

Legislative Report – Mr. Mahler

April 2014

Federal Legislation/Issues:

Charter School Bill – Rep. John Kline, R-Minn., the chairman of the House education committee, and Rep. George Miller, the top Democrat on the panel, are planning to introduce a bipartisan charter school bill. The charter school bill is likely to look similar to a bill that passed the House by a huge bipartisan margin of 365-54 back in 2011. That legislation would have allowed states to tap federal funds to replicate charter school models that have a track record of success. It also sought to help charters gain access to high-quality facilities and encouraged states to work with charters to help them serve special populations, such as students in special education. The major difference in this new version, sources say, could be a greater emphasis on ensuring that federal funding goes to charter management organizations (such as KIPP or Aspire).

Pennsylvania Legislation/Issues:

Current Issues:

Funding for Education:

Gaming and Property Tax Relief – Budget Secretary Charles Zogby last week certified that more than \$779 million in gaming revenue will be available for property tax relief in 2014. The balance in the Property Tax Relief Fund is more than \$394 million. Gaming revenue from now through Oct. 15 is projected to add about \$399 million to the relief fund, bringing the total amount in the fund at that time to approximately \$793 million, which includes a projected balance of approximately \$14 million in the Fund. The amount of property tax relief in each school district will vary, and that information will be available online in early May at the School District Property Tax Relief section of the PDE website at www.education.state.pa.us.

Gas Tax – The Associated Press recently reported that “slapping Pennsylvania's booming natural gas industry with a new tax has long been the currency of Democrats, and now an increasingly grim budget picture is turning Republican heads in the GOP-controlled state Legislature. Some Republicans in the Capitol are predicting that a tax on natural gas extraction could end up in whatever final budget legislation emerges, probably in late June.

Pension Reform – Rep. Mike Tobash (R-Schuylkill) is seeking co-sponsors for a bill that will reflect the pension reform ideas broadly outlined by Gov. Corbett in his budget address and in subsequent information provided by the Office of the Budget. The plan would not change the benefits of current public employees or retirees but would create a new benefit plan for all state and public school employees hired on or after Jan. 1, 2015 (for SERS) or July 1, 2015 (for PSERS). New employees would be required to enroll in a defined benefit/defined contribution hybrid retirement plan, and all new earned service for those rehired on or after those dates would be in the new benefit plan. According to Tobash, “the plan “is anticipated to save the Commonwealth’s General Fund contributions \$7.4 billion, and all employers, including school districts, \$15.1 billion over the 30-year projection period.”

Property Tax Reform – Opponents of a state bill that would replace school property taxes with a sales tax have voiced their concerns for small businesses and the poor should the bill be passed. According to an analysis by the PA Independent Fiscal Office, this bill would cause \$2.6 billion in cuts to funding for school districts in the next five years. According to PA Education Law Center Executive Director Rhonda Brownstein, the possible effects of this bill would be devastating to school districts across the state.

Keystone Exam Status – In a recent letter to Senators Mike Folmer and Andrew Dinniman, Republican and Democratic chairmen of the Senate Education Committee, respectively, Secretary of Education Carolyn Dumesq wrote that, although Pennsylvania law allows for an additional seven Keystone Exams, no additional exams will be developed for 2014-15 due to budgetary limitations. She also stated that she did not anticipate any actions being taken to develop the final Keystone Exams during the remainder of her tenure. “In addition, I believe the Commonwealth’s

current focus should instead be on assuring success on the existing three Keystone Exams and the other assessments we already have in place for our federal NCLB waiver and our state accountability tools like the new teacher evaluation system and the school performance profile,” she said. Sen. Dinniman recently introduced legislation (SB 1244) that would limit the Keystone Graduation Exams to the three existing assessments in compliance with the NCLB waiver requirement.

PIAA Rules and Charter Schools – A proposal to limit sports programs at charter schools in Pennsylvania drew indignation from charter school advocates at a legislative meeting last Tuesday. Currently, charter school students who want to play multiple sports must play for their charter school teams if that sport is offered and, for other sports, may play on teams at their neighborhood public school. But Bob Lombardi, director of the Pennsylvania Interscholastic Athletic Association, which governs scholastic sports in the state, said the arrangement constitutes a “dual enrollment” status for charter school students that is not available to students who attend public school or who are home-schooled.

PSBA testifies on need to streamline PlanCon process – In early April, PSBA presented testimony to the House Education Committee on House Bill 2124 (Rep. Grove, R-York), issues regarding school construction and the PlanCon approval process. Speaking in support of Grove’s proposal was PSBA Senior Director of Government Affairs John Callahan, who said the bill provides a more modern, simplified and financially sustainable process for school construction reimbursement.

PSBA report: Pension double dip fix can save districts \$1 billion over six years – PSBA is sending to all legislators a report regarding provisions in law that allow double payments to charter schools from both school districts and the state for the employer share of their employee pension costs. The report emphasizes that the pension double dip means that charters receive reimbursement at the rate of 150% -- a major windfall for them and fundamentally unfair to school districts and taxpayers who ultimately pay the bill. PSBA stated that removing the school district’s employer contribution from the charter school funding formula is estimated to save taxpayers \$122 million in the first year and \$1 billion over six years. The projections, estimated by the Pennsylvania Association of School Business Officials, include annual and cumulative savings over six years to districts related to pension payments for both brick and mortar, and cyber charter schools. The report also emphasizes that any proposal to address the double dip by eliminating the state (not school district) portion of the reimbursement to charters leaves school districts with 100% of the costs. It does nothing to provide districts, and the local taxpayers they serve, with financial relief. PSBA is urging the General Assembly to fix the double dip problem by eliminating the school district reimbursement to charter schools for the employer retirement contribution from the charter school funding formula. [Click here to read PSBA’s report on the pension double dip problem.](#)

PSBA, education groups urge Senate to oppose Senate Bill 1085 – PSBA and the PA Association of School Administrators (PASA), PA Association of School Business Officers (PABSO), PA Association of Rural and Small Schools (PARSS), and the PA State Education Association (PSEA) sent a joint letter to the Senate urging members to oppose Senate Bill 1085 as currently drafted. The letter stated that although the bill does contain some positive reforms to the charter school law, however, these provisions are outweighed by the negative consequences of expanding the list of charter school authorizers and limiting the financial relief to school districts from the elimination of the pension double dip.

PSBA analysis shows charter schools continue to underperform – PSBA has sent to all legislators its report on the academic performance of traditional and charter schools, with results showing that charter schools continue to academically underperform traditional public schools. An analysis of the PA Department of Education’s (PDE) system of rating the performance of public schools using School Performance Profiles (SPP) indicate that less than half of the brick and mortar charter schools met passing benchmark scores, and none of the cyber charter schools met the mark. Nearly three-quarters of traditional public schools, however, earned passing scores in the first year of the new measuring system.

Legislation:

The General Assembly has been in recess for the Easter/Passover holidays. Lawmakers are scheduled to return to session the week of April 28.

HB 974: passed by the House as amended in the Senate; sent to the Governor. The bill requires the PDE to purchase AEDs and supplies, on a biennial basis, for distribution to schools at a discounted rate. The bill also requires school entities to report to the department annually, beginning June 30, 2014, the number of school buildings in the Commonwealth that do not have AEDs.

HB 1559: passed by the House. The bill amends the Public School Code to create a suicide awareness and prevention training program for professional educators of students in grades 6-12.

HB 1738: approved by the Senate Education Committee. The bill amends the Public School Code to create a Basic Education Funding Commission to examine current basic education funding and make recommendations on a new formula for the distribution of basic education funding. The Commission's recommendations must be provided within one year of the effective date of the bill.

HB 1801: approved by the House Education Committee. 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 1973: amended and approved by the House Education Committee. The bill amends the Public School Code to create a hybrid learning competitive grant program administered by PDE. The bill sets forth the application criteria for school entities and IUs, which requires the statement of goals for student achievement and the monitoring and annual reporting of the school entity's or IU's progress in reaching these goals, requires school entities and IUs that wish to offer hybrid learning opportunities to implement policies, including those that outline eligibility for the program and define course grading and credit criteria, and sets forth PDE's role in administering the program. Prior to approval, the committee amended HB 974 by removing from the bill a specific \$10 million appropriation amount for the grants and instead specifying that funds will come from an "annual appropriation" with the state budget, changed the grant range to between \$20,000 and \$200,000, removed cyber charters from eligibility for the grants, and required school entities applying for the grants to develop a plan to sustain the programs beyond the duration of grant funding.

HB 2005: passed by the House. The bill amends the Public School Code to include municipal authorities in the list of entities to which a school district can convey unused and unnecessary lands and buildings.

HB 2013: passed by the House. The bill amends the Public School Code to state that a temporary vacancy on a school board shall be declared and filled as appropriate when an elected school board member is called to active duty in the military or naval forces.

HB 2063: amended and passed by the House (199-0). The bill amends the Public School Code to add a new section 111.1 requiring school entities and independent contractors of school entities to complete comprehensive and extensive employment history reviews of applicants for positions involving direct contact with students. Amendments added to the bill before final passage would require the Department of Education to obtain and monitor public safety and criminal justice information (including, but not limited to, arrest and disposition information) for all educators from any statewide electronic database and use that information for certification and discipline purposes, and would require school entities to inquire whether the Department of Education has received notification of pending criminal charges against an applicant. The amended bill also clarifies the definition of "educator" as anyone holding or seeking certification, a commission, a letter of eligibility or permit and in a private academic school; staff members, contracted educational providers or contracted educational provider staff members in charter or cyber charter schools; and anyone over whom the Professional Standards and Practices Commission has discipline authority. HB 2603 generally mirrors Senate Bill 46, known as the "Pass the Trash" legislation.

HB 2074: amended and passed by the House (199-0). The bill permanently reestablishes the Governor's Schools of Excellence Program by requiring PDE to establish three Governor's Schools in science, agricultural sciences and engineering and technology at institutions of higher education in Pennsylvania. Removed from the budget was specific 2014-15 appropriations allocated to the schools. The governor's 2014-15 budget proposal allocated \$350,000 to the program.

HB 2106: passed by the House. The bill amends the Public School Code to require a school entity to make a list of eleventh and twelfth grade students (not just graduating seniors) available upon request to armed forces recruiters. The bill also modifies the notification requirement, requiring school entities to notify all the parents or guardians of tenth and eleventh grade students and any twelfth grade student that is not 18. The bill exempts nonpublic schools that have a religious objection to service in the armed forces.

HB 2138: approved by the House Education Committee. The bill amends the 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 SB 1316.

HB637: passed by the House. The resolution requests the U.S. House of Representatives to adopt House Resolution 436, which deals with dyslexia awareness.

SB 267: passed by the Senate with House amendments, 49-0; sent to the Governor. The bill amends the Public School Code to allow a school district to excuse a student from attendance to participate in a non school-sponsored educational tour or trip.

SB 1169: approved by the Senate Finance Committee. The bill amends the Public School Code to exclude from the definition of “government entity” an association authorized to receive membership dues from a public school entity. This would prevent new employees of such associations from being eligible for pension benefits under PSERS. The bill affects PSBA, whose current employees are enrolled in PSERS.

SB 1205: approved by the House Education Committee. The bill 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 1316: approved by the Senate Education Committee. The bill 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 HB 2138.

SR 250: passed by the Senate. The bill requires the Legislative Budget and Finance Committee to study the impact of merging all school district health plans into a single plan. The resolution was amended before final passage to expand the scope of the study by requiring the committee also to do a detailed analysis of the specific health benefits, policies and contracts currently provided by or operated by at least 50 percent of the school entities in the Commonwealth. The committee’s report is due by Nov. 30, 2014.