

**Legislative Report**  
**Submitted by Linda Bishop**  
**April 25, 2012**

The PA legislature has been in recess for Easter and the spring primary election. House and Senate sessions on April 30 start the busiest time of the year in Harrisburg, leading up to the adoption of the budget for fiscal year 2012-13, which begins July 1.

There has been no change in the status of most of the Senate and House bills that I reported on last month. Most of them are still in committee. One bill that has passed the House and is awaiting action in the Senate is a measure that would allow counties to halt their court-ordered reassessments. If that bill passes the Senate and is signed into law, it would allow Allegheny County officials to stop the implementation of the 2013 reassessment. It was reported in the Post-Gazette this week that there are also several bills in the works to reduce or eliminate property taxes altogether, relying on higher sales tax and income tax to fund public schools.

Another bill that is awaiting action on the House Floor is HB 1329, which would amend the Prevailing Wage Act to increase the amount in the contract needed to constitute “public work” from the current \$25,000 to \$185,000, to be adjusted according to the consumer price index. Raising this threshold and adding an inflation adjustment would have a very positive impact on the cost of smaller school construction and renovation projects, providing significant savings in local property taxes. Another bill that would go even further is HB 1409, which would remove school districts from the Prevailing Wage Act entirely. This bill is in the House Labor and Industry Committee. A third bill, HB 2028, which would allow school districts to bid contracts either separately or as a single contract, has been tabled.

School Boards across Pennsylvania are becoming increasingly vocal in their advocacy on various bills, passing resolutions to:

1. Oppose Governor Corbett's budget plan for the creation of a new “Student Achievement Education Block Grant” to consolidate Basic Education Funding, Pupil Transportation (for public, private and charter school students) and School Employees' Social Security line items into one block grant to districts. In reality, this plan has absolutely nothing to do with student achievement, and will in fact result in less money for classroom instruction. It is disingenuous to pretend that this will give districts more “flexibility” because transportation and Social Security are mandatory spending items over which local school districts have no control. The traditional state funding formulas are more realistic, because the amount of the state subsidy is linked to the actual cost of services. Under the Governor's “block grant” proposal, local school districts will still have no control over the mandated expenditures for transportation and employees' Social Security, so they will need to use Basic Education Funding, which is supposed to be for actual classroom instruction, to cover the shortfalls in the other areas.

2. Support the restoration of \$100 million for the Accountability Block Grant program, which the Governor wants to eliminate. This program truly does provide flexibility for districts and is used to fund full-day kindergarten, tutoring, class size reductions and other programs that enhance student achievement.
3. Support reforms to the charter school law, beginning with the revision of the current funding formula so that payments to charter and cyber charter schools by public school districts reflect the actual cost of instruction at those schools, not the tuition rates of the bricks and mortar public schools.
4. Oppose the moratorium on school construction project reimbursements. Across PA, school districts, in good faith, have undertaken renovation or construction projects with the assumption, based on current law, that the state would participate in the repayment on the construction costs. What has happened is that the state is notifying school districts after the fact that, contrary to the law, they have instituted a moratorium on these reimbursements, which are now to be funded solely by local property taxpayers.
5. Urge the General Assembly to begin immediate consideration of school employee pension reform, which as I noted last month is the number one school funding issue in Pennsylvania. The Governor, and some legislators, have recently backed away from the pension issue, suggesting that pension reform is a local issue that should be addressed at the local level. Nothing could be further from the truth. The problem was created by the General Assembly in 2001, and that is where the issue needs to be addressed, to reduce the projected costs to school districts, taxpayers and the commonwealth. Nothing short of a complete overhaul of the current pension benefits for all state employees will resolve the problem. With some 2400 bills having been introduced in the state legislature so far this year, it is striking that not one piece of legislation to address this issue has surfaced this year.

Finally, I would like to share with the public an item that Dr. Gualtieri passed along to the Board this week, as it is rather ominous. Last summer, when Congress was debating about raising the debt ceiling, they passed the Budget Control Act, which formed a twelve member bipartisan, bicameral group of legislators to identify \$1.2 trillion in deficit reductions over the next ten years. This panel failed to reach an agreement by the November 23 deadline. As a result, sequestration, defined as the cancellation of budgetary resources, is set to occur on January 2, 2013. At that time, unless Congress acts, all federal discretionary spending, including education, will be cut by as much as 9.1%. This would include \$1.3 billion in cuts to Title I and \$1 billion in cuts to IDEA funding for special education. For Pennsylvania, this would translate to \$50.8 million in cuts to Title 1 and \$39.2 million in cuts to IDEA. For North Allegheny, this would mean a loss of \$1,000,000 in IDEA funds and \$225,000 in Title 1 funds.