

**Legislative Report**  
**Submitted by Linda Bishop**  
**March 28, 2012**

The PA legislature has been in recess, but returned to Harrisburg this week. There are several bills of interest:

SB 1115 would implement a new special education funding formula, in which special ed appropriations would be distributed using weighting factors based on the students' categories of disability. There would be three categories of need. The bill would also create new accountability, monitoring and planning requirements with respect to the use of state funds. An amendment was inserted to cap the number of students eligible for the highest need category if they are in learning environments other than the regular classroom. This bill was approved by the Senate Education Committee and is expected to be voted on by the Senate Appropriations Committee and the full Senate in the near future.

SB 1296 would establish a process for the contracting of superintendents and assistant superintendents in public school districts. It defines contract criteria such as time frame, performance evaluation standards, and benefit limitations. First class school districts such as Philadelphia and Pittsburgh would be exempt from the bill. This bill was approved by the Senate Education Committee and referred to the Senate Appropriations Committee on 3/12.

SB209 would require public schools to annually disclose interscholastic athletic opportunities provided to secondary school students, including the amount spent on each team and the total value of contributions and purchases made on behalf of each team by alumni, booster clubs and other non-school sources. The requirements would not apply to private schools. This bill was approved by the Senate Education Committee and is being considered by the House Education Committee.

SB 1309 is under consideration by the Senate Finance Committee. This legislation would greatly restrict the rights of school districts to conduct appeals of under-assessed property, both residential and commercial. It would prohibit school districts and other taxing authorities from appealing the assessment of a property based on the sale of the property.

SB 1450, proposed last week by Senate Education Committee Chair Jeffrey Piccola, would set up an office of financial recovery to monitor districts in financial distress and provide technical help. A district would enter financial recovery status upon declaration by the Education Secretary if they fail to pay their employees or if they seek an advance on state money. A chief recovery officer would be named to develop and implement a recovery plan, including possible teacher layoffs or conversion to a charter school.

PSEA (the state teachers' union) has filed a federal complaint with the US Office of Civil Rights on behalf of the special education students in the financially-distressed Chester Upland School

District, alleging that state laws have forced Chester Upland to issue inflated payments to charter schools, thereby draining the district's financial resources. The complaint notes that Chester Upland must pay \$24,528 for each special education student attending a charter school, which is more than twice the subsidy that Chester Upland receives from the state for its special education students. "This bizarre payment scheme is among the root causes of the district's financial distress," said PSEA President Mike Crossey.

On the subject of charter school funding, the House Education Committee last week met with representatives from the Auditor General's Office to discuss audits on public schools, including school districts and charter schools. The Deputy Auditor General testified that the ever increasing presence of charter schools in PA is compounding the financial problems of public school districts. The current charter school funding formula for regular and special education students has resulted in severe inequities that adversely affect taxpayers. The elimination of state reimbursements to school districts for a portion of their charter school costs, without changing the funding formula, has created a \$224 million funding gap that school districts must fill with local property tax revenues. Unlike school districts, charter schools are not required to reconcile tuition payments with actual costs, nor does the law limit the amount that charter schools can hold in their fund balances. School districts paid nearly \$800 million to charter schools last year, with \$250 million of that going to cybers (up from \$70 million in 2005). Cyber charters receive the same funding as brick and mortar charters even though they spend an average of \$3000 less per student. If cyber schools only received what they actually spent per student, it would have saved local taxpayers \$86 million last year. The Auditor General has repeatedly called on the governor and the General Assembly to fix the charter school funding formula to reflect the true cost of educating the child.

While many bills to fix the flawed funding formula have been proposed in recent years, none has been passed, perhaps in part because they are opposed by lobbyists (and legislators) who support taxpayer-funded tuition vouchers, such as the Students First PAC, which has received \$1 million of out-of-state pro-voucher money this year, which is being used to assist candidates for the PA legislature, including Fatimah Muhallad, who is challenging 24-year incumbent House Committee Minority Chairman Jim Roebuck, a strong opponent of taxpayer-funded tuition vouchers, and Andrew Shaw, who is challenging State Senator Pat Vance, who voted against SB 1. Other large sources of funding for the cause of tuition vouchers and charter schools include the Bill & Melinda Gates Foundation, the Eli and Edythe Broad Foundation, and, recently reported, The Walton Family Foundation (Wal-Mart).

The House Education Committee is considering HB 431, requiring schools to train school employees in diabetes care and treatment, and HB 2028, which would amend the School Code to allow work in excess of \$10,000 to be done on a single contract. The House Urban Affairs Committee is considering HB 2137 to impose a moratorium on court-ordered countywide reassessments.

This week, the House Finance Committee is getting its first look at HB 2230, legislation that would allow counties to implement a local option sales tax of 1% on all purchases to offset property taxes in each school district with a formula based on enrollment. This would be subject to approval by the voters in a countywide referendum. Alternatively, counties and municipalities could replace property taxes with increased personal income taxes, without voter approval. It is reported that Education Secretary Ron Tomalis has expressed support for the bill.

The House Education Committee is considering HB 855 to allow school districts to furlough teachers on the basis of economic considerations, not just based on seniority, as is currently required by the School Code.

Hearings are ongoing in both the PA House and Senate on this year's budget bill. Governor Corbett has gone on the offensive, saying "We are reducing the funding in education because we do not have the money—it's that simple." He asked if we should find education money by taking funding away "from the functions of government." Of course, funding public education IS a function of government in Pennsylvania—one that is mandated by the PA Constitution. And, money IS being found for select new legislative initiatives. For example, the new Voter ID bill that recently passed the legislature and was signed by the Governor, has an estimated price tag of \$11 million. Meanwhile, a recently conducted survey reveals that as a result of last year's budget cuts, 70% of school districts increased class sizes, 58% delayed technology purchases, 44% reduced or eliminated courses in art, music, physical education, and world languages, and 35% reduced or eliminated tutoring for struggling students.

The Governor's spokesman, Education Secretary Ron Tomalis, is also on the offensive seeking support for the Governor's budget. He has pointed out that proposed state funding for public education K-12 is 3.7% higher than last year. However, almost all of that increase is for mandated increases in payments to the Pennsylvania State Employees Retirement System. The pension shortfall is not Governor Corbett's fault, nor is it local school districts' fault, but rather results from actions the state legislature took to increase their own pension benefits back in 2001. What is significant is that with all the proposed new legislation that I have detailed in this report, there is not one single piece of legislation on the front burner, the back burner, or anywhere near the stove at this point in time to address public school districts' number one financial problem, the massive spike in state-mandated pension costs. While Governor Corbett pushed pension reform when he was running for governor, it has not been on his priority list since his election.

The State Board of Education met last week to discuss proposed changes to the Chapter 4 regulations regarding graduation requirements and Keystone Exams. The proposal is for the current graduation requirements to remain in effect through 2015-16, including course completion and grades, the completion of a culminating project, and proficiency on the 11th grade PSSAs. Beginning in 2016-17, new graduation requirements would take effect, with the requirement of a passing score on 3 Keystone Exams, in Algebra 1, English language arts, and biology, instead of 10 exams as originally required. There would be no additional Keystone

Exams developed. The culminating project requirement would be eliminated. AP or IB exams could be substituted for the Keystone Exams. The state intends to seek federal approval for using the Keystone Exams to replace the requirement for 11th grade PSSAs. The Senate Education Committee is opposed to this proposal and recently passed two bills designed to restore the full-blown, ten-test Keystone Exam program. The first bill would prohibit tinkering with the originally approved Keystone Exam plan until 2020. The second would require that the state reimburse school districts for costs incurred in developing Keystone Exams that are never administered. These bills await full Senate action.

Final note on an item of national significance. In Texas, the birthplace of No Child Left Behind and high-stakes standardized testing requirements, more than 100 school districts have passed a resolution saying that high-stakes standardizing testing is “strangling” public schools. The resolution asks state education officials to take a new approach to assessing students. Could Texas influence the country again, in a different direction? There is some evidence that the resolution is going nationwide, with school districts in the New York City area adopting an identical resolution.

**I would encourage all Board members, staff members, and community members to attend the Northern Area Legislative Forum on Public Education on Thursday, April 12 at 7 pm at North Hills Senior High School. Key state legislators from Allegheny County will be present to discuss their positions on public education, the budget, and all the legislative items discussed in this report. We need you to come so that our legislators understand that their constituents support public education and are watching how they vote on these important issues. The forum will be moderated by the League of Women Voters.**

**Mrs. Grosheider** added additional information concerning PSBA’s annual legislative meeting.

PSBA held its annual Legislative meeting for Allegheny County on February 29, 2012 at the Allegheny Intermediate Unit. This meeting is an opportunity for legislators and School Board Members to interact regarding legislative issues pending at the state level.

Attendance this year was at an all-time high with about 90 people present. North Allegheny was well-represented with Board Members, the Superintendent, and a number of administrators, teachers and parents.

Karen Devine, a staff member from PSBA began the program with an extensive update of Governor Corbett’s budget proposal as well as updates on the elimination of Accountability Block Grants, the scaling back of Keystone Exam requirements, and the moratorium on reimbursements to school districts for construction projects. Most of the meeting was devoted to questions and comments from the audience regarding the legislators’ perspective on events in Harrisburg.

As expected, most administrators and board members were outlining the need for increased funding to local districts. Several speakers commented that the reason the Governor can say he hasn't raised taxes is because he's passed that job on to the local school boards and municipalities.

Many comments also centered on the need for mandate relief. Representative Randy Vulakovich indicated that he would be most receptive to a list of mandates and their costs that we would like rescinded. He indicated a willingness to work with PSBA on that. Other comments heard had to do with cyber and charter school funding formulas; although legislators agreed that "something" needs to be done about that, there was little of substance regarding what they think is doable. A parent raised the issue of pension reform as being necessary to improve the budget outlook. From the legislative response, it is clear that this issue is not currently on their radar screen.

There was a certain amount of frustration demonstrated by some of the legislators, one of whom said, "The money just isn't there." He indicated that there are lots of important programs – education, welfare, transportation – that are all getting hit but there is little that can be done.

One nugget of information that came out is that apparently, even if your district does not transport your own students to and from school, by law, you must provide transportation to charter school students from your district – just one more unfunded mandate. Even the legislators were surprised by that. That issue simply underscored the fact that many of our legislators simply do not know the scope and impact of various pieces of legislation. It is our job to continue to educate them and to press them for some common sense solutions to the problems.