

Legislative Report – Mr. Mahler (written report)

Pension System Update – The Public School Employees’ Retirement System (PSERS) Board of Trustees last week certified an annual employer contribution rate of 25.84 percent for fiscal year (FY) 2015-16, which begins on July 1, 2015. The rate includes 0.84 percent for health insurance premium assistance and a pension rate of 25.00 percent. In making the announcement, PSERS noted that “the rate collars established under Act 120 of 2010 remain in effect for a fifth year and continue to suppress the pension rate and underfund the system.”

“Difficult budget issues remain for both the Commonwealth and school employers,” said PSERS Executive Director Jeffrey B. Clay. “The employer contribution rate continues to increase to the actuarially-required level necessary to begin to make payments on the principal and pay down existing debt. The majority of the employer contribution rate for FY 2015-16 represents the cost of interest on the unfunded liability.”

Clay also pointed out that a number of funding projections improved over the past fiscal year:

- Total employer contribution dollars through 2047 are projected to decrease by \$13.7 billion due to PSERS strong FY 2014 investment performance and lower employer payroll.
- The pension debt or the unfunded accrued liability (UAL) is \$500 million less than projected for this year due to PSERS strong FY 2014 investment performance and lower employer payroll. It was projected at \$35.6 billion but decreased to \$35.1 billion.
- The peak UAL dollar amount projected for FY 2018 is \$2 billion less than what was projected last fiscal year. The peak amount decreased from \$45.1 billion to \$42.9 billion.
- The annual employer cost for benefits for current service (the employer normal cost) continues to decrease. It decreased from 8.66 percent in FY 2012-13 to 8.38 percent in FY 2015-16 as more new members join the system under the reduced benefit structure of Act 120 of 2010. It is projected to be less than 3 percent once all members are under the Act 120 benefit structure.

Basic Education Funding Commission – The commission members continue to gather information and testimony on school funding issues as they work toward developing a new basic education funding formula by June 2015. To date, scheduled meetings of the commission this month include Dec. 4 in East Stroudsburg and Dec. 10 in Lancaster. To view video of previous hearings, see the commission website.

Gov.-Elect and Education Spending – After warnings from his team about Pennsylvania’s nearly \$2 billion projected shortfall, governor-elect Tom Wolf says he still plans to push to increase education funding next year, but the newly elected Democrat acknowledges the end result will depend on negotiations with the General

Assembly, which even larger Republican Majorities will control in January. “The key is that we have a \$29 billion budget, and with that amount of money, part of what any governor needs to do is look at priorities,” Mr. Wolf said in a telephone interview last Thursday. “There’s still plenty of money to make sure that our commonwealth is spending whatever dollars it has intelligently and that we establish the right priorities. Education has to be a priority. We’re going to have to find the funds.”

Legislative News:

Legislative Calendar – The 2015-16 General Assembly will convene in Harrisburg on Jan. 6 to be sworn in and formally elect Speaker of the House and President Pro Tempore within the respective chambers. Tom Wolf will be sworn in as governor on Jan. 20. Committee chairmanships also will be finalized in January.

Update on New Background Check Law – If parents want to help out at their child’s holiday party at school, do they need to undergo a criminal background check first? This question and others about the line between volunteer and visitor might become more difficult to answer starting Dec. 31, when a new state child protective services law takes effect. The law, among other things, expands background checks for school volunteers and requires school employees, independent school contractors and volunteers in direct contact with children to update clearances every 36 months. The state now has online information about compliance with the new law.

Read the rest of the story: “New Pennsylvania Law Expands School Clearance Requirements” (from The Pittsburgh Post-Gazette, 12/15/14).

Highlights:

Katherine Fitzgerald, deputy general counsel, member services, of the Pennsylvania School Boards Association, said school districts are reviewing their policies and bringing them up to date.

“I think it’s going to depend district by district how they define volunteer,” she said.

Given the holiday party example, Ms. Utz said, “You have to look at the role of the person. If the role of that person is to be there and be responsible for children and interact directly with children, then I think that applies.”

While some districts have considered whether a teacher was in the classroom for determining the need for clearances, Ms. Utz said the key is the role of the visitor or volunteer, not whether a teacher is present.

There are three types of background checks: child abuse, state police and FBI. School employees and independent school contractors who are in direct contact with children or are responsible for them must get all three. Combined, they cost \$48.75.

Volunteers must get the child abuse and state police checks, but the FBI check, which includes fingerprinting, isn't mandated for volunteers if they can prove they have lived in Pennsylvania for at least a decade and sign an affidavit that they did not commit crimes elsewhere. However, school districts may choose to require all of the clearances for volunteers.

[However] Amanda Hartle, spokeswoman for the North Hills School District, said she believes her district already is in compliance with the new law.

The district requires all volunteers who spend time with students on a scheduled basis or are in the room anytime a district employee isn't present to have all three clearances.

She said party parents are classified as visitors, not volunteers. The district uses the Raptor computer program to screen driver's licenses of visitors and volunteers to elementary schools to see whether they are on the Megan's Law list of sex offenders.

In National News...

E-Rate Increase – The Federal Communications Commission last week approved a major increase in funding for the E-rate program, a decision that supporters predict will greatly expand schools' and libraries' access to high-speed Web connectivity after years of neglect. The commission approved the change in a 3-2 vote that broke down along partisan lines and was at times sown with discord. The plan, overseen by FCC Chairman Tom Wheeler, will lift the overall spending cap for the E-rate program from \$2.4 billion to \$3.9 billion a year, after years of stagnant funding. Read the rest of the story: **“FCC Approves Major E-Rate Funding Increase on Party-Line Vote”** (from Education Week, 12/11/14).

Pre-K Grants – Pennsylvania was not among the 18 states identified by the U.S. Department of Education last week as recipients of a total of \$250 million in competitive preschool development grants intended to increase access to high-quality preschool programs. Alabama, Arizona, Arkansas, Connecticut, Hawaii, Illinois, Louisiana, Maine, Maryland, Massachusetts, Montana, Nevada, New Jersey, New York, Rhode Island, Tennessee, Vermont and Virginia were selected from the 36 states that applied. If selected, Pennsylvania could have received up to \$20 million in grants.

Teacher Quality Report – According to a report released by the National Council on Teacher Quality (NCTQ), no state received a “green light” for its state policies to deliver teachers into the classroom well prepared to help their students achieve at the high level demanded by college- and career-readiness standards. “While NCTQ identified five states – Indiana, New York, North Carolina, Rhode Island and Texas – ahead of the pack on the road to high-quality teacher preparation and licensure, many more states are going nowhere when it comes to paving the way for new K-12 teachers in their states to help students meet more ambitious college- and career-readiness standards,” the report states. While noting progress over the past five years, the report remains critical of state efforts in teacher training and retention. “Looking at NCTQ’s traditional Yearbook metrics, the average state grade for teacher preparation in 2014 is a solid C,” the report states. “Compared to a dismal D in 2011, the improvement reflects real progress, but as states are poised to administer new college- and career-readiness assessments to students, these mediocre

grades simply aren't good enough." The report gives Pennsylvania overall a C-. **Click here** to read the report. (The NCTQ is funded by a variety of foundations, including the Bill and Melinda Gates Foundation and the Walton Family Foundation.)

North Carolina: Privately Funded Curriculum – North Carolina may soon adopt a social studies curriculum developed by the Bill of Rights Institute, which receives funding from the billionaire Koch brothers. The North Carolina Department of Public Instruction proposed on Wednesday to “highly recommend” social studies material from the Institute, which describes itself as a “not for profit charity focused on providing educational resources on America’s Founding documents and principles.” A prominent progressive news site says that the curriculum promotes the “message that individual owners of property are the source of social good, their property sacred, and government the source of danger.”