

Legislative Report – Mr. Mahler February 2015

Recent Legislative Action –

SB 4: was passed by the Senate last week. The bill proposes to amend the PA Constitution to give the General Assembly the authority to define what constitutes an institution of purely public charity for purpose of determining tax exempt status. Currently, these decisions are made by the judiciary.

HB 147: was approved by the House yesterday amends the Pennsylvania Constitution to permit taxing jurisdictions to exempt from taxation up to 100% of the assessed value of a homestead property.

HB 158: was approved by the House today amends the School Code to provide the Secretary of Education with the authority to issue weather, safety and health-related emergency declarations on a school district, county or statewide basis under which a school entity may satisfy the 180 instructional days requirement by one or more of the following: approving, by a majority of the school board, a school year meeting the minimum hour requirements in lieu of 180 days; or approving, by a majority vote of the school board, scheduling additional instructional days on not more than one Saturday per month to complete 180 instructional days or to meet the minimum hour requirement.

HB 127: passed by the House earlier this month. The bill amends the School Code to require a school entity to make available upon request to armed forces recruiters a list of 11th and 12th grade students and to notify all 10th and 11th graders and any 12th graders not yet 18.

HB 139: passed by the House earlier this month. The bill amends the Private Academic Schools Act to allow online schools to become licensed by the State Board of Private Academic Schools.

HB 224: passed by the House earlier this month. The bill amends the Public School Code to codify the addition of financial information to the School Performance Profile. This is a modified version of the original “SchoolWatch” bill. It codifies the financial information recently added by the PDE to the SPP website but does not include a requirement to add return-on-investment data, a provision that had been included in last session’s bill.

Other bills under consideration in the House:

HB 141: amends the School Code to clarify that penalties for violation of the compulsory attendance requirements only apply if the violation was intentional and, for a violation, require that parents and guardians attend a parenting education program or perform community service or, as a last resort, be incarcerated for failure to pay court-imposed fines. The bill,

introduced last year as HB 2356, was developed in response to a case in which a parent arrested for failure to pay fines died in jail.

HB 210: (moved on the House floor) amends the Public School Code to streamline and automate the PlanCon process, make changes to some of the current criteria, create a transparent website to determine project status, allow lump sum reimbursement with the approval of PDE and the school district and allow districts that engaged in construction projects during the moratorium to remain eligible for reimbursement (similar to legislation introduced last session).

HB 229 The bill amends the Crimes Code to make cyberbullying of a child a misdemeanor of the third degree and provides alternative penalties for juveniles found guilty of cyberbullying. Amendments to the bill require the court to determine if a pattern of misconduct occurred before a penalty could be imposed and re-define terms to require a more serious effect of the action (i.e. from “serious emotional distress” to “substantial emotional distress”).

Wednesday, Feb. 25: House Education Committee held a voting meeting on the following bills:

HB 530 (passed by committee) proposes comprehensive amendments to the Charter School Law. The bill modifies the cyber charter tuition calculation by allowing districts to deduct their food services costs and, for a 2 year period, their cyber charter tuition expenses when calculating the tuition rate for cyber charter school students. The bill also makes several other changes to the current law including the creation of a charter school funding commission, the implementation of some accountability and transparency provisions related to charter school administrators, trustees, foundations and education management service providers, the requirement of direct pay, the capping charter school fund balances, the imposition of a performance matrix tied to charter school renewal and the creation of multiple charter organizations. **(Read a summary of HB 530.)**

House Resolution 102 (passed by committee) establishes a Select Subcommittee on Technical Education and Career Readiness within the House Education Committee to focus on making recommendations how to improve career and technical education, including how to improve pathways between schools and the business community, eliminate negative biases towards technical education and expand career training programs.

HB 512 (passed by committee) requires institutions of higher education to develop uniform standards for recognizing and accepting credit for prior learning, such as credit for AP courses.

On February 12, several organizations and individuals testified before the House Education Committee concerning two bills: **HB 168**, which amends the Public School Code to eliminate all Keystone Exam subjects except Algebra I, literature and biology and prohibits the exam from

being used as a statewide graduation requirement, and **HB 177**, which amends the Public School Code to create an Academic Standards Commission, made up of the Education Committee chairmen, public school teachers and administrators, higher education representatives and members of the business community, to review and make recommendations regarding the PA Core Standards and issue a report within 18 months of its first meeting.

Tuesday, March 3: House Finance Committee to hold a public hearing to hear testimony from local government associations, including education associations, about their finance-related legislative priorities

Other State News

State Budget - Multiple sources expect Wolf's "tax fairness" plan to include a major slash at residential school property tax bills, in keeping with his larger goal of shifting more education costs to state government. The plan, while not eliminating property taxes altogether as some lawmakers would like, would add to the small breaks currently derived from former Gov. Ed Rendell's legalization of casino gambling, sources said.

Here's the anticipated trade-off: Any new property tax cuts would come as part of a larger overall set of tax increases that would include Wolf's previously proposed tax on natural gas production plus major hikes in the state's current 3.07 percent personal income tax, its 6 percent sales tax, or both. Wolf is also expected to propose an increase in the state's cigarette tax, as well as various business tax changes.

Money earmarked for reductions would flow back to school districts by formula, just like the state gaming tax being collected now to discount school property taxes assessed on primary residences or farms. In some limited cases, money being returned under Wolf's amped-up plan could cover a school district's entire residential property tax bill - effectively zeroing out bills for most homeowners in those communities, sources said.

Those school districts would be required to use any leftover distributions to reduce real estate millage rates for the owners of business and commercial properties that are still paying the tax.

To school districts, the plan would have the effect of shifting some current costs to Harrisburg, even as other state funds are added to grow Pennsylvania's overall investment in basic education, sources said.

Gas Extraction Tax Plan – Pennsylvania Governor Tom Wolf, in early February, proposed an education reinvestment plan featuring a severance tax on natural gas extraction as part of his solution to properly fund public education in the commonwealth. In releasing the plan, Wolf noted that Pennsylvania's schools have suffered from \$1 billion in funding cuts in recent years forcing school districts to increase class sizes, lay-off teachers and other staff, and make serious

program cuts that make it more difficult for students to get a strong education in Pennsylvania's public schools. "We can get Pennsylvania back on track, and we can start by passing a commonsense severance tax that will help fund our schools – an idea with bipartisan support," Governor Wolf said. "The commonwealth ranks 45th in the nation in percentage of state funding for public education, and as a result, we have seen larger class sizes, fewer teachers, and vital program cuts. These cuts have made it more difficult for students to get a strong education in Pennsylvania's public schools. This is the right thing to do for our children and our economy and to move Pennsylvania forward." The proposal, called the Pennsylvania Education Reinvestment Act, enacts a reasonable 5% severance tax plus 4.7 cents per thousand feet of volume on extraction, which is expected to generate over a billion dollars in fiscal year 2017 prior to exemptions. It is modeled on neighboring West Virginia's severance tax plan. (from a press release, 2/11/15)

New Report on School District Budgets - Challenging situations are getting worse in schools statewide, according to an update to the annual Pennsylvania Association of School Administrators (PASA) and Pennsylvania Association of School Business Officials (PASBO) budget survey. According to the report (released statewide today, 2-23-15), school districts overwhelmingly implemented last spring's projected budget cuts, staff reductions, and tax hikes in their final spending plans for fiscal year 2014-15. Ninety-nine percent of respondents project more of the same or worsening fiscal conditions in 2015-16. **Click here (pdf)** to read the report.

Update on School Funding Lawsuit – On November 10, 2014, the Public Interest Law Center of Philadelphia (PILCOP), in partnership with the Education Law Center of Pennsylvania and a national, private law firm, filed a lawsuit in Commonwealth Court on behalf of six school districts, seven parents, the Pennsylvania Association of Rural and Small Schools (PARSS) and the NAACP Pennsylvania State Conference against legislative leaders, state education officials, and the Governor for failing to uphold the General Assembly's constitutional obligation to provide a system of public education that gives all children in Pennsylvania the resources they need to meet state-imposed academic standards and thrive in today's world. Oral arguments have been scheduled for March 11, 2015, at 9:30 a.m. in Courtroom 5001 of the Pennsylvania Judicial Center (601 Commonwealth Avenue) in Harrisburg. **Click here** to read more about the court challenge.

Right-to-Know Decision – Pennsylvania government agencies may not release people's home addresses under the Right-to-Know Law without first making them aware their addresses have been requested and giving them a chance to fight it, a state court ruled last Tuesday. A divided Commonwealth court came down in favor of the state's largest teachers union and against the Office of Open Records in a decision critics say could make it more difficult to access information far beyond the addresses of school employees involved in the case. *Read the rest of the AP story: "Pennsylvania Court Sets Rules for Release of Home Addresses"* (as published on *philly.com*, 2/17/15).

Decision of School Reform Commission: Amid intense pressure from all sides, the Philadelphia School Reform Commission voted last Wednesday to approve five new charter schools from among the 39 applications. The successful applicants were offered three-year charters with a long list of conditions. SRC Chairman Bill Green said the charter operators and the commission have until May 31 to agree on terms. Wednesday was the first time the commission had approved new traditional charter schools since 2007. *Read the rest of the story: "SRC Approves Five New Charter Schools"* (from *philly.com*, 2/19/15).

Head Start Grants – The Pennsylvania Office of Child Development and Early Learning, jointly overseen by the departments of Human Services and Education, has been awarded a four-and-a-half-year, \$24.3 million grant from the Federal Administration for Children and Families to serve low-income, at-risk children and their families. The award will be utilized to expand the number of infants and toddlers receiving Early Head Start services in the commonwealth and to increase the quality of child care, enhance staff development and provide comprehensive Early Head Start services to vulnerable families. "This grant supports the department's mission to serve the 'whole' student in their needs," said Acting Secretary of Education Pedro Rivera. "We remain committed to providing educators with the tools they need and families with the support they deserve to have students achieve academically." (from a press release, 2/10/15)

National News

ESEA Reauthorization Update – The House is set to clear a rewrite of the No Child Left Behind Act on Friday (Feb. 27). A new schedule laid out last week would send the Republican-backed bill, which the education committee passed on a party-line vote Feb. 11, to the floor for debate Wednesday and Thursday, with a final vote scheduled for Friday morning. The House Rules Committee, which sets parameters for how bills are debated on the floor, set a deadline for members to file any amendments they wish to offer by Monday at 3 p.m. The committee plans to set the rule for the bill Tuesday before it goes to the floor the following day. What can we expect for debate on the floor? *Read the rest of the story: "House Set to Pass NCLB Rewrite on Friday"* (from *Education Week*, 2/19/15).

Graduation Rate – The national, four-year graduation rate has ticked up for the second year in a row, growing from 80 percent in the 2011-12 school year, to 81 percent in the 2012-13 school year, according to **data released in January by the U.S. Department of Education**. The percentage of students graduating in Pennsylvania went from 84 to 86 percent. (from *Education Week*, 2/12/15)

Ed Tech Funding Proposal – Roughly four years after he joined Congress in eliminating the Enhancing Education Through Technology program, President Obama is proposing its rebirth—in modified form. The EETT program was jettisoned in 2010, but the administration's new budget proposal, unveiled Monday, calls for recreating with \$200 million as a vehicle for using competitive grants awarded by states to create "model districts" at the local level. The plan would also help states build the capacity of school districts to use technology to improve

instruction, and support the hiring of state officials who would demand "evidence-based" practices in technology, according to a description posted on the U.S. Department of Education's website. *Read the rest of the story: “Obama Budget Calls for Reviving Ed-Tech Program”* (from *Education Week*, 2/3/15).