



October 22, 2015



### **PSBA files lawsuit on payments to charter schools; state Treasurer halts release of funds**

Yesterday, the Pennsylvania School Boards Association (PSBA) filed in the Commonwealth Court a [lawsuit](#) against the Pennsylvania Department of Education (PDE) and the state Treasurer challenging the unlawful diversion of Property Tax Reduction Allocation funds from the Gaming Fund/Property Tax Relief Fund that were due to be paid to school districts on October 22 for the benefit of taxpayers. PDE requested the Treasurer to stop payment of those allocations and instead pay them to charter schools claiming they had not been fully paid for tuition. The suit further asks the Court to order that the full amount of the property tax reduction allocations be paid to school districts as scheduled. Joining PSBA as named Petitioners are the Phoenixville Area School District and the Eastern Lancaster County School District.

In separate [correspondence](#), PSBA sent a formal request to Pennsylvania's Attorney General Kathleen Kane and Auditor General Eugene DePasquale asking for a full investigation into the diversion. **[Read PSBA's news release on the lawsuit.](#)**

[Senate Democrats also raised objections](#), and sent a letter to the state Treasurer formally asking him to withhold the release of a \$45 million payout to charter schools this week that would have affected 312 school districts. In response to these actions, the Treasurer announced he would halt the payments in order to review the legal issues raised.

## **STATE BUDGET**

### **Budget Update: Governor, General Assembly urged to retain education funding formula**

The budget stalemate continues into its 113<sup>th</sup> day with Gov. Wolf and Republican leaders no closer to agreement on a spending plan. Leaders continued to meet this week with no decisions on any issue announced.

With education funding as a key point in budget negotiations, it has been reported that some legislators are suggesting that the new basic education funding (BEF) formula recently recommended by the Basic Education Funding Commission be further reviewed and adjusted. One of the issues of debate is the implementation or application of the proposed formula, which was not specified in the Commission's recommendations. The governor wanted to use increased funding for 2015-16 BEF as the base amount, with the formula to be applied in fiscal year 2016-17. However, Republican leadership had proposed using 2014-15 as the base, and implementing it is 2015-16.

The Campaign for Fair Education Funding, which includes PSBA and more than 50 organizations, sent a

letter to Gov. Wolf and members of the General Assembly, urging them to promptly reach a budget agreement that enacts that funding formula adopted by the Basic Education Funding Commission. The groups warned that failure to sufficiently fund public schools and correct glaring disparities in the way public education is funded will shortchange children and continue to hold back the state's economy. [Click here](#) to read the letter.

As the impasse continues, Moody's Investors Service has revised Pennsylvania's General Obligation debt outlook to negative, citing the difficulties the state may have in closing its structural budget gap and saying that the rating "incorporates the commonwealth's large pension liabilities, poor financial position following years of structural imbalance, and challenged political environment." [Click here](#) to read more about Moody's rating action.

## Latest News

### House Committee Action

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### On the Governor's Desk

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### House Committee Action

#### Passed by the House Education Committee

**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 entity'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. Specifies that the information required to be posted must be accessible as a "View Fiscal Information" icon located on the school entity's annual School Performance Profile and must contain an electronic feature that will allow the public to compare financial information for a minimum of four schools.

**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 would 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 would be due within six months of the adoption of the resolution.

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### **Passed by the House Game and Fisheries Committee**

**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 may be held during the school day, or after school hours as a community service. Classes must comply with curriculum standards and program policies established by the commission, and the school district may not charge the commission for the use of the building.

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### **Discussed by the House State Government Committee**

**Sunshine Act Amendments** - The committee held an informational meeting to discuss various bills related to open meetings and executive sessions under the Sunshine Act, which impacts public agencies, including school boards. No votes were taken at the meeting.

Among the bills discussed were:

**House Bill 340** (Rep. Saccone, R-Allegheny) creates restrictions for the use of executive sessions. The bill requires agencies to discuss business relating to certain personnel issues at an open meeting. Executive sessions may be used to discuss security and emergency preparedness, but discussion of related cost issues must be done at a public meeting. Agencies must consult with a solicitor on the subject matter prior to holding an executive session and executive sessions to

be recorded (audio or video) and maintained for one year; the recordings are not subject to the Right-to Know Law except by court order.

**House Bill 1263** (Rep. Fee, R- Lancaster) allows agencies to discuss matters of security and emergency preparedness in an executive session.

**House Bill 1080** (Rep. Miller, D-Allegheny) and **House Bill 1155** (Rep. Christiana, R- Beaver) require agencies to circulate an agenda prior to a meeting or executive session.

**House Bill 1651** (Rep. Krieger, R- Westmoreland) prohibits an agency from requiring a resident to register before a meeting in order to be allowed to provide public comment.

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## Senate Floor Action

### Passed by the Senate

**Collection of Union Dues ("Paycheck Protection")** - With a **26-23** vote, the Senate passed **Senate Bill 501** (Sen. Eichelberger, R-Blair), which prohibits a public employer from deducting money or funds from the wages of a public employee to be used for political contributions, except as required by a valid collective bargaining agreement between a public employer and its employees prior to the effective date of the act. No individual or organization may seek to have political contributions deducted for the wages of a public employee. Public employers include the state, school districts and local governments. The bill does not prohibit employers from deducting wages for a charitable contribution authorized by an employee, or for non-political activity.

**Prohibition of E-Cigarettes to Minors -Senate Bill 751** (Sen. Greenleaf, R-Montgomery) amends the Crimes Code to amend the definition of "tobacco product" to include electronic cigarettes and related tobacco products that are prohibited to be sold to minors. The term does not include components of electronic devices or a product for sale as a tobacco cessation product. The bill includes language amending the Municipal Code to include references to the same definitions and prohibitions under the Crimes Code.

**Right-to-Know Law Changes - Senate Bill 411** (Sen. Pileggi, R-Delaware) amends the Right-to-Know Law to make various changes regarding records requests. While many of the provisions do not impact school districts (as local agencies), some of the language is relevant to them. Each local agency must develop a policy allowing employees to notify them if they believe an exception applies regarding the release of their home addresses. The agency must review each notification and inform an employee of its decision.

Other language clarifies that if a requested public record exists in a specific computer file format, the agency must provide the record in that format. The bill also allows requests to be made to the head of an agency in addition to an agency's open-records officer. Additionally, the bill clarifies that an agency's bank account numbers, bank routing numbers, credit card numbers or passwords, and

individual employee contributions to retirement plans, health care benefits and contributions to charitable contributions are not public. It also clarifies that the PA Interscholastic Athletic Association (PIAA) is subject to the law.

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## **PSBA News**

### **PSBA Delegate Assembly adopts 2016 Platform**

Last week, the PSBA Delegate Assembly, consisting of school directors from districts across the state, adopted **PSBA's Core Legislative Principles and Supporting Concepts for the 2016 Legislative Platform**. The Core Legislative Principles provide the broad policy framework regarding the mission and success of public education, and the responsibilities of local school boards to ensure that a high quality education is provided to each student. The Supporting Concepts describe in more detail PSBA's position on legislative issues that are related to each of the Core Legislative Principles. Together, the Core Legislative Principles and Supporting Concepts contain the positions on issues as known in the association's former platform format. They are reviewed and adopted by the membership annually.

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### **PSBA continues work with Truancy Advisory Committee, final report due soon**

PSBA has been actively involved as a member of the Joint State Government Commission's Truancy Advisory Committee, which is expected to release its final report on truancy and school dropout prevention in the coming weeks.

Representing the association on the committee is Deputy General Counsel Sean Fields, who has been working with the panel since its inception in March 2015 pursuant to [House Resolution 1032](#) of 2014. The committee is charged with conducting a comprehensive study of current truancy laws and policies. The final report is expected to contain a series of recommendations addressing several areas to improve practices for schools, courts and children and youth agencies in order to promote educational success.

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### **Your advocacy efforts stop bill to restrict assessment appeals**

Thanks to the efforts of school officials who contacted legislators to oppose [Senate Bill 877](#) (Sen. Argall, R-Schuylkill), legislation that restricts the use of assessment appeals, the bill was passed over at a recent Appropriations Committee meeting and now appears unlikely to be considered in the near future. Senate Bill 877 prohibits a taxing body from appealing the assessment of a property based on the sale of that property. The bill also defines criteria that may serve as the basis for an appeal and allows for a taxed person to appeal a reassessed value in certain circumstances. PSBA opposes Senate Bill 877 because it would greatly restrict the rights of school districts and municipalities to conduct appeals of under-assessed property. [Click here](#) to read PSBA's *Closer Look* information piece that addresses misconceptions regarding what assessment

appeals are, what they are not, and why they can help taxpayers.

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## On the Governor's Desk

### Action by the governor due by Oct. 30

#### **School bus driver qualifications and other CDL changes - Senate Bill 925**

(Sen. Rafferty, R-Montgomery) 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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