

# Legislative Report – Mr. Mahler

## May 2014

### Federal Legislation/Issues:

**NSBA urges House to give school districts flexibility on nutrition programs** The National School Boards Association (NSBA) is calling for flexibility and relief from regulations in federal school meal programs as the U.S. House of Representatives subcommittee responsible for funding the Department of Agriculture considers FY 2015 appropriations. In a May 19 letter to the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, NSBA urges revisions to federal requirements for school meals and competitive foods.

**Funding for Education:** Debate has continued about charter school funding, particularly in relation to special education funding. Charter school lobbying groups are campaign to stop funding reforms under House Bill 2138 and Senate Bill 1316, which would implement the recommendations of the Special Education Funding Commission. In contrast PSBA is one of many groups encouraging the legislature to pass this legislation as a more fair funding formula.

In addition to this specific debate, there is discussion about the state's ability to gather the revenues it had predicted, in order to fund the 2014-2015 budget. According to the PA Department of Revenue, Pennsylvania collected \$3.4 billion in General Fund revenue in April, which was \$328.3 million, or 8.8 percent, less than anticipated. Fiscal year-to-date as of May 12<sup>th</sup> shows that General Fund collections total \$23.9 billion, which is \$424.5 million, or 1.7 percent, below estimate, without adjusting for last month's early \$80 million liquor profits transfer.

This shortfall could jeopardize Gov. Tom Corbett's plans to spend more on public education next year. A gas extraction tax is often mentioned as a possible source of revenue, but Governor Corbett and House Majority Leader Turzai appear strongly opposed to this possibility. In the meantime, school districts across the state are debating or passing either tax increases or spending cuts for their 2014-2015 budgets.

Likewise, according to an article in the Tribune-Review: "Cash-strapped schools desperate to replace leaky roofs and crumbling infrastructure likely will go without state construction money for a third year, school business officials say, since Gov. Tom Corbett's budget proposal continues a moratorium on funding new projects.

In 2012, Corbett cut funding to new applications, stalling 354 projects in varying stages of construction or capital planning. At least 200 since have been financed — some even finished — with the expectation of state money that didn't come."

**Charter School Oversight:** Following up on a series of public meetings held earlier this year, Auditor General Eugene De Pasquale issued his report, Pennsylvania Charter School Accountability and Transparency: Time for a Tune-Up," in mid-May. It contains recommendations to improve accountability, effectiveness and transparency of charter schools, including creating an independent statewide charter school oversight board. "Charter schools are here to stay, and clearly thousands of parents welcome having a choice when it comes to sending their children to public schools," DePasquale said. "Many outstanding charter schools in the state are doing amazing things for children and offering new ways to learn. However, based on our audits and feedback at meetings across the state, it's clear that the original intention of the charter school law has not been fulfilled. We owe it to students, parents and taxpayers to re-group and make some fundamental changes to improve oversight and accountability of charter schools in Pennsylvania."

### Legislation:

**HB 434: signed by the Governor as Act 45 of 2014.** The law removes the separate standards and procedures for school employees accused of abusing a student, creates a statewide database of indicated, founded and unfounded reports of abuse, provides a procedure for expunction of records within the database, places restrictions on employment related to reports in the database, provides for mandatory and direct reports to local law enforcement concerning suspected child abuse or exploitation by certain school employees, and provides for penalties for failure to report.

**Senate Bill 31**, now Act 44 of 2014, also amends the CPSL by repealing current provisions in law that contains the separate standards for school employees regarding child abuse substantiation and reporting procedures. With this legislation all mandated reporters, including school employees and staff in institutions, will be required to report any suspected child abuse directly to DPW's Childline and the school principal. The mandated reporter must also submit a written report to the Department within 48 hours of calling Childline.

**Property Tax Reform Bill:** In May, the Senate Finance Committee held an informational hearing on the amendment to SB 76. The bill eliminates school property taxes and attempts to make up the revenue by allowing for a local earned income or personal income tax, increasing the state personal income tax and increasing and expanding the state sales and use tax. The amendment makes some changes to the proposed bill, such as reducing the proposed expansion of the sales and use tax, but does not address the potential shortfall in revenue created by the bill. During the hearing concerns were raised about the bill locking in an inequitable distribution of dollars to school districts across the state and providing no mechanism to address rising costs.

**HB 1590:** amended and approved by the House Local Government Committee. The bill amends the Local Tax Collection Law requiring a locally elected tax collector to take the basic training offered by the Department and to pass a basic qualification exam before taking the oath of office. The Department will provide the training and exam online. Candidates must also file criminal history information when filing their nominating petition and will not be placed on the ballot if the record check indicates that they have been convicted of certain offenses. The bill also allows political subdivisions to have the county treasurer collect local taxes.

**HB 1728:** amended on the House floor (not yet passed). The bill, as amended, encourages school districts and charter schools to post in school buildings the motto "In God We Trust," along with the first ten amendments to the U.S. Constitution. The House rejected a proposal that would have required the state to cover legal costs if lawsuits result. As initially introduced, the bill would have required the motto to be displayed in all public school buildings.

**HB 1801:** passed by the House. The bill amends the Public School Code to require the Office for Safe Schools to develop hotlines and a website notification system for parents, students, and school employees to report potential or actual acts of violence or possession of weapons on school property.

**HB 2076:** amended and approved by House Education Committee. The bill, which amends the Public School Code, was completely amended to require public institutions of higher education to develop and implement consistent policies to award "prior learning" credit to high school students who take AP, IB or college-level classes or who successfully pass college-level tests in specific subject areas.

**HB 1213:** amended and approved by House Education Committee. The bill, as amended, creates a new "Ready to Succeed" grant program to provide aid to students in middle-income families to attend an institution of higher education.

**SB 1194:** amended and approved by Senate Appropriations Committee. The bill, as initially introduced, amends the Public School Code to allow school districts that do not have a municipal police department to enter into cooperative police service agreements with an adjacent municipality that has full-time police coverage. As extensively amended in committee, the bill allows both public and private schools to apply for safety grants, provides for school police officers and provides for sale of unused school land and buildings.

**HB 2049:** recommitted to the House Appropriations Committee. The bill amends the Public School Code to allow trained school bus drivers to administer epinephrine auto-injectors to students if it is done in compliance with employer and school district policy.

**PlanCon Bill:** In May, the House Education Committee narrowly amended and then, along party lines, approved HB 2124 concerning the PlanCon process. As initially introduced, the bill required the development of a transparent website listing the status of each project, streamlined the current 11-step process down to a 5-step process, and provided safeguards for those school districts with projects both inside and outside the PlanCon pipeline. The amendment approved to the bill, which passed 13-12, cuts reimbursement for all new projects by 10 percent, gives reimbursement priority to school

districts opting to receive a lump-sum payout rather than yearly reimbursement payments, and eliminates the initially proposed requirement in the bill that would have required the state to make interest payments to school districts waiting for reimbursement during the moratorium period. Most of the amendment's provisions came from the Governor's Office of the Budget. The governor's proposed budget for 2014-15 extends the moratorium an additional year. "While PASA supports most of the provisions contained in HB 2124 and applauds the leadership of Rep. Grove to address this issue, reducing state funding of school construction projects to pre-2005 levels and removing interest payments by the state to school districts that are owed payments are unacceptable," said PASA Executive Director Jim Buckheit. "The reduction and removal of the interest payment provisions merely adds to the ongoing shift of the cost of funding public schools from the state to local property taxpayers."

**Other bills on the legislative horizon/calendar:**

**HB 2138** (amends the Public School Code to implement the recommendations of the Special Education Funding Commission. The bill provides a formula for the distribution of new special education dollars, makes changes to the special education charter school tuition calculation, modifies the Special Education Contingency Fund and allows approved private schools to recoup money appropriated but not used in the prior year. This bill is identical to Senate Bill 1316.)

**SB 1205** (amends the Public School Code to allow private non-profit institutions of higher education that offer bachelor's or graduate degrees to change their designation from "college" to "university")

**SB 1085** (amends the Public School Code to revise the charter school law. The bill provides for a university authorizer, splits the pension double dip between the state and school districts, and makes other changes to current law to provide additional transparency and accountability. PASA opposes the bill.)

**HB 1424** (amends the Public School Code to require school entities provide age appropriate instruction beginning in the 2015-16 school year on the Holocaust, genocide and human rights violations as part of the social studies, language arts and other applicable areas of study)

**HB 198** (amends the Public School Code to establish a 3-year Dyslexia and Early Literacy Intervention Pilot Program in at least 3 school districts that have between 3,000 and 15,000 students and offer full day kindergarten. PDE, through the pilot program, will evaluate the effectiveness of evidence-based early reading assistance programs, with the goal of reducing future special education costs)