

Legislative Report – Mr. Mahler

He reported that the big news is that Pennsylvania still does not have an operating budget, and his report addressed several issues in relation to this budget stalemate. He noted that part of the negotiations include requiring school districts to receive voter approval for all tax increases, which would be a major change to how the system currently works.

The written report is as follows:

State Budget Update... Last Week - The House was in session for three days last week, focused mainly on passing the stopgap budget that was approved by the Senate the week before. After a lengthy debate and with a party-line vote of 117-83, the House did pass the bill, which would provide \$11 billion in spending (to cover the commonwealth's obligations from July to October 2015), providing roughly 1/3 of the total funding in each of the education line items to school districts and releasing all the federal funds.

In addition, the House passed the School Code bill, HB 224, which would direct the distribution of the dollars available in the stopgap budget, was passed with mostly party-line vote of 112-87. Under the bill, school districts would generally receive the same share of the total available dollars in each line item as they had in the prior year. The bill was sent to Governor Wolf, who vetoed the bill, as it does not provide a comprehensive solution to the budget impasse.

Impact of the Impasse –

*** Differing Impacts:** Pennsylvania schools have a new source of disparity: A state budget impasse that has driven some districts to borrow while others expect no problems for months. School districts missed more than \$1 billion in payments in August and expected to miss another \$700 million in September, according to estimates by the Pennsylvania Association of School Business Officials. How the state's 500 school districts are absorbing the loss depends on their reliance on local resources and existing budget reserves. "I believe firmly 10 percent of the districts have had to go borrow," said Jay Himes, executive director of the association. "Some districts, the 'have' districts, probably can ride this out for an extended period of time, but every month we'll pick up a segment of districts that didn't or can't." Likewise, some districts are considering withholding vendor payments and asking district employees to work without pay until the impasse ends, or shutting down the entire district in order to eliminate vendor and payroll costs for all employees until the impasse ends.

*** Withholding Charter Payments:** Pittsburgh Public Schools will reduce its payments to charter schools to reflect funds the district hasn't received during a nearly three-month state budget impasse. Pittsburgh Public Schools superintendent Linda Lane said the district notified charter schools earlier this month that it would pay 54 percent — the portion of district revenue that comes from local sources — of its charter school payments, starting in October

In Legislative News...

Legislative Schedule – Both the House and Senate returned to Harrisburg for session this week.

This Week's Action –

***Today**, the Senate Finance Committee moved Senate Bill 909 to the floor for first consideration. The bill would require school districts to seek voter approval for ANY and ALL property tax increases.

***Tuesday, Sept. 29: Senate Finance Committee** was to consider several bills, including the following:

*** Referendum: SB 909** - amends Act 1 by eliminating the index and requiring a referendum for any and all property tax increases.

*** Revenue-Neutral Tax Shift: HB 1256**— amends the Local Tax Enabling Act to remove the disincentive to convert an occupational tax to an EIT by eliminating the requirement that the tax generated by the occupational tax was limited to the revenue obtained in the 2009 fiscal year. The bill provides for a revenue neutral shift.

Last Week's Action –

*** School District Investments: HB 1296 – passed by the House.** The bill expands the investment options for school districts and other political subdivisions. HB 1296 will now be sent to the Senate for consideration.

*** Reciprocity Agreements: HB 1552 – passed by the House Education Committee.** The bill allows PDE to enter into regional compacts and interstate reciprocity agreements for the provision of postsecondary distance education.

*** Donations to Schools: HB 1383 – referred to House Finance Committee.** The bill permits individuals to make a voluntary donation to their school district of choice when filing their personal income tax return.

*** Pensions & Tax Deferred Status: HB 1332 – approved by the House Finance Committee.** The bill makes purely technical fixes to PSERS and SERS to ensure compliance with IRS rules and that current state and school district employees retain tax deferred status while working on future retirement benefits. Without these changes, employees would have to pay income tax every year on the additional investment income their retirement accounts accumulated.

Upcoming Schedule –

***Tuesday, Oct. 6: House Finance Committee** to hold a public hearing to discuss Act 32 of 2008, what is working and what, if any, changes should be made.

***Monday, Oct. 26: House Education and Senate Education Committees** to hold a joint public hearing to discuss issues related to substitute teachers.

In Other State News...

State Pension Liability – Pennsylvania fails to list \$53 billion in debt on its balance sheet, giving it the third-most hidden debt among 10 Northeast states. Pension reform remains one of the biggest political hot potatoes for policymakers, and Chicago-based Truth in Accounting's annual Financial State of the States report debts again highlights problem facing lawmakers. *Read the rest of the story: "Study: Pennsylvania Hides \$53 Billion in Debt"* (from *paindependent.com*, 9/23/15).

New Executive Director – The Pennsylvania State Education Association (PSEA) last week announced that James Vaughan has been appointed as its new Executive Director. Vaughan has served as the association’s assistant executive director for government relations since 1970. He replaces John Springer, who retired this month.

Attorney General News – Last week the PA Supreme Court ordered the temporary suspension of Attorney General Kathleen Kane’s law license, effective Oct. 21. Kane was recently indicted on charges relating to leaked stories concerning a grand jury investigation and lying under oath. Kane has indicated she will not resign from the position and will continue to oversee the administrative functions of the office.

Testing Preparation – The Pennsylvania Department of Education (PDE) has scheduled a test-preparation training, "Getting Ready" for the 2016 State Assessments, on October 19. During the session (offered both in the morning and afternoon), Assessment Specialists from the Division of Instructional Quality will present information on the: - Winter Wave 1 Keystone Exams to be administered December 2 - 16, 2015 - Winter Wave 2 Keystone Exams to be administered January 6 - 20, 2016 - PSSA Grades 3 - 8 English Language Arts to be administered April 11 - 15, 2016 - PSSA Grades 3 - 8 Mathematics to be administered April 18 - 22, 2016 - PSSA Grades 4 and 8 Science to be administered April 25 - April 29, 2016 - PSSA Make-Ups to be administered May 2 - 6, 2016 or sooner - Spring Keystone Exams to be administered May 16 - 27, 2016 - Summer Keystone Exams to be administered August 1 - 5, 2016

Use of Naloxone – Last week, Gov. Wolf, along with the departments of Education, Health and Drug & Alcohol Programs sent to all superintendents a letter clarifying schools’ legal ability to store and administer Naloxone, which is administered to individuals suffering from an opioid overdose, such as heroin, and reverses the effects of the ingested drug. “Act 139, passed into law in 2014, permits an individual in a position to assist a person at risk of opioid overdose to obtain and administer naloxone,” the secretaries stated in the letter. “Further, school nurses are licensed medical professionals who are able to provide nursing services to a school in accordance with protocols and procedures established by the district and the limits of their nursing licenses.”

The secretaries noted that, in rural areas, it may take longer for emergency first responders to reach patients. Thus, the departments encouraged all school districts and school boards to consider stocking the medication on school grounds. “Communities across the commonwealth are grappling with the realities of drug use, and, as public stewards, it is our responsibility to encourage the use of all the life-saving measures at our disposal,” said Secretary of Education Pedro Rivera. “By allowing the trained medical professionals at our schools to be equipped with this critical tool, we will effectively give overdosing individuals a second chance at life, a chance that was not previously made available to them in all cases.”

Report on School Funding – Recently, the Campaign for Fair Education Funding issued a report, “Lifting All Students: Why Pennsylvania Must Act Now to Fairly Fund Public Education and Secure Our Future,” demonstrating what is at stake if lawmakers do not act quickly to adopt a fair public school funding formula and begin making a significant, long-term and equitable investment in public education.

One proposal – contained in the Governor's proposed budget – increases basic education funding by \$410 million in fiscal year 2015-16, while the other – included in the budget passed by the Legislature but vetoed by the Governor – proposes a considerably smaller increase of \$100 million. The report lists six examples of how the two proposals would affect disparate school districts across the state, and the appendix compares how the two scenarios would affect all 500 school districts.

The Campaign – a diverse group of more than 50 organizations committed to improving public education in Pennsylvania – is calling on state lawmakers to adopt a budget that increases basic education funding by at least \$410 million to help school districts recover from past funding cuts, targeted at bringing districts back to the 2010 funding level as a base year, and begin implementation of the new funding formula that was unanimously adopted by the state's Basic Education Funding Commission.

School Profiles Waiver – Governor Tom Wolf announced last Tuesday that the U.S. Department of Education (USDE) has approved Pennsylvania's Elementary and Secondary Education Act (ESEA) waiver, which allows for a one-year pause in the use of the state's School Performance Profile (SPP). Governor Wolf and Education Secretary Pedro A. Rivera had requested the waiver in using the 2015 PSSA scores to calculate SPP and teacher effectiveness ratings due to sweeping changes to the assessment that took effect in the 2014-15 school year.

The 2015 PSSA was a brand new assessment, aligned for the first time to the new and more rigorous PA Core Standards, adopted by the State Board of Education in 2013. Performance level scores for the new 2015 PSSAs, adopted by the State Board in July, resulted in significant drops in student performance across the state. The waiver means schools that administer PSSAs in 2015 AND Keystone Exams (high schools) will continue to receive SPP scores, although the Keystone Exams will be the only test used to help establish the SPP scores.

“While it is critically important to hold our schools and educators accountable for student success, we must take care to do so with indicators that are fair and accurate,” said Secretary Rivera. “This year's PSSA scores establish the new baseline from which we can most effectively measure student progress in future years.” (from a PDE press release, 9/8/15)

New BEC on Support for Students with Disabilities – The Pennsylvania Department of Education (PDE) has reviewed and revised the Basic Education Circular (BEC) “Behavior Support Obligations,” issued August 14, 2000 and replaced it with the BEC entitled “FAPE and One-to-One Support Obligations for Students with Disabilities.”

The revised BEC clarifies that the Local Educational Agency (LEA) is ultimately responsible for the provision of special education and related services for every student with a disability under the Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973. It describes the responsibilities of the LEA to provide special education and related services including one-to-one support for students with disabilities. When the Individualized Education Program (IEP) team or Section 504/Chapter 15 team determines that a student with a disability requires one-to-one support for all or part of the school day, the LEA retains the obligation to provide services to students with disabilities. The source for providing or paying for the one-to-one support to a student with a disability, including the availability of medical assistance funded resources, cannot delay the receipt of the one-to-one support services.

Court Decision on School Transportation – School districts are legally obligated to provide bus service to both homes of students whose parents are divorced, have shared custody arrangements and live in the same school district, the Pennsylvania Supreme Court has ruled. The state's highest court made that call this week in deciding against an appeal by a Lancaster County school district that had refused to provide bus service to the home of a divorced father of a student, even though the pupil lives with his dad half the time.

Charter School News –

* **Court Decision on Limiting Charter Enrollment:** In a decision that could prove far-reaching, the Commonwealth Court ruled last Thursday that the Philadelphia School District does not have the power to override state law and limit charter-school enrollment. The School Reform Commission moved in 2010 to cap enrollment in - and therefore payments to - some city charters that had previously agreed to limits, but it declined to do so under new charters. The court, in a majority decision written by Judge Mary Hannah Leavitt, noted that the district's central claim was that the School Reform Commission had the authority to suspend part of the state law "which specifically forbids it from imposing enrollment caps on any charter school." Upholding a lower-court ruling, Commonwealth Court judges ruled that the SRC lacks that power. "This is a major victory for school choice in Philadelphia and for charter schools," said Pennsylvania Coalition of Public Charter Schools Executive Director Bob Fayfich in a statement Thursday. "This decision is likely to have a ripple effect across the state because it means local school boards and districts cannot override school law for financial reasons."

* **Cyber Charter and Facility Use:** Weeks before the start of school, the state education department has dropped a bomb on a cyber charter school popular with Philadelphia-area families: stop using physical facilities for face-to-face learning, or risk being shut down. The crux of the state's argument is that EdPlus and others ordered to shutter physical sites are running afoul of their charters. They were specifically granted permission to operate as cyber schools, and have stepped beyond those bounds.

In National News...

Child Nutrition Act Reauthorization Update – The Senate Agriculture Committee postponed its September 17 meeting to mark up the Child Nutrition Act for reauthorization, to allow for additional time to work on a bipartisan bill. That meeting was postponed and has not yet been rescheduled.

ESEA Outlook: Fresh off a five-week summer sabbatical, members of Congress confront a handful of pressing education issues, high among them brokering a path forward for the Elementary and Secondary Education Act reauthorization, with dueling bills having already passed in both chambers.

School Lunches – Most schools in the U.S. are implementing healthy practices to help meet federal school meal standards by offering whole grains, more fruits and vegetables, and reducing sodium content, according to data published last month in the Centers for Disease Control and Prevention's (CDC) Morbidity and Mortality Weekly Report. School meal programs are an important source of nutrition as students consume almost half of their daily calories at school. According to the CDC, between 2000 and 2014, the percentage of schools implementing five of the nine school nutrition services practices examined has increased significantly.

SAT Scores – Student performance on the SAT college entrance exam is lagging, continuing a mostly downward trend over the last five years. The College Board says in a report that a record number of students took the exam. The nonprofit organization, which administers the exam, said in a report released Thursday that the mean score in reading was 495, down from 497 the previous year. For math, it was 511, down from 513. Writing scores dropped three points, to 484 from 487. The top score in each category is 800.

ACT Scores – The ACT, the nation's most widely used college admission test, continues to expand its reach in Maryland, Virginia and several other states where the SAT's dominance was long unchallenged.

But results released Wednesday show that ACT scores across the country are stagnating. The average score for the high school Class of 2015 was 21, out of a maximum of 36. That was unchanged from the year before and largely echoed results going back a decade. Of 1.92 million people taking the test, the share who met the ACT college readiness standard in English was unchanged from the previous year: 64 percent. The share who met the math benchmark — 42 percent — has slid each year since reaching a peak of 46 percent in 2012. The share who reached none of the ACT readiness targets in English, math, reading or science stood at 31 percent. That figure has not budged in two years, and it is more worrisome than comparable data from 2011 and 2012.

Changing Attitudes Toward Education – Writing in Education Week, Marc Tucker, president of the National Center on Education and the Economy, begins a look at how and why education policy has changed over the past 80 years – and its impact on schools and school leadership. “Our school superintendents last in their jobs now only three to four years, on average. The rate of turnover among our chief state school officers is unprecedented,” he writes in his blog. “It seems that fewer and fewer people are interested in applying for these jobs. They chew people up like a meat grinder in the increasingly irascible battles being fought at every level of our education system. No one, it seems, wants to talk about this, but this situation will in time leave us without capable leadership where we need it the most... It has not always been that way.”

Federal Rules: Testing Students with Disabilities – The U.S. Department of Education is doing away with a policy that allowed states to consider some students with disabilities academically proficient without meeting grade-level standards. The agency said in a final rule published this month in the Federal Register that states will no longer be allowed to administer tests to students with disabilities that are based on modified academic achievement standards. Previously, states could count up to 2 percent of their students as proficient under the No Child Left Behind Act for taking such exams. But now the Education Department is saying no more to the policy known as the “2 percent rule.” “We believe that the removal of the authority for states to define modified academic achievement standards and to administer assessments based on those standards is necessary to ensure that students with disabilities are held to the same high standards as their non-disabled peers,” the agency said in the rule, which will officially take effect Sept. 21.