



May 14, 2015

PSBA Legislative Report

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The General Assembly was in session this week, with action on numerous critical issues. Both chambers will take a break and return to Harrisburg on Monday, June 1, 2015.

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PSBA raises concerns with school takeover bill

This week PSBA presented [testimony](#) to the Senate Education Committee regarding [Senate Bill 6](#) (Sen. Smucker, R- Lancaster) called The Educational Opportunity and Accountability Act. The testimony was presented by Todd Orner, board president of the Gettysburg Area School District in Adams County.

The proposal would require mandatory steps to be taken for low-performing schools within a district, including being transferred to a new entity called the Achievement School District (ASD). The ASD would be led by an executive director who reports to a board comprised of appointees selected by the Governor and leaders in the House and Senate. The ASD would have the power to manage the schools directly and implement significant staffing and other changes or convert to a charter school. The ASD could also authorize the creation of new charter schools in areas with low-performing schools.

Orner said that while schools and school districts should be held to the highest degree of accountability, some of the strategies provided for in this legislation are largely unproven as remedies

to poor academic achievement and when applied, have not resulted in large-scale turnarounds – including state takeovers, privatization of academic services and conversion of schools into charter schools. In creating a state-run ASD, Senate Bill 6 removes the authority of locally-elected school boards in favor of the establishment of an appointed, partisan board that has no accountability to the taxpayers, the community, parents or students. School boards will have no control over costs of ASD schools and will be unable to exercise their taxpayer elected authority to administer the school system. Orner suggested that the state should instead focus on strategies that provide schools, staff and students for success. He also called for broad mandate relief as an integral part of reforming the system of public education.

PSBA-supported PlanCon reform passes House

PSBA is pleased to report that this week the House of Representatives with a vote of [142-52](#) passed [House Bill 210](#) (Rep. Grove, R-York), PlanCon reform legislation that would reform the current approval process through the PA Department of Education (PDE) for state reimbursement for school construction projects under a new five-step process known as the Accountability and Reducing Costs in Construction Process, or ARCCon. The changes under House Bill 210 will address the backlog for current construction projects and future construction projects awaiting reimbursement. PSBA applauds Rep. Grove for his continued work to assist school districts waiting for reimbursement and to get the needed reforms enacted.

Senate, House moving separate pension plans

This week the Senate and House each moved separate pension reform plans advanced by Republicans in each chamber. With a party-line vote of [28-19](#), the Senate passed [Senate Bill 1](#), pension reform legislation that was introduced last week by Senate Majority Leader Jake Corman (R-Centre) and Republican leaders. The bill moved quickly through committees in the early part of the week and onto the Senate floor. Generally, the plan intends to generate both short-term and long-term savings by creating a new defined contribution plan that would be mandatory for all new employees and makes changes to future contributions for current employees in order to maintain current benefit levels. The Public Employee Retirement Commission (PERC) issued an actuarial analysis of the bill that shows a preliminary projected savings under the proposed hybrid plan in comparison to existing law. According to the consulting actuary for PSERS, the total cost savings is potentially estimated to reach \$16.2 billion through 2048. [Click here to read PSBA's initial review of Senate Bill 1.](#) [Click here to read the Actuarial Note of the Public Employee Retirement Commission.](#) Page 20 of the note includes table of preliminary cash flow savings and projected contribution rates.

Meanwhile, the House State Government Committee reported out [House Bill 727](#) (Rep. Kampf, R-Chester) which would create a mandatory Defined Contribution (“DC”) plan for all future school employees. The new DC plans would include a 4% employer match and a mandatory employee contribution. House Bill 727 does not make any changes for current employees. The bill was amended to remove the reamortization of the existing debt over 30 years and make various technical changes. It reported out by a party-line vote of [16-11](#) with Democrats voting in the negative. The bill will now move to the House floor. A PERC note has not yet been completed for House Bill 727.

PSBA is supportive of efforts to move the conversation forward, noting that pension obligations are the highest increasing mandated costs in school district budgets, and the number one reason for local tax hikes.

House passes property tax reform bill

This week the House adopted a property tax reform measure that contains provisions of a plan recently introduced by Rep. Stan Saylor (R-York) and a group of House Republicans. The language was inserted as an amendment to [House Bill 504](#) (Rep. Gabler, R-Clearfield) that originally provided for sales and use tax for timbering. As amended and passed, the bill shifts the state's personal income tax rate from 3.07% to 3.7%, 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.

The bill, which passed with a vote of [105-86](#), now goes to the Senate for consideration.

Latest News

Budget Process Begins

As the June 30 deadline for passage of a new 2015-16 state spending plan inches nearer, the House Appropriations Committee started the legislative process by reporting out [House Bill 1192](#) (Rep. Adolph, R-Delaware), a general appropriations bill offered by Republicans that is in large part the current year's budget and does not reflect the governor's proposed budget bill. The governor's budget plan is contained in [House Bill 1125](#) (Rep. Markosek, D-Allegheny). The House is expected to begin consideration of House Bill 1192 when it returns on June 1. Negotiations for a spending plan will continue, and as a compromise budget is developed, either of these bills could be used as a placeholder/vehicle for what will be the final budget language.

Action stalls on economic furlough, tenure reform bill

Action in the House on [House Bill 805](#) (Rep. Bloom, R-Cumberland), legislation that makes reforms to current practices for furlough and tenure, stalled this week. As expected, numerous amendments were filed that would weaken the bill and place PSBA's support for House Bill 805 in jeopardy. Currently, the bill adds "economic reasons that require a reduction in professional employees" to the list of allowable conditions for suspension of staff and allows districts to use performance evaluations to determine the order that employees are furloughed in times of economic need. In addition, the bill delays the awarding of tenure to professional employees by requiring an additional two years of satisfactory service –from three years to five years – before tenure is granted.

Thanks to those school officials who contacted their House members. PSBA believes the bill make sense because it gives school districts the flexibility to manage their personnel in a manner that is responsible, and responsive to the needs of the students.

House Action

The House passed:

EITC/OSTC Expansion -- [House Bill 752](#) (Rep. Christiana, R-Beaver) would increase 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. The bill was passed with a vote of [166-26](#).

Flexibility in Hiring Substitutes -- [House Bill 1039](#) (Rep. O'Neill, R-Bucks) would allow school districts, area vocational-technical schools, and intermediate units to employ uncertified individuals as substitute teachers in the event certified substitute teachers are unavailable. Under the bill, the uncertified individual must be a U.S. citizen at least 18 years of age, hold a bachelor's degree from an accredited institution, and satisfy background checks. Prior to hiring, the school entity must make a bona fide effort to employ a certified individual. The substitute may stand in for multiple teachers during a school year, but may not substitute for any one individual for more than 14 consecutive days. The uncertified individual would receive a salary negotiated by the school board and the individual, but would not be eligible to join the Public School Employees' Retirement System. PSBA supports House

Bill 1039.

Teacher Preparation -- [House Bill 499](#) (Rep. Emrick, R -Northampton) would prohibit teacher preparation programs approved by the PA Department of Education from requiring students to obtain a passing score on a Praxis exam in order to graduate and from including a student's score on the Praxis exam as a component of a student's grade.

Credit for Computer Science/Technology Courses -- [House Bill 833](#) (Rep. Rapp, R-Warren) requires school districts to allow students who successfully complete a course in computer science or information technology during grades 9-12 to apply up to one credit earned for successful completion of such a course to satisfy the student's math or science credit requirement for graduation. School boards will have discretion to determine the graduation credit requirement to which the credit earned by the student will be applied. The provisions would begin with students graduating at the end of the 2016-17 school year.

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.

State Board of Education to consider new PSSA cut scores

The State Board of Education will be asked in July to adopt new performance level cut scores for the Pennsylvania System of School Assessment (PSSA) for English Language Arts and math for grades 3 through 8. The creation of new cut scores is necessary to be more reflective of the new PSSA tests that were administered this spring. The PSSAs had been revised to be aligned with the PA Core Standards. The recommendations for determining the new cut scores will be made by a committee of 60 educators who will meet in June and review test results of students who just took the tests. The group will use a "bookmarking process" to determine thresholds for advanced, proficient, basic and below basic. Once this is completed, the committee will make the recommendation to the secretary of education, who will present the cut scores to the State Board for approval at its July meeting. The new cut scores will be used in for the 2015 PSSAs and continue until any subsequent revisions to the assessments are made.

Board members held a lengthy discussion regarding the impact of new PSSA scores that will affect students, school ratings and educator evaluations. Discussion will continue prior to adoption in July.