



November 19, 2015



Thank you for joining us on Budget Action Day!

On Monday, Nov. 16, approximately 130 Pennsylvania school directors, superintendents, principals, school business officials and Intermediate Unit executives filled the Majority Caucus Room for Budget Action Day at the PA Capitol.

House Minority Leader Frank Dermody (D-Allegheny) and House Majority Leader Dave Reed (R-Indiana) briefly spoke to the group and took questions. Many attendees scheduled appointments to visit with legislators later in the day. Four particular areas of interest addressed by school officials included back-end referendum, increased funding for education and approval of the Basic Education Funding formula, special education expenses to charter schools, and school construction reimbursements from the state.

At the conclusion of the Budget Actin Day briefing, Nathan Mains, Executive Director of The Pennsylvania School Boards Association answered questions about the budget stalemate after a briefing in the House majority caucus room. [Click here to see the video from The PLS Reporter PLUS, Nov. 16, 2015.](#)

PSBA thanks the members of several associations who participated in this advocacy event, including Pennsylvania Association of School Administrators, Pennsylvania Association of School Business Officials, Pennsylvania Association of Rural and Small Schools, Pennsylvania Principals Association, and Pennsylvania Association of Intermediate Units.



House Education Committee approves legislation to address Keystone Exams On Tuesday, Nov. 17, the House Education Committee passed [Senate Bill 880](#) (Sen. Lloyd Smucker R-Lancaster), which places a two-year moratorium on using Keystone Exams as a graduation requirement. The bill was unanimously approved by the Senate in June and passed the house committee with an amendment that requires the Pennsylvania Department of Education (PDE) to investigate alternative methods for students to demonstrate proficiency for graduation and report its findings within six months.

Under new requirements, students in the class of 2017 must pass the Keystone Exams in algebra, literature, and biology, or an extensive project-based assessment, in order to graduate. [Senate Bill 880](#) delays the implementation of the Keystone Exams as a graduation requirement or a benchmark for the need to participation in a project-based assessment until the 2018-19 school year. PSBA supports this change and believes it is appropriate to take a step back from the requirement as a new school funding system may be put into place. Two additional years would allow time to implement new funding changes as well as consider different approaches to assess the college and career readiness of students. It is the right time to more fully examine school funding inequities, how that impacts graduation requirements and what schools need in order to best prepare their students.



Vote on property tax elimination delayed

Senate Majority Leader Jake Corman (R-Centre) delayed the plan to hold a full Senate vote on a proposal to end the collection of school property taxes by replacing those dollars with other tax revenue.

[Senate Bill 76](#) (Sen. Argall, R-Schuylkill), a bill introduced and tweaked over several legislative sessions, would eliminate school property taxes by increasing tax rates on income and sales and by broadening the base of services for which a sales tax would be applied. Under the plan, sales tax would increase to 7% and personal income tax would increase to 4.34%, up from 6% and 3.07% respectively.

Past attempts to pass the reform failed in part due to reports from the Independent Fiscal Office, a nonpartisan state research agency that raised concerns on whether the plan would provide adequate replacement of the local share of education funding over time.

In the midst of the current five month budget impasse in Harrisburg, Senate Bill 76 is again up for consideration by the Senate, but plans to vote on the measure as an amendment to another bill have been postponed in order to "address various issues," including ensuring that enough revenue is raised to adequately replace property tax

funds. Amending another bill with the language from Senate Bill 76 would bypass the committee vote process and could potentially place the measure on the table for budget negotiations.

The property tax elimination plan is particularly concerning for school districts due to the current the overreliance on local property taxes to compensate for inequities in state education funding and the continually increasing cost of unfunded and underfunded mandates. Furthermore, it eliminates the ability of a school district to cover unpredictable costs, like building repairs or enrollment spikes, or meet additional obligations, like rising healthcare or PSERS expenses for school employees.

Sen. Corman plans to hold the vote next week prior to the Thanksgiving holiday.

PSBA is grateful to all advocates who took action on the Senate Bill 76 alert. Your advocacy efforts make a difference in strengthening public education in Pennsylvania.

Latest News

House Committee Action

- [Passed by the House Education Committee](#)

Senate Committee Action

- [Passed by the Senate Finance Committee](#)

House Committee Action

Passed by the House Education Committee

Keystone Exams Moratorium and Study -- [Senate Bill 880](#) (Sen. Smucker, R-Lancaster) delays the implementation of the Keystone Exam as a graduation requirement or as a benchmark for the need for participation in a project-based assessment until the 2018-2019 school year. The bill was amended in committee to require the Pennsylvania Department of Education to investigate alternative methods for students to demonstrate proficiency for graduation and report its findings within six months.

Senate Bill 880 received second consideration in the House on Thursday, November 19 and was referred to House Appropriations.

Senate Committee Action

Passed by the Senate Finance Committee

Pension Reform -- [Senate Bill 1071](#) (Sen. Browne, R-Lehigh) provides for public pension reform and contains the language of [Senate Bill 1](#), which was passed by both chambers in June and vetoed by the governor as part of the budget package. It is expected that this bill will serve as the vehicle for pension reform with ongoing budget negotiations. It was passed out of the Senate Finance Committee Wednesday on a party-line vote with the Democratic members of the committee voting "no" based on the fact the bill currently only contains the language from Senate Bill 1.

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