



October 30, 2015



PSBA calls on Gov. Wolf, General Assembly to resolve budget gridlock

This week PSBA President William LaCoff presented testimony to the Senate Democratic Policy Committee regarding the impact of the budget impasse on public schools. LaCoff called upon Gov. Wolf and the General Assembly to work together to resolve the stalemate quickly. He noted that school districts across the state are operating under contingency plans and emergency efforts in order to make ends meet as debt is accumulating and payrolls must be met. "Every day, the negative impact on school districts becomes more widespread, and many districts are exhausting their options in order to keep the school doors open despite the missing state funds," LaCoff said.

The testimony also clarifies PSBA's guidance to districts on the legality of delaying employer contributions to the Public School Employees' Retirement System (PSERS) and the non-local portion of charter school tuition during the budget impasse. LaCoff recommended that the final budget include the meaningful pension reform, and the use of the new school funding formula recommended by the Basic Education Funding Commission. He also said that the new special education funding formula under Act 126 of 2014 should apply equally to charter schools just as it now applies to school districts. Additionally, LaCoff urged the state to continue its role in providing reimbursement for school construction and renovation projects and to also move towards restructuring the PlanCon approval process.

On a related note, LaCoff raised concerns with Senate Bill 909 (Sen. White, R-Indiana) that recently moved out of the Senate Finance Committee. The bill requires school districts to place a referendum question on the ballot for any and all property tax increases. It amends Act 1 of 2006 to eliminate the index and the remaining allowed exceptions for pension obligations, special education and school construction.

[Click here to read PSBA's testimony.](#)



Auditor General says school entities have borrowed at least \$431 million due to impasse

This week state Auditor General Eugene DePasquale said that the budget stalemate has now prompted an additional 10 school districts to borrow \$85 million, bringing to the total borrowed to date to \$431 million. Interest and fees on the money borrowed to date could potentially reach \$14 million.

In late September, the auditor general initially reported that the state budget impasse forced at [least 17 school districts and two intermediate units](#) to borrow more than \$346 million to meet expenses and keep classrooms open.

To date, Department of the Auditor General staff members spoke with officials at more than 320 school districts across the state. The department will release updated borrowing figures every month until the final budget is signed into law.

"We are now up to at least 27 school districts and two intermediate units forced to take out loans to keep students in the classroom," DePasquale said. "Based upon our discussions with school officials, that number is going to jump by 54 more districts as they anticipate borrowing funds by Thanksgiving if this needlessly long budget impasse is not resolved."

In addition to borrowing, school districts, charter schools and IUs are spending down reserve funds. Some also are withholding payments to charter schools, postponing hiring, delaying payments to vendors, delaying staff paychecks, and withholding payments to retirement funds. The impasse is forcing some school districts and charter schools to shorten school days or weeks, cut programs and even consider closing schools.

The PA Department of Education did not make its September or October payments to schools and is not likely PDE will make the November scheduled payment.

A list of the school districts and intermediate units that have borrowed though October or expect to borrow though November is available [here](#).

STATE BUDGET

Senate attempt to pass stopgap bill fails again

This week an attempt in the Senate to override the governor's veto of the stopgap budget under [Senate Bill 1000](#) (Sen. Browne, R- Lehigh) failed to get the two-thirds votes necessary to pass. The bill, which failed on a party-line vote of [30-19](#), generally provides four months of support to Commonwealth agencies and school districts. In total, Senate Bill 1000 appropriates about \$11.2 million dollars and authorizes the release of \$24.3 million in federal funds. The override required a two-thirds majority, or 33 votes. The emergency funding veto override vote received no supports from Democrats, who prefer to continue work to bring a final budget to the floor.

In a news release issued after the vote, Senate Majority Leader Jake Corman said, "This hardship is completely unnecessary - the money is there and the state hasn't stopped collecting taxes," said Senate Majority Leader Jake Corman (R-34). Senate Appropriations Committee Chairman Pat Browne (R-16) said that "school districts, non-profits and agencies should not be punished while a final budget agreement continues to be negotiated. We have a responsibility to fund these vital services and this vote today on an emergency budget would have ensured that we meet those obligations to provide for the citizens of the Commonwealth."

Meetings between leaders in the Senate and House continue, with the goal of developing a comprehensive new plan that could include pension reform, property tax relief and liquor privatization. Such a budget could contain provisions for a 2015-16 and 2016-17 fiscal plan.

Latest News

House Committee Action

- [Approved by the House Health Committee](#)
- [Approved by the House Tourism and Recreational Development Committee](#)
- [Approved by the House Local Government Committee](#)

Senate Committee Action

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

House Floor Action

- [Passed by the House](#)

On the Governor's Desk

- [Signed into law by Gov. Wolf](#)

House Committee Action

Approved by the House Health Committee

Diabetes Care in Schools - [House Bill 1625](#) (Rep. Baker, R-Tioga) amends the Public School Code to allow a school employee who is not a licensed health care provider to assist diabetic students with monitoring blood glucose and administering treatment. The bill also sets out procedures which enable students to self-monitor their condition and treatment. PSBA has worked on various forms of legislation in previous sessions that attempted to address diabetes care for students in schools. The work surrounding House Bill 1625 was extensive and incorporates a great deal of PSBA's technical feedback to make it consistent with state and federal law.

Under the bill, the school nurse must identify at least one employee assigned to every building attended by a diabetic student for training. Only trained school employees may be designated in a student's service agreement to administer diabetes medications. The parent or guardian of the student must provide the school with written authorization from the student's health care provider consistent with the school's policies concerning school health services. This bill does not create, establish or expand any civil liability on the part of any school entity or school employee. Technical changes were added to House Bill 1625 to bring the language in line with the School Code by specifying that a school nurse is always assigned to a school building even if not present.

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Approved by the House Tourism and Recreational Development Committee

Recreational Use of Land - [House Bill 544](#) (Rep. Moul, R- Adams) amends the

state's recreational use of land liability law in order to expand its protections for landowners, including school districts, and ensure that legal fees are covered for property owners who are found not liable for injuries to recreational users. The bill would expand current law to include various property improvements and cover all recreational activities undertaken for exercise, education and pleasure, including snowmobiling and ATV and motorcycle riding. The bill also adds a section requiring courts to award attorney fees and legal costs to landowners found not to be liable for an injury pursuant to this law.

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Approved by the House Local Government Committee

Taxation of Out Buildings - [Senate Bill 785](#) (Sen. Eichelberger, R-Blair) amends the Consolidated County Assessment Law (CCAL) to clarify that buildings, whether or not "permanently attached to land, water, gas, electric or sewer facilities," are subjects of taxation for real estate tax purposes. The phrase was inadvertently inserted during the codification of three major assessment laws in 2010 (Act 93 of 2010). Senate Bill 785 provides a limited exemption for a "de minimis structure" of 200 square feet or less that is not permanently attached to land or connected with water, gas, electric or sewage facilities. The Committee amended the definition of "de minimis structure" to permit a structure of 200 square feet or less to be connected to electric or water and remain exempt from real estate taxation. Additionally, this bill provides a limited exemption for certain agricultural buildings of 1,000 square feet or less that are not permanently attached to land or connected with water, gas, electric or sewage facilities.

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Senate Committee Action

Passed by the Senate Appropriations Committee

Fiscal Note for Keystone Exams - [Senate Bill 731](#) (Sen. Dinniman, D-Chester) requires the State Board of Education to submit to the chairmen of the House and Senate Education committees a detailed fiscal impact statement with every regulation pertaining to Keystone Exams, during the proposed and final-form stage of the regulatory review process. The fiscal note must include all direct and indirect costs required that will affect the state, school districts and communities. PSBA supports Senate Bill 731.

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House Floor Action

Passed by the House

SchoolWATCH (Public School Web Accountability and Transparency Act) -- [House Bill 1606](#) (Rep. Christiana, R-Beaver) requires the Department of Education to post annual financial information related to public school entities on its Internet website. Requires the following information to be posted related to each school entity: total expenditures by category; per student expenditures; charter school tuition rates; average daily membership; average teacher salary; total revenue by source; general fund balance; a link to the school's website; a summary of financial report data; a non-administrative and administrative staff

compensation report; and, a statement instructing the public to contact the public school entity for access to any union contract. The information must be posted on the entity's School Performance Profile.

No public school entity will be required to provide any additional information not specifically required as of the effective date of the legislation, and no public school entity shall be required to provide additional information beyond the information required to be provided by any other public school entity. The bill was passed unanimously.

Study of School Discipline Issues -- [House Resolution 540](#) (Rep. Kampf, R-Chester) directs the Joint State Government Commission to conduct a comprehensive study of school discipline policies, laws and regulations with specific attention to zero-tolerance policies. The commission would establish an advisory committee to conduct public hearings and assist with the study. The committee will include: a police chief, juvenile public defender, district attorney, superintendents from rural, urban and suburban school districts, a school board member, a teacher, an individual representing the interests of students with disabilities, representatives from the Juvenile Court Judges' Commission and the Juvenile Justice and Delinquency Prevention Committee of the PA Commission on Crime and Delinquency, the PA Department of Education and the State Board of Education. The report and recommendations are due within six months. The resolution was adopted unanimously.

Mandated Use of District Facilities for Hunter Education - [House Bill 1168](#) (Rep. Maloney, R- Berks) requires school districts, upon request of the PA Game Commission, to provide space in their facilities for the purpose of conducting a hunter education course. Classes must comply with curriculum standards and program policies established by the commission, and the commission must compensate the school for the actual cost related to the use of the building. The bill was amended to remove language that would have allowed the classes to occur during the school day. As passed by the House, the bill allows classes to occur after school, during the weekend or any other day when school is not in session. House Bill 1168 was passed with a [170-26](#) vote.

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On the Governor's Desk

Signed into law by Gov. Wolf

Training for Tax Collectors - [House Bill 823](#) (Rep. Greiner, R-Lancaster), now **Act 48 of 2015**, makes clarifications and revisions to [Act 164 of 2014](#), providing for basic and continuing education requirements for tax collectors, mandatory background checks for tax collector candidates and the appointment of a deputy tax collector. The municipality for which the tax collector was elected must sign off on the deputy, along with the tax collectors bond company, before an appointment is made. The bill now goes to the governor for his action.

School bus driver qualifications and other CDL changes - Gov. Wolf signed [Senate Bill 925](#) (Sen. Rafferty, R-Montgomery), now **Act 49 of 2015**. The law amends the Vehicle Code to make numerous changes to the law regarding

commercial drivers' licenses. Regarding school bus drivers, the bill extends the time period in which a school bus driver must have his or her required physical examination, including an eye exam, from 12 months to 13 months. Senate Bill 925 updates the CDL testing standards and adjusts a variety of license classifications, endorsements and restrictions. These changes will put Pennsylvania in compliance with new guidelines issued by the U.S. Department of Transportation's Federal Motor Carrier Safety Administration.

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