



Senate of Pennsylvania

April 27, 2010

TO: All Pennsylvania School Superintendents

FROM: Senate President Pro Tempore Joseph B. Scarnati *JBS*
Senate Majority Leader Dominic Pileggi *DP*
Senate Appropriations Committee Chairman Jake Corman *JAC*
Senate Education Committee Chairman Jeffrey E. Piccola *JEP*

RE: School Funding for 2010-11

We are writing to advise you that the Commonwealth's financial position has changed significantly since the Governor announced his FY 2010-11 budget proposal on February 9. Therefore, we urge you to be very cautious when preparing your FY 2010-11 budget.

Specifically, the Commonwealth's estimated revenue shortfall for FY 2009-10 has grown from \$450 million to an estimated \$1 billion. The Federal Department of Transportation ruled earlier this month against the state's plan to toll I-80, which resulted in a \$450 million annual loss to the Motor License Fund for important road and bridge repair projects. Commonwealth Court recently ruled \$800 million used in the current year budget must be returned to the MCARE Fund and Healthcare Provider Retention Account. In addition, there is no guarantee the Commonwealth will receive nearly \$850 million in enhanced Federal matching funds to support welfare programs, which was assumed in the Governor's budget.

For the reasons mentioned above, please understand there is no guaranteed level of funding for school districts or any other entity in the Commonwealth in the 2010-11 state budget.

While we will certainly study and consider the merits of the Governor's education spending proposal and work to enact a final budget by June 30, there is no way to accurately predict appropriation levels at this time.

Thank you for your attention to this important matter. We remain hopeful we can work to craft a final budget that places a high priority on public education.

If you have any questions, please do not hesitate to contact Senator Piccola at (717) 787-6801 or jp Piccola@pasen.gov.

DP/KP/EA/kss