

We all need to tighten our belts during this extraordinarily challenging economic time. School districts must do their part. However, the magnitude of the Governor's suggested cuts would cripple early learning opportunities, other targeted investments and force local property taxes to rise dramatically.

As budget deliberations begin in Harrisburg, Senate Democrats will make reversing Governor Corbett's egregious education cuts our first priority. We have an alternative vision that school officials should not face false choices forced by misplaced priorities.

We ask you to raise your voice and join our fight. Please contact your legislator and the governor's office and ask that other alternatives – such as the Senate Democratic savings plan – be considered.

Sincerely,



Senator Jay Costa
The Democratic Leader



Senator Vincent Hughes
Democratic Appropriations Chairman



Senator Andrew Dinniman
Democratic Education Chairman

Senate Democratic Caucus



Savings, Revenues & Reinvestments

Targeted Budget Solutions

1. **Fiscal Responsibility — Address Budget Challenges — \$750 million**

- DPW — \$535 million savings
- Corrections/Probation & Parole — \$75 million
- DGS/Procurement/Human Resources — \$90 million
- Other Revenue Maximization Plans — \$50 million

2. **Tax Fairness — Revenue Maximization — \$390 million**

- Adopt Combined Reporting to reduce CNI to 7.5%
- Marcellus Shale Tax — for local infrastructure & environmental programs
- Delay phase-out of Capital Stock & Franchise Tax one year — \$80 million
- Maximize internet sales tax collections — \$75 million
- Un-couple federal accelerated depreciation — \$135 million
- State Store revenue increase — \$100 million

3. **Revenue Surplus — \$300 million**

- Senate Democratic Estimate — \$300 million
- Governor's Estimate — \$78 million
- Current Surplus — \$232 million
- Senate Democratic Estimate is \$222 million above Governor's Estimate

4. **Key Restorations**

- Restore basic and higher education cuts to state FY 2010-11 funding levels
- Restore critical county programs including Human Service Development Fund — \$24 million
- Save HEMAP Program — maintain state aid for mortgage foreclosure assistance — \$10 million
- Maintain Tobacco Settlement Fund — ensure funds used for healthcare
- Fund Adult Basic Program from Tobacco Settlement Fund Surplus
- Maintain core DCED programs with track record of success

5. **PA Works Program**

Senate Democratic Caucus



Savings, Revenues & Reinvestments

Targeted Budget Solutions

Key Restorations

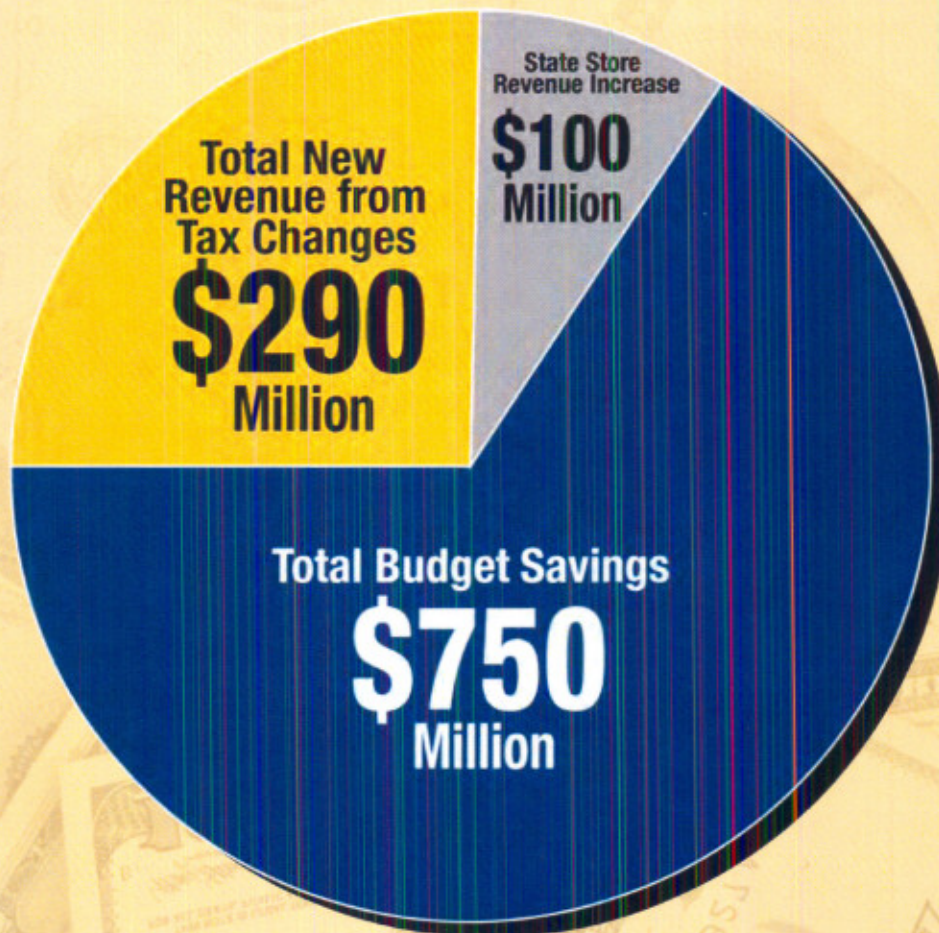
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Senate Democratic Caucus



Savings, Revenues & Reinvestments

Targeted Budget Solutions



**TOTAL REVENUE AND SAVINGS
\$1.14 Billion**