

Legislative Report – Mr. Mahler (submitted as a written report)

PA Legislative News...

Legislative Calendar – Today was the last day remaining in the 2013-14 legislative session. Legislative leaders already have indicated they will NOT come in for additional session days after the November election. As a result, many of the big issues—such as charter school reform, pension reform and property tax reform, to name a few—remain unresolved and discussions will need to begin anew next session. All bills not enacted into law this session have to be reintroduced in the 2015-16 session and go through the entire process again.

The newly elected Legislature, which will be sworn into office in early January, will spend most of their first month of 2015 going through reorganization, particularly reorganizing the committees. Actual legislative business really doesn't get underway until early February. If Gov. Corbett is reelected, the budget process will begin in February; however, if Tom Wolf is elected governor, the budget process will be moved back into March, allowing a new governor additional time to craft a budget. Generally speaking, not a lot will happen in the new legislative session until the budget hearings are over in the spring.

Legislative Action Last Week –

HB 1590 (tax collector training): House concurred in Senate amendments, 186-5. The bill requires 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 bill will go to the governor.

'Pass the Trash': By a 50-0 vote, the Senate last week amended and passed **HB 1816**. The bill initially amended the Public School Code to allow visits to manufacturing workplaces to be included in a professional development plan. In a surprise move, the Senate amended the bill on the floor to insert language from **HB 2063**, "Pass the Trash" legislation, which extensively expands current background check requirements for prospective school employees by requiring public and private schools in Pennsylvania and their independent contractors to conduct a thorough employment history review prior to offering employment to any applicant for a position involving direct contact with children, beyond current state and federal background checks. Generally, the legislation requires PDE to develop standard forms to be completed by applicants for school employment requiring them to disclose the name and contact information of former school employers or employers in which the individual had direct contact with children and to state whether he or she has been the subject of an investigation, has been disciplined, has resigned or has ever had a license or certification revoked all due to allegations or findings of abuse or sexual misconduct. School entities must contact an applicant's former employers to confirm the applicant's statements, must check the employment eligibility or certification of the applicant and must inquire with PDE as to whether there are pending criminal charges against the applicant. These new requirements would apply 60 days from the effective date of the legislation. The bill now goes to the House for concurrence. Should the House approve the bill as amended, HB 1816 would go to the governor for his signature.

Homeschool Diplomas: The Senate Appropriations Committee approved **HB 1013** sent it to the floor for second consideration, then it was returned to the Rules Committee. The bill amends the Public School Code to clarify that the same rights and privileges that attach to a high school diploma awarded by an LEA attach to a high school diploma awarded by the supervisor of a home education program. The bill also removes superintendents from the home school evaluation process and requires the reliance on the certification of the evaluator that the home education program is in compliance with the School Code requirements.

HB 91 (EITC program): amended and approved by the Senate Appropriations Committee, amended on third consideration on October 14. Among its provisions, the bill adds career and vocational technical schools to the list of entities to which a business firm may provide donations under the EITC program, streamlines and extends the application process for businesses applying to participate in the tax credit program, and makes other changes. The bill needs to be passed by the Senate and then reconsidered in the House due to the amending language inserted into the bill.

The following bills had some form of action in the past month, but may not be acted upon further in this session.

- **HB 618** (charter school reform): Last week the Senate was expected to amend the bill by gutting and replacing the original provisions with language similar to that of **SB 1085**, which makes changes to the charter school law including additional transparency and accountability for charter schools, the formation of multiple charter organizations, charter authorizer accountability provisions and the extension of charter renewals to 10 years if the charter school meets certain performance criteria.) That did not happen. Rather, the bill was referred to the Senate Appropriations Committee. At this point, it is not scheduled for consideration this week.
- **HB 1671 (executive session): amended and approved by the House State Government Committee.** The bill makes changes to the open meetings law to permit executive sessions for the discussion of security or emergency preparedness plans and also requires the recording of executive sessions as well as advice from a solicitor prior to holding an executive session to ensure that the matters to be discussed during the executive session are appropriate.
- **HB 1801** (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 2049** (amends the Public School Code to provide immunity to trained school bus drivers who administer epinephrine auto-injectors to students if it is done in compliance with employer and school district policy)
- **HB 1207 (EITC program): passed by the House, 192-6.** The bill contains the language of **HB 2373**, which consolidates the authorizing statutes for the EITC programs and makes some changes, including allowing business firms applying for tax credits to choose alternate recipients of donations if the maximum amount of tax credits is reached. The bill now goes to the Senate for consideration.
- **HB 2356 (truancy violations): amended and approved by the House Education Committee.** The bill would amend the Public School Code to modify the penalties for truancy violations.
- **HR 1032 (truancy): approved by the House Education Committee.** The resolution requires the Joint State Government Commission to examine the issues of truancy and high school dropout in Pennsylvania.
- **HR 1061 (school audit): approved by the House Education Committee.** The resolution requests a forensic audit of the finances of the School District of Philadelphia.

- **HR 1064 (study on brain injury): approved by the House Education Committee.** The resolution requires the Legislative Budget and Finance Committee to study Pennsylvania's program of providing intervention to young athletes who suffer a brain injury.
- **HB 1353** (creates a defined contribution plan for all new state employees, and once amended, will be the vehicle for any pension reform. There are over 100 amendments filed to this bill, including the Rep. Tobash stacked hybrid proposal.)
- **HB 2348** (restricts taxing authorities' ability to engage in reverse assessments, allowing such assessments only following countywide reassessments and in limited circumstances following an improvement to a property)
- **HB 803** (amends the Public School Code to allow school entities to allow trained employees to use an epi-pen on a student having an allergic reaction and allows school entities to store epi-pens prescribed by a physician to the school entity)
- **HB 2076 (college credit and AP exams): passed by the House.** 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.
- **SB 1281 (scheduling and weather emergencies): amended and approved by the House Education Committee.** The bill provides for flexibility in scheduling due to weather emergencies. The bill was amended to include a variety of School Code provisions, including the PlanCon reforms in **HB 2124**, the SchoolWATCH language from **HB 1411**, and language from **HB 1801** that would allow telephone hotlines and Internet notification systems developed by the Office of Safe Schools for students, parents, staff and community members to use to report dangerous situations in their schools.
- **SB 898** (amends the Public School Code to allow school entities to allow trained employees to use an epi-pen on a student having an allergic reaction and allows school entities to store epi-pens prescribed by a physician to the school entity)
- **SB 491** (clarifies that a tax collection district may not prohibit the filing of any form posted by the Department of Revenue's website and includes the language of **HB 1189**, which permits school districts to levy a local EIT, business privilege or mercantile tax for the purpose of reducing school property taxes)
- **SB 76** (eliminates school property taxes and attempts to fund education by increasing the state personal income tax as well as the sales and use tax.
- **SB 7 (limits on state government spending): approved by the Senate Finance Committee.** The bill would limit the growth of state spending through the lower of the following thresholds: the average change in personal income for the three preceding calendar years or the average inflation rate plus the average percentage change in state population over the three preceding years, with some exceptions for "extraordinary circumstances."

- **SB 444 (Right-to-Know): passed by the House.** The bill provides changes to the Right-to-Know Law, including adding a new fee structure for commercial requests (allowing agencies to charge more for such requests), clarifying that, if a public record exists in a certain format, the agency must provide the record in that format upon request, and limiting the definition of a “requestor” to an individual who is a legal resident of Pennsylvania. The bill also allows agencies to require pre-payment if record duplication costs are expected to exceed \$50, gives agencies 10 days to respond to a request from the date of postmark if the request was sent by mail, and requires agencies to notify an individual whose home address is requested 14-day notice prior to providing the information.
- **SB 903** (provides some restrictions on local governments’ use of interest rate management agreements, or swaps, and puts in place several safeguards for local governments that engage in swaps)

PA News:

Pension System Earnings – The Public School Employees Retirement System (PSERS) last week announced that the fund posted positive returns of 14.91 percent for the fiscal year, 8.66 percent for the three-year, 12.09 percent for the five-year, 7.28 percent for the ten-year, and 8.70 percent for the 25-year periods ended June 30, 2014. According to PSERS Chief Investment Officer James Grossman, the 14.91 percent returns exceeded PSERS’ total fund Policy Index of 12.05 percent for the same time period. PSERS earned investment income of \$7.1 billion net of fees. “Funding of PSERS by the Commonwealth and school employers continues to be below the Annually Required Contribution (ARCV), although to a lesser extent than in the past few years,” he said.

In addition, the PSERS Board of Trustees last week announced the retirement of Executive Director Jeffrey Clay, effective March 6, 2015. Mr. Clay has served as Executive Director of the \$53 billion pension fund since October 2003. The Board will be conducting a national search for Mr. Clay’s replacement.

Analysis of PA School Finance – The American Institutes for Research (AIR) has just completed an analysis of Pennsylvania’s school finance system. *Educational Equity, Adequacy, and Equal Opportunity in the Commonwealth: An Evaluation of Pennsylvania’s School Finance System* examines multiple measures of education adequacy and equity, as well as relationships between funding and student achievement. The new report – written by nationally recognized education finance experts Bruce Baker of Rutgers University and Jesse Levin of AIR – also provides an overview and analysis of school funding formulas in other states and the methods used to develop these formulas. “Pennsylvania has historically operated one of the nation’s least equitable state school finance systems, and within that system exist some of the nation’s most fiscally disadvantaged public school districts,” the authors state in their Executive Summary. “The persistent inequalities of Pennsylvania’s school finance system are not entirely a result of simple lack of effort, as policies intended to mitigate inequities serve in some cases to exacerbate them.... “The average level of funding in the Commonwealth is relatively average among states in the region, and higher than national averages. But these averages mask substantial inequities. Revenue and spending across Pennsylvania school districts fail to meet the most basic equity standards, with significant numbers of districts serving high-need populations having substantially lower per-pupil spending than surrounding districts serving more advantaged populations. Further, spending and revenue variation remains significantly associated with district wealth and income, thus failing the wealth neutrality standard. Because large shares of high-need children attend under-resourced districts, the system also fails on the equal educational opportunity standard, which dictates that children should be provided resource levels necessary for having equal opportunity to achieve comparable outcomes,

regardless of their personal and family circumstances, or where they reside. These equal opportunity deficiencies are additionally reflected in actual outcome disparities. Finally, while average levels of measured achievement statewide are reasonably high, and growth over time relatively strong, achievement gaps are large.”

In related news: On Monday, Oct. 6, the Campaign for Fair Education Funding held a press conference inside the Capitol rotunda to formally kick-off its efforts to develop a sustainable, predictable and long-term funding method to ensure that every Pennsylvania child has access to a quality education, no matter where they live.

From the PDE...

ACCESS Cost Settlement – The PDE last week updated school districts on issues leading up to the School-Based ACCESS cost settlement process and asked school districts for assistance in bringing the reimbursement process to closure. As the 2012-13 fiscal year cost settlement process moves forward, the PDE and Department of Public Welfare are asking LEAs to note the following:

*LEAs that have yet to submit their signed Certified Public Expenditures (CPE) are urged to do so immediately. The Medicaid Cost Reporting and Claiming System (MCRS) is live and available to review cost settlement calculations and approve CPEs.

*Cost settlement appeals must be postmarked by **October 20, 2014**. Appeals postmarked after this date will not be timely filed. Appeals must be sent to the Department of Public Welfare, Bureau of Hearings and Appeals, 2330 Vartan Way, Second Floor, Harrisburg, PA, 17110. In addition, a copy of your appeal and all accompanying documents must be sent to DPW Office of General Counsel, Third Floor West, Health and Welfare Building, Harrisburg, PA 17105-2674, and to the Office of Medical Assistance Programs, Bureau of Policy, Analysis and Planning, PO Box 2675, Harrisburg, PA 17110-2675.

*Reconciliation amounts to be paid to LEAs, which were documented on signed CPE forms received by the September 26, 2014, deadline, are in process and are expected to pay no later than November 2014.

*Subject to federal review, signed CPE forms received after the required September 26, 2014, deadline documenting a reconciliation amount to be paid to the LEA will be processed for payment with a reduction in the total reconciliation amount. These reductions are as follows:

- An approximate 25 percent reduction for signed CPE forms received after September 26, 2014, and before December 1, 2014.
- An approximate 50 percent reduction for signed CPE forms received after December 1, 2014, and before March 1, 2015.
- An approximate 75 percent reduction for signed CPE forms received after March 1, 2015, and before June 1, 2015.
- No reconciliation payment for the 2012-13 fiscal year for signed CPE forms received after June 1, 2015.

DPW will act to recover funds due from LEAs after October 20, 2014, unless an appeal is timely filed. Fund recovery will not be initiated before the appeal process is completed and a finding is reported to the LEA.

Dyslexia Intervention Pilot Program – Act 69 of 2014, the Dyslexia Screening and Early Intervention Pilot Program, became effective on June 26, 2014. This Act requires the Pennsylvania Department of Education (PDE) to establish dyslexia and early literacy intervention pilot program that provide evidence-based early screening and multi-tier support systems, using evidence-based intervention services for students with potential risk factors for early reading deficiencies and dyslexia, such as low phonemic awareness, low letter and symbol naming, and an inability to remember sequences.

As part of the act, to be considered eligible for the pilot program, a school district must enroll 3,000 to 15,000 students and provide full-day kindergarten. As PDE reviewed the districts eligible for participation in the pilot, it was determined that more than half of the districts were ineligible for consideration. Currently, there are 178 out of the 500 districts eligible for consideration for the pilot. Consequently, PDE has decided to include three additional districts that have a school population up to 3,000 students. The PDE welcomes participation representing all geographic regions as well as all student enrollments into the pilot program.

Interested entities should contact Lynn Dell, Assistant Director of the Bureau of Special Education at lydell@pa.gov for additional information. A webinar will be scheduled for Oct. 15, 2014, to review the pilot program. Additional information on the pilot can be found at <http://www.pattan.net/category/Projects/page/Dyslexia.html>.

Online PEERS Tool - Now available online is the Pennsylvania's Educator Effectiveness Rating System (PEERS), a free, voluntary, web-based version of the Act 82 Educator Effectiveness final rating tools (PDE 82-1, 82-2, and 82-3). This online tool will be available to local education agencies for the summative evaluation of teaching professionals, non-teaching professionals and principals/administrators during the second half of the 2014-15 school year.

PEERS will be hosted within the existing PVAAS web application, allowing all account holders to have ease of access to the online rating tools for the 82-1, 82-2, and 82-3 using the existing PVAAS account system. Through PEERS, the School Performance Profile (SPP) Score will be pre-populated by the PVAAS web application, with the flexibility to change the school or allow multiple schools. When available, PVAAS teacher measures will also be pre-populated into PEERS. As part of the web delivery, rating information will be aggregated to summary-level reporting.

PEERS is aligned to the 82-1, 82-2 and 82-3 .xls documents provided to LEAs on the PDE Educator Effectiveness webpage, with the added benefit of web-enabling the three forms to maximize the capabilities of a web interface and the online management of these forms. The system will link teachers, principals/administrators, and non-teaching specialists to a possible final rating form based on PIMS data submitted by each LEA, with the ability to change the form as per local decision.

Use of PEERS is free, voluntary, and may be used alone or in concert with other tools that LEAs are using to manage the supervision and evaluation process. Access to the forms is granted by the LEAs.

During the development and implementation process, PDE and SAS (the PVAAS provider) are interested in gaining input from administrators in the field in order to design and deliver a system that provides users with an efficient and effective process to not only complete the summative rating forms, but to be able to use the data effectively for teacher, principal, and school/district growth and improvement. To that end, focus groups will be established to provide feedback, with the overall intent to elicit input as to the effectiveness of the online tool in meeting the needs of LEAs.

PDE is asking for a maximum of a three member LEA administrator team - representatives of large and small LEAs from rural, urban and suburban areas across Pennsylvania. Feedback is sought from those who plan to use the tool during the second half of SY14-15, those considering using the tool, and those

who may use the tool along with other systems they already have in place. Focus groups will be convened a maximum of twice during this school year to meet with SAS (the PVAAS provider), as well as completing a maximum of two online surveys about the design and development of PEERS.

Any LEA/District that is interested in serving on the PEERS focus group should email pdepvaas@iu13.org by October 15, 2014. One person from the LEA should email the name, role and email address for each person from your 1-3 member administrator team for the PEERS focus group.

To learn more information about the specific capabilities of this tool, please access the PVAAS site at <https://pvaas.sas.com> for more details about PEERS.

The **Philadelphia School Reform Commission** voted last Monday to unilaterally cancel its teachers' contract. The vote was unanimous. The Philadelphia Federation of Teachers was given no advance word of the action — which happened at an early-morning SRC meeting called with minimal notice — and which figures to result in a legal challenge to the takeover law the SRC believes gives it the power to bypass negotiations and impose terms. Jerry Jordan, PFT president, called the move "cowardly" and vowed to fight it strongly.

Innovative Schools – Two Pennsylvania school districts recently were among only ten in the nation selected for the League of Innovative Schools, a national coalition of school districts and superintendents “committed to innovation.” The League was created in 2011 by the national nonprofit group Digital Promise a nonprofit organization authorized by Congress to spur innovation in education in order to improve the opportunity to learn for all Americans. To date, 57 districts across the country have been selected for the League. According to Digital Promise, “The vision, commitment, and potential to positively affect student achievement set these districts apart from a competitive and compelling group of applicants from across the United States.” The Pennsylvania districts are:

- **Avonworth SD:** This small urban district knows how to leverage the resources in its community. Avonworth Schools, located just 10 miles from downtown Pittsburgh, partners with local museums, business, universities, and government agencies to help enrich student learning. Avonworth also collaborates with neighboring districts and fellow League members Elizabeth Forward School District and South Fayette School District. Superintendent: Thomas Ralston
- **Bristol Township SD:** Students and staff at Bristol Township's 11 schools use document cameras, interactive whiteboards, and video conferencing to collaborate in classrooms and across schools, districts, and countries. In fall 2014, Bristol's two middle schools – Armstrong and FDR Middle – began implementing 1-to-1 digital learning programs through the Digital Promise Schools initiative. Superintendent: Samuel Lee

National News...

Pennsylvania Ranking – WalletHub, a personal finance social network, recently ranked Pennsylvania as having the 10th best school system in the country. The 12 metrics used to assess the school systems ranged from student-teacher ratios and dropout rates to test scores and bullying incident rates. Ranking above the commonwealth (in order) were New Jersey, Massachusetts, Vermont, New Hampshire, Kansas, Colorado, Virginia, Minnesota and Wisconsin. **Click here** to read the analysis.

Advocacy for E-Rate Increase – The deadline to sign the letter urging the Federal Communications Commission (FCC) to make a permanent increase in E-rate funding is **noon on October 15**. The FCC recently sought additional comments on the funding needs of the E-rate Program for Schools and

Libraries. Since the E-rate program was established in 1998 and capped at \$2.25 billion, E-rate funding has not been increased (aside from an annual inflationary adjustment *starting* in 2010).

New Jersey: Pension Reform – Switching future New Jersey public workers to a 401(k)-type retirement plan, a move Governor Chris Christie is considering, would worsen the pension system's unfunded liability, according to advocates for the poor. Closing the existing defined-benefit plan to new enrollees would involve \$42 billion in transition costs, according to a report by New Jersey Policy Perspective. Later hires, who would make their own investment decisions rather than leave them to professional managers, would risk retiring with less money, the Trenton-based group said last week.