

**Legislative Report
Submitted by Linda Bishop
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PA Governor Tom Corbett presented his 2012-13 state budget plan on Feb. 7. The total budget is \$27.14 billion, which is \$20 million below last year's budget. The budget provides \$9.05 billion for K-12 education. Almost \$1 billion of this is for school employee pension costs, which have increased 53% over last year's budget. The budget also calls for elimination of the Accountability Block Grant program, which means a loss of about \$94 million to public school districts. Many districts used this funding to provide all-day kindergarten and to support lower class sizes.

The biggest change in this budget for education funding is the creation of a new method of funding public education. Instead of providing separate line items for basic education funding, transportation, and school employees' Social Security payments, the Governor's proposed budget consolidates all these line items into one new "Student Achievement Education Block Grant" of \$6.51 billion. The idea of the "block grant" program is to allow school districts to allocate their state funding in whatever way they deem necessary rather than stipulate how the money has to be spent. This may be a different approach, but it doesn't mean much, since there has been no legislative movement to reduce any of the state-mandated spending requirements, including big-ticket items like pension contributions, transportation, and special education. In addition, no action has been taken in Harrisburg to change the cyber charter school funding formula to make it more equitable for public school districts. While the new method is purported to be about providing "flexibility for local communities," the fact is that without mandate relief, local school districts will only have greater say about what they will cut, not whether they will cut. We will be able to "pick our poison."

What the "block grant" approach does accomplish, however, is to make it much more difficult to determine if education funding is up, down, or level. It has been reported that the bankrupt Chester Upland School District will receive almost \$1 million less this year than last year, and that, in general, poorer school districts will see further funding reductions, while wealthier districts will be level funded or see slight increases. The bottom line is that local school districts are struggling with cuts in state funding for the second consecutive year, loss of local tax revenues, and virtually no relief from costly state mandates, in addition to a 42.5% increase in the cost of our state-mandated contributions to the state employees' pension fund. Incidentally, most states pay a larger percentage of overall public education costs than Pennsylvania, which ranks 44th in the nation on this measure. Under the Governor's plan, local taxpayers can expect to pay an even greater share of the cost of public education. We can also expect to see more districts go bankrupt, like Chester Upland.

One other education-related item in the Governor's proposed budget is certainly worth mention, as it is of significant interest to many of our students and community members. The proposed budget calls for a 30% reduction in funding for the State-Related Universities (Pitt and Penn

State), a 20% reduction in funding for the 14 state-owned colleges and universities (IUP, Cal U, Slippery Rock, etc.), and a 6% reduction in funding for the Pennsylvania Higher Education Assistance Agency (student loans). Coming on top of the 15-20% cuts to these institutions that occurred last year, this would be a major blow that will most certainly precipitate another round of massive tuition hikes. Penn State and Pitt already have the distinction of being the #1 and #2 most costly public universities in the United States for in-state students.

The House and Senate Appropriations Committees are currently conducting hearings on the Governor's proposed budget. Passage of the budget by the legislature is supposed to occur before June 30. Now is the time to contact our legislators to express opinions on the Governor's budget proposal.

In other Harrisburg news, the House Appropriations Committee reported out HB 1329, which amends the PA Prevailing Wage Act to increase the amount in the contract needed to constitute "public work" from the current \$25,000 to \$185,000. A final vote on the House floor was postponed but is expected to take place the week of March 12.

The House Finance Committee conducted a hearing on HB 1877 that amends the Real Estate Sales Tax Law to allow school districts to collect delinquent real estate taxes without paying a 5% commission to the county, as currently required. At present, the county does nothing to help collect these delinquent taxes yet receives a portion of the revenues at the expense of the local school districts.

The House Education Committee continues to conduct meetings related to the cyber charter school funding formula, with no results to date. The House Property Assessment Task Force continues to meet to try to find ways to make the property assessment system more uniform for all 67 PA counties. Former NA school board member Alan Shuckrow serves on this task force.

On the national level, President Obama has released his proposed fiscal year 2013 budget, requesting \$69.8 billion in discretionary funding for the Department of Education, a 2.5% increase from 2012. Title 1, special education, and School Improvement grants would be level funded, while there would be increased funding for teacher preparation and effectiveness programs, early learning, and school nutrition programs. Congress will consider the plan, and many changes can be expected.

In local news, the North Hills School Board unanimously rejected the application of Provident Charter School to start a facility aimed to provide special education services to students with dyslexia. Board members cited concerns about separating students with learning disabilities from the general school population, which goes against the legal requirement that special education students be educated in the least restrictive environment. Our own Assistant Superintendent, Dr. Arleen Wheat, provided some excellent input that helped the North Hills Board in their decision. The Provident Charter School board is appealing the decision to the Charter School Appeal Board.