



Pennsylvania School Boards Association

# legislative report

April 28, 2016

*This week Pennsylvania's primary elections were held. [Click here](#) to see statewide and county election returns for all offices on the ballot.*

*The General Assembly was not in session this week. The House will reconvene on Monday, May 2, and the Senate will return on Monday, May 9.*

## **PSBA provides information on new Fiscal Code provisions**



This week [House Bill 1589](#) (Rep. Causer, R-McKean), the Fiscal Code bill, became **Act 25 of 2016**, without the governor's signature. The new law implements the Basic Education Funding Commission's recommended funding formula for 2015-16 and provide reimbursement to districts for school construction projects under the PlanCon process. PSBA and its member districts have lead the charge for passage of both the state budget and now the Fiscal Code bill.

[Click here to see PSBA's district-by-district estimated share of \\$150 million in BEF and Ready-to-Learn Block Grant funds.](#)

Regarding PlanCon funding, Act 25 requires the Commonwealth Financing Authority to establish a program to issue up to \$2.5 billion in appropriation-backed bonds for the purpose of providing reimbursements to school districts for approved construction costs. The enactment of the PlanCon provisions is estimated to result in finance costs of approximately \$1.5 billion over 20 years for the bonds authorized assuming an interest rate of 5% on the bonds.

**Join Rep. Seth Grove, PSBA staff and other experts on Monday, May 9 for a special complimentary members-only webinar to learn what the PlanCon provisions mean for school districts.** The webinar will include an in-depth look at the legislation, how the borrowing program will work, and when and how districts may receive their reimbursement. [To register for the webinar, click here.](#)

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### **PSBA releases recommendations for state implementation of ESSA**

This week PSBA released its recommendations for Pennsylvania's implementation of the federal Every Student Succeeds Act (ESSA) that were developed by a special stakeholders group consisting of more than 80 school directors, school administrators and subject experts.

Then ESSA was signed into law in December 2015 and replaces the No Child Left Behind Act (NCLB). All states, including Pennsylvania, are now in the process of crafting new state plans that are expected to be submitted for approval to the U.S. Department of Education in Fall 2016 and take effect beginning in 2017-18.

The report is the result of several weeks of discussion and preparation by study group members, culminating in a two-day meeting held March 2-3, 2016, during which attendees reviewed and discussed the new law in subgroups from four perspectives: assessment, schools identified as being in the "bottom 5%," educator effectiveness, and charter school issues and solutions.

Within these topics, subgroups developed key areas of recommendations. The full list of recommendations and details for each can be found in the full report online. The goal of the study group and PSBA is that the recommendations will be taken into consideration as PDE begins convening its own study groups this week.

In addition, PSBA will be presenting the recommendations to the Senate and House Education Committees at a joint hearing on May 18, 2016.

[Click here to read the report, \*Meaningful Change Under the Every Student Succeeds Act: Recommendations from Pennsylvania Public Education Stakeholders\*](#)

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## **Latest News**

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- [PSBA now accepting proposals for the 2017 Legislative Platform](#)

### **2016-17 State Budget Update**

**House begins budget work next week**

The House of Representatives returns to session next week, with attention on the House floor turned to the 2016-17 state budget. The process was started earlier this month when the House Appropriations Committee approved [House Bill 1999](#) (Rep. Adolph, R-Delaware). The bill in its current form is not intended to be a genuine proposal and is moving to the House floor now solely for the purpose of being a vehicle for the actual budget provisions once they are negotiated. Numerous amendments to House Bill 1999 have been filed and are expected to be debated on the House floor.

Last week Gov. Wolf issued a statement on the Fiscal Code bill that became law without his signature, saying "As we enter 2016-17, I look forward to coming together to reach a long-term solution to fix our deficit and to fund education at all levels. I remain adamant that we must take additional steps to restore the cuts from the previous administration....I am eager to get to work immediately with Republican and Democratic leaders to discuss a responsible 2016-17 budget that is balanced, fixes the deficit, continues to make important investments in education and prevents Pennsylvania from going over a fiscal cliff that will have serious implications for our long-term future."

The goal of the governor and General Assembly is to have the new budget enacted by June 30.

The state's Independent Fiscal Office (IFO) released its quarterly revenue review for January-March (fiscal year 2015-16). The IFO report shows that General Fund revenues for the first quarter of 2016 were \$195 million above estimate, and that for fiscal year-to-date, General Fund revenues exceeded estimate by \$362 million. [Click here to access the IFO report.](#) The IFO will release additional information for fiscal years 2015-16 and revenue forecasts 2016-17 next week.

On a related note, next Monday, May 2, the House Education Committee is scheduled to consider [House Bill 1159](#) (Rep. Hickernell, R-Lancaster), which establishes the Emergency Basic Education Subsidy Fund that would provide for payments to school districts in cases when the state appropriation is not enacted by Aug. 15 of any fiscal year.

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## **PDE News**

### **PDE, DHS provide update on ACCESS program contracts**

This week the PA Department of Education (PDE) and the PA Department of Human Service (DHS) issued an update regarding the statewide contract for the School-Based ACCESS Program (SBAP). The program provides for federal Medicaid reimbursements to school entities for medically necessary services for special education students.

The current statewide contract for the SBAP is set to expire on June 30, 2016, and the selection of two vendors for a new contract period will begin on July 1, 2016. Based on stakeholder feedback, DHS structured the work into two separate lots:

- Lot 1 includes conducting the Random Moment Time Studies (RMTS), submitting quarterly claiming for Medicaid administrative activities to DHS, and operating and maintaining a third party billing system to submit claims to DHS for direct services and special transportation.
- Lot 2 includes performing annual cost reconciliation and settlement tasks and conducting quarterly RMTS coding reviews.

The state agencies believe that separating the annual cost reconciliation and settlement tasks from RMTS and direct services billing will allow for enhanced program administration. DHS has selected the vendors with the highest scores for the new contract period as follows: Public Consulting Group (PCG) for Lot 1 and Sivic Solutions Group (SSG) for Lot 2. The terms of the contracts will be three years with two optional one-year renewals.

Under the new contract period, school entities will continue to submit direct service and special transportation claims into PCG's Easytrac system with no change. For dates of service through June 30, 2016, the direct service transaction fee will continue to be \$0.56 per claim and the transportation transaction fee will continue to be \$0.30 per claim. For dates of service beginning July 1, 2016, the direct service transaction fee will be \$0.33 per claim and the transportation transaction fee will be \$0.19 per claim.

In order to smoothly transition the annual cost reconciliation and settlement tasks to SSG, training will be offered on SSG's system to all LEAs prior to the FY 2015-16 cost settlement activities scheduled to begin on Oct. 1, 2016. Details regarding training will be announced when available.

Questions regarding the contract changes should be directed to Rebekah Ludwick in the PA Department of Human Services at [rebludwick@pa.gov](mailto:rebludwick@pa.gov).

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## **PSBA News**

### **PSBA now accepting proposals for the 2017 Legislative Platform**

PSBA is now inviting your school board to submit proposals to be considered for the association's 2017 Legislative Platform. The platform is PSBA's official record of positions on legislative issues and is the guide for the association's advocacy efforts. It is reviewed and adopted annually by school directors.

**The deadline for school boards to submit items for consideration is Thursday, June 30.** It is not too early to bring this issue up for discussion at your next board meeting so that your items can be drafted, approved and submitted to PSBA by the deadline. School boards should focus on the section of the PSBA Platform containing the Core Legislative Principles and Supporting Concepts.

**In addition, this year school directors will be invited to participate in a separate process to select PSBA's Legislative Priorities for the upcoming 2017-18 session of the General Assembly.** More information on that process,

which occurs every two years to coincide with the legislative session, will be available soon.

[Click here for details and submission forms.](#)

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### **Pennsylvania School Boards Association**

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