



Pennsylvania School Boards Association

legislative report

June 9, 2016

The General Assembly was in session this week and will reconvene on Monday, June 13.

Pension Reform

PSBA Priority Issue: Pension reform gaining serious traction

Pension reform is getting a serious second look as part of the budget negotiations and a vote on a plan could occur in the coming weeks.

This week the House of Representatives with a vote of 157-26 passed a motion to reconsider [Senate Bill 1071](#) (Sen. Browne, R-Lehigh), legislation that was defeated last December. The bill establishes a new side-by-side hybrid retirement plan with a reduced defined benefit component (as compared to current employees) and a defined contribution component operating similarly to a 401(k) plan. In addition, the bill would subject current PSERS employees to shared risk/shared gain employee contribution rate adjustments, and would change how the lump sum withdrawal option affects the calculation of annuities for current PSERS employees with regard to withdrawals made after July 1, 2016 of amounts accumulated after July 1, 2016.

Also on the House calendar is [House Bill 1499](#) (Rep. Tobash, R-Schuylkill), which was approved by the House State Government Committee on May 17. This bill creates a stacked hybrid plan for future state and school employees under. Very generally, the hybrid retirement benefit plan contains a traditional defined benefit (DB) component and a defined contribution (DC) component similar to a 401 (k)-style plan. The defined benefit formula provides a pension based on years of service multiplied by 2% of the final average salary of up to \$50,000 for the first 25 years. The DC component is applied after 25 years of service and income earned over \$50,000 per-year.

As discussions on pension reform continue in both the House and the Senate, numerous amendments may be expected to be offered to any of these bills and the issue remains fluid.

PSBA is currently analyzing these measures and strongly believes that pension reform must be part of the 2016-17 budget package in order to protect school districts and taxpayers from the fiscal stress of our current costly and unsustainable pension system. The association is seeking enactment of a reform plan that provides both immediate and long-term relief while maintaining an appropriate pension benefit for school employees.

[School boards are encouraged to adopt PSBA's sample resolution calling for pension reform.](#)

PSBA, PASA do not support Equity First school funding proposal

Funding Reform

This week PSBA and the PA Association of School Administrators (PASA) sent a joint letter to school directors and superintendents clarifying that the associations do not support an alternate school funding effort called Equity First.

Spearheaded by Rep. David Parker (R-Monroe), the proposed plan would change the distribution of state funds under the subsidy formula that was just approved by the General Assembly under House Bill 1552 and signed by Gov. Wolf as Act 35 of 2016. Act 35 reflects the formula recommended by the bi-partisan Basic Education Funding Commission (BEFC).

The Equity First plan would redistribute BEF funding so that only one-quarter (25%) of any increase in the basic subsidy appropriation would be allocated to all districts and 75% of the increase would be given to a group of districts identified by the group as underfunded.

[Click here](#) to read a full letter from the executive directors of PASA and PSBA clarifying the two organizations' position.

June 22: Learn about school audits direct from the state auditor general



State Auditor General Eugene DePasquale will be joining PSBA's John Callahan for a discussion on school district audits on June 22 at noon for a special members-only complimentary [webinar](#). All school directors and school officials should be knowledgeable on these auditing procedures. In this webinar, you will learn in-depth details regarding current school district audits and new auditing procedures. The discussion will be followed by a live question & answer segment with participants. For more details and to register online, visit PSBA's [event calendar](#).

Latest News

Regulatory News

- [IRRC comments on school immunization regulations](#)

Passed by the Senate

- [Transfer of duties from PERC](#)

Approved by the Senate Appropriations Committee

- [Tax exemption for surviving military spouse](#)

Passed by the House of Representatives

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House Floor Action

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PSBA News

- [Three weeks remaining to submit proposals for PSBA's 2017 Legislative Platform, priority issue selection for 2017-18 to begin next week](#)

Regulatory News

IRRC comments on school immunization regulations

This week the Independent Regulatory Review Commission (IRRC) issued comments to the Department of Health (DOH) and the State Board of Education (SBE) regarding changes to school immunization requirements that are being jointly proposed.

IRRC provided five pages of comprehensive comments to DOH, posing numerous questions and concerns, and requesting clarification regarding various issues, including: need for the proposed changes, provisional admittance to school, timeframe of school review of immunizations, and clarity in several areas of the regulation.

IRRC told the State Board of Education that while it recognizes the coordination between the two agencies, it cannot determine whether the SBE proposal clarifying the use of temporary waivers of immunization requirements is in the public interest until the DOH's proposal is final.

[Click here to read the full text of IRRC's comments to the Department of Health.](#)

[Click here to read the full text of IRRC's comments to the State Board of](#)

[Education.](#)

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Passed by the Senate

Transfer of duties from PERC

[Senate Bill 1227](#) (Sen. Blake, D-Lackawanna) amends the Administrative Code to transfer certain powers and duties relating to public pension system analysis and legislation from the Public Employee Retirement Commission (PERC) to the Independent Fiscal Office (IFO). The bill also transfers certain powers and duties relating to municipal pension reporting and analysis from PERC to the Department of the Auditor General. The bill was amended on the Senate floor to require the IFO to provide a cost analysis for the current fiscal year and remaining subsequent fiscal years of the impact of each proposed collective bargaining agreement under the jurisdiction of the governor.

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Approved by the Senate Appropriations Committee

Tax exemption for surviving military spouse

[Senate Bill 1109](#) (Sen. Baker, R-Luzerne) is a Joint Resolution proposing an amendment to the Pennsylvania Constitution providing for property tax exemption for the surviving spouse of soldiers killed in action. Constitutional amendments require approval in two consecutive legislative sessions and then approval by the voters through a referendum.

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Passed by the House of Representatives

Expedited teacher certification

[House Bill 2078](#) (Rep. Hill, R-York) amends the School Code to require the PA Department of Education (PDE) to process completed applications for permanent certification within 14 days for active military personnel, veterans and their spouses. The bill also allows educators with inactive Pennsylvania certification who have maintained "active" certification on other states to return to Pennsylvania and have their certification be returned to active status. This legislation would codify a new policy implemented by PDE this month.

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Continuing professional education

[House Bill 2082](#) (Rep. Milne, R - Chester) amends the School Code to allow a professional educator to carry over continuing professional education credits or hours into the next five-year continuing compliance period. The educator may carry up to 50 excess hours that were earned during the final two years of her or his compliance period.

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House Floor Action

School security drills

[House Bill 2087](#) (Rep. Day, R-Lehigh) requires all school entities to conduct an annual school security drill in place of a monthly fire drill in each school building within 90 days of the start of each school year. The bill was reported out of the House Education Committee earlier this week and amended on the House floor, and re-referred to the Appropriations Committee. The amendment inserted into the bill requires chief school administrators to provide advance notice to parents of students attending the building for which the drill is scheduled.

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Approved by the House Education Committee

Ghost teachers/union leave

[House Bill 2125](#) (Rep. Saccone, R-Allegheny) provides limitations on union leave and requires reimbursement to school districts by employee organizations for periods of union leave. Under the bill, an employee may not take union leave with two exceptions: 1) an employee organization may designate up to three individuals throughout the state at any time who may take union leave, provided that each designated individual may take union leave for a cumulative period of no more than six school years; and 2) an employee not designated by the union may take leave for no more than three consecutive days within any week and for a cumulative period of no more than 15 days each school year.

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School district consolidation study

[House Resolution 910](#) (Rep. Vereb, R-Montgomery) is a resolution directing the Joint State Government Commission, in consultation with the Independent Fiscal Office, to conduct a study on reducing the number of school districts in the state. The study, which would be submitted to the House of Representatives within one year, would evaluate the cost savings that may materialize as a result of statewide school district consolidation, including the consolidation of administrative, purchasing, and other functions. It also would analyze the potential impact of consolidation on student transportation, state funding received by school districts, and other logistical issues. The study also would consider the feasibility of multiple school district consolidation options, including consolidation at the county, intermediate unit, or other level.

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PSBA News

Three weeks remaining to submit proposals for PSBA's 2017 Legislative Platform, priority issue selection for 2017-18 to begin next week

School boards have the opportunity to become involved in the development of PSBA's Legislative Platform and selection of top priority issues. The platform is

PSBA's official record of positions on legislative issues and is the guide for the association's advocacy efforts.

The deadline for school boards to submit proposals to be considered for the 2017 Legislative Platform is Thursday, June 30. All proposals must be approved by your board before they can be submitted. They will be reviewed by the PSBA Platform Committee on Saturday, July 30 and receive final consideration by the PSBA Delegate Assembly on Saturday, Oct. 15. [Click here for details and submission forms.](#)

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. **On Monday, June 13 all school directors will receive a priority issue survey. The results of the survey will be presented to the Platform Committee and recommendations will be presented to the Delegate Assembly for a final vote.**

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Pennsylvania School Boards Association

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