



April 24, 2015

PSBA Legislative Report

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The General Assembly was in session this week and will return to Harrisburg on Monday, May 4, 2015.

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PSBA Advocacy Forum brings public school officials to the Capitol

PSBA's Advocacy Forum, held April 19-20, was a success as about 90 school officials from across the state met to hear from legislators and others on key issues. The event also included a Day on the Hill for school officials to meet with their local legislators.

Speakers during the two-day forum included: Sen. Lloyd Smucker (R-Lancaster), chair, Senate Education Committee; Rep. Seth Grove (R-York), member, House Education Committee; Rep. Dave Reed (R-Indiana); House Republican floor leader; and Rep. Frank Dermody (D-Allegheny), House Democratic floor leader. Other featured speakers were: Acting Education Secretary Pedro Rivera, national education policy analyst Diane Ravitch, NSBA staff members Kathleen Branch and Lucy Gettman, and communications director Mary Curley. A presentation on effective advocacy was conducted by PSBA Tim Allwein Award winners Shauna D'Alessandro (West Jefferson Hills SD) and Mark B. Miller (Centennial SD).

Senate Education Committee approves Rivera nomination for education secretary

This week the Senate Education Committee unanimously approved the nomination of Pedro Rivera for state education secretary. Rivera's nomination will now go to the Senate Rules Committee and then the Senate

floor for consideration. A confirmation vote is expected in early May.

Rivera answered questions from the committee on a variety of topics. Regarding testing and Keystone Exams, he said that while accountability is important, the Department of Education will be looking at the system as it relates to both student assessment and educator evaluation. Rivera also said that the department will be reviewing the School Performance Profile to determine if changes are needed. When asked about the department's request to school districts to submit their plans by May 15 for the use of the state funds, Rivera said that the department will have a response menu of options available on the e-grant system on May 1 for districts to use; he clarified that the feedback would help the administration determine the needs of schools, and that there would be no sanctions for districts that do not respond to the request.

Commonwealth Court dismisses lawsuit challenging funding adequacy

In a unanimous "en banc" decision, the Commonwealth Court has dismissed a lawsuit filed by seven school districts and several parents against the Commonwealth of Pennsylvania, the Department of Education, the General Assembly and various state officials challenging the state's public education funding system as inadequate to satisfy the state constitutional mandate that the "General Assembly shall provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth." The suit also claimed that the lack of equity in the funding system violated the non-discrimination provisions of the state constitution by denying children in poorer school districts an equal opportunity to receive an adequate education. [Click here for a more detailed report from PSBA.](#)

Latest News

House committee postpones vote on Republican tax reform plan

This week the House Finance Committee postponed its scheduled consideration on [House Bill 860](#) (Rep. Saylor (R-York)), a tax reform plan offered by a group of about 30 House Republicans. The plan shifts the state's personal income tax rate from 3.07% to 3.70%, and the sales tax from 6% to 7%. The plan would use the income and sales tax to allow dollar-for-dollar reductions in property tax, but money would not be designated for additional state spending. Funds collected through these new rates would be distributed to school districts in two ways: new PIT revenue would be used to reduce local millage rates, while new revenue generated from the SUT would be directed specifically to homesteads and farmsteads.

The plan differs from the plan sought by the governor, which would use funds from taxes to provide additional support for public schools. At this point, the plan does not completely eliminate property taxes, but amendments will likely be offered that could adjust the proposal in various ways. Gov. Wolf's tax reform plan as proposed in his 2015-16 state budget has not yet been formally introduced, although this [draft](#) was made available earlier this year.

IFO releases analysis of governor's tax proposal

This week the Independent Fiscal Office (IFO) released its statutorily required [Analysis of Revenue Proposals](#) that were included in the governor's plan. The analysis projects that by fiscal year 2019-20, the proposals will increase net state and local tax revenues by \$5.2 billion that is derived from \$9.8 billion in tax increases offset by \$4.6 billion in tax and rent relief. Those funds would be used to support additional spending on various priorities identified in the governor's budget, including education. The analysis also projects that the governor's proposal will reduce school property taxes by \$2.73 billion in fiscal year 2018-19. The funds received by school districts will be used for both homestead exclusions and millage reductions. The portion allocated to millage reductions will flow to residential, commercial and industrial properties.

The analysis finds that high-income residents will bear most of the economic incidence of tax changes that are not exported to non-residents or offset by the federal tax system. The top two income groups with income above \$100,000 bear nearly two-thirds of the tax incidence. By contrast, those with incomes below \$50,000 bear roughly one-tenth of the tax incidence.

There will be a net tax increase for all groups, including a small net increase for the lowest income group. Despite significant property tax and rent relief, the low-income group realizes increases in tobacco and sales taxes, and modest increase in personal income and severance tax through higher utility prices. For the highest income group, property tax relief is offset by higher sales and personal income taxes.

House action

The House Education Committee passed:

Credit for Computer Science -- [House Bill 833](#) (Rep. Rapp, R-Warren) requires school districts to allow students to apply credits earned through courses in computer science or information technology to satisfy credit requirements in either mathematics or science.

Bereavement Leave -- [House Bill 982](#) (Rep. Harkins, D-Erie) amends the Public School Code to include grandchildren among those near relatives for whom school employees may be eligible to take bereavement leave.

The House Finance Committee:

EITC Expansion -- The committee re-referred [House Bill 752](#) (Rep. Christiana, R-Beaver) to the Education Committee. The bill increases the amount of available tax credits for the Educational Improvement Tax Credit (EITC) program from \$100 million to \$170 million, and the amount of available tax credits for the Opportunity Scholarship Tax Credit (OSTC) program from \$50 million to \$80 million.

Senate action

The Senate Education Committee passed:

Dual Enrollment/Advanced Placement -- [Senate Bill 104](#) (Sen. Dinniman, D- Delaware), creates a Dual Enrollment Expansion Task Force to examine the issue and make recommendations about how to expand dual enrollment and advanced placement programs to allow students to earn college credit in high school.

The Senate State Government Committee passed:

Collective Bargaining Package -- [Senate Bill 643](#) (Sen. Aument, R- Lancaster) amends the Sunshine Act to require public access to meetings where public sector collective bargaining agreements are negotiated. [Senate Bill 645](#) (Sen. Stefano, R -Fayette) requires any proposed collective bargaining agreement be made available on the public employers' website within 48 hours of receipt. Notice of the proposed agreement must be posted online both two weeks prior to and 30 days following the signing of the collective bargaining agreement. The posting must include a statement of the terms of the proposed collective bargaining agreement, as well as estimate of the cost to the public employer associated with the agreement. Additionally, the proposed collective bargaining agreements and any documents presented by the public employer or received from the employee organization in the course of collective bargaining are to be public records subject to the Right-to-Know Law.

On the Hill: Upcoming Meetings

Upcoming events currently scheduled include:

Monday, April 27

* The **Basic Education Funding Commission** will conduct a hearing on funding issues at the University of

Pittsburgh.

Tuesday, April 28

* The **House Education Select Subcommittee** on Technical Education and Career Readiness will conduct its first hearing that will focus on recommendations for improving career training programs. *PSBA will be presenting testimony at the meeting.*

* The **House Democratic Policy Committee** will conduct a hearing on education and property tax reduction at the Greater Johnstown High School.