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EPLC EDUCATION NOTEBOOK

Wednesday, July 17, 2013

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PENNSYLVANIA STATE BUDGET RECAP

As reported in the July 1 [Special Budget Edition](#) of the Education Notebook, the Legislature approved and Governor Corbett signed by the June 30 deadline a \$28.376 billion General Fund spending plan for Fiscal Year 2013-2014.

In addition to the General Appropriation bill each year, the Legislature is also required to pass the budget-related bills known as the Public School Code, Tax Reform Code, and Fiscal Code.

The **Public School Code** ([House Bill 1141](#), Act No. 59 of 2013) adds or amends provisions to the Public School Code of 1949 as follows:

- The due date for the **Special Education Funding Commission** to complete its work and report its findings is extended from September 30, 2013 to November 30, 2013.
- A school district will be allowed a 30 day period following the enactment of the annual General Appropriation Act wherein it may **reopen its annual budget** to reflect actual Federal and State allocations. School districts must **submit electronically** their **final adopted budgets** to the Education Committees of the House and Senate.
- The **moratorium** on the Pennsylvania Department of Education's (PDE) approval of **new school building construction** or reconstruction applications is **extended through FY 2013-2014**. The Department must submit by May 1, 2014 a preliminary report on school facilities and future capital needs.

- A **\$25 Professional Educator Discipline Fee** will be added to the teacher certification application, raising the most commonly paid fees to \$125. There will be created a restricted account within the General Fund for the additional fee. It is estimated to generate \$775,000 which will be appropriated to PDE for administration, enforcement, and adjudication by the Department and the Professional Standards and Practices Commission.
- The Pennsylvania Higher Education Assistance Agency (**PHEAA**) may provide **grants to students** who take more than half of their postsecondary credits through **online distance education**. The pilot program will last from 2013-2014 through 2017-2018. Previously, an otherwise eligible student was not eligible for a grant if the student was taking more than half of their credits through online distance learning.
- PDE may utilize up to **\$4.5 million unspent and unrestricted 2012-2013 funds to assist** school districts declared to be in **financial recovery status or identified for financial watch status**. The Department must transfer an additional \$7.5 million of such funds to the Financial Recovery School District Transitional Loan Account.
- Language provides for the distribution of the \$5.5 billion **Basic Education Subsidy**. This includes “hold harmless” for the prior year’s level of funding for each district; and provides a **funding formula** to distribute an increase of approximately \$90 million in the Basic Subsidy by multiplying for each district \$108 times 2012-13 Average Daily Membership (ADM), multiplied by the Market Value/Aid Ratio (MV/AR) for 2013-2014.

In addition, twenty-one districts are eligible for **additional supplemental funds** totaling more than \$30 million based on 12 specific categories:

- English language learner high incidence supplement
- Charter and cyber charter school extraordinary enrollment supplement
- Increasing aid ratio supplement
- Small school district supplement
- Small rural school supplement
- Rural school district supplement
- Second class school district supplement
- Personal Income supplement
- Second class A county school district supplement
- Third class county school district supplement
- Third class county small school district supplement
- Growth supplement

While it is hard to suggest that any school district does not need additional state funding and each of the eligible districts receiving these funds will undoubtedly benefit from these “supplemental funds,” the reality is that these categories and the distributions attached thereto are based on political considerations more so than any sound and evenly applied education funding principle.

The **Tax Reform Code** ([House Bill 465](#), Act No. 52 of 2013) modifies the phase-out of the capital stock and franchise tax, which was set to expire at the end of 2013, by extending the phase-out for two more years. The Tax Reform Code also takes steps to close the “Delaware loophole.” These changes are intended, and are necessary, to provide additional revenue to help balance the 2013-2014 state budget.

The **Fiscal Code** ([Senate Bill 591](#)) is a key budget component as it contains language to implement the budget bill and to implement the appropriations for the State’s higher education institutions. Included this year is an infusion of \$45 million into a restricted receipt account in the General Fund to be distributed to Philadelphia on the condition that the money will go to the Philadelphia School District, and the grant

agreement between the city and the district for that amount will not take effect until the Secretary of Education has deemed in writing that the district has begun implementing reforms that provide for fiscal stability, education improvement, and operational control. The Fiscal Code also states that no payments from the School Employees' Social Security appropriation may be made to charter or cyber charter schools.

PENNSYLVANIA POLICYMAKERS

The Pennsylvania **House of Representatives** and **Senate** stand in recess until **Monday, September 23** unless sooner recalled by the Speaker or the President Pro Tempore.

The Governor's Office

During the first two weeks of July, in addition to the Public School Code and Tax Reform Code bills, the **Governor signed into law** the following legislation:

- [Senate Bill 797](#) (Act No. 32 of 2013) (**Sen. Pat Browne, R-16**) **amends the Titles 24 (Education) and 51 (Military Affairs)** of the Pennsylvania Consolidated Statutes to **preserve the pension rights of public school employees who return to public school service after taking leave to perform military service**, ensuring the employees will receive credit in the Public School Employees' Retirement System (PSERS) for the leave.
- [Senate Bill 798](#) (Act No. 33 of 2013) (**Sen. Pat Browne, R-16**) **amends the Public School Code** to **preserve the pension rights of public school employees who return to public school service after taking leave to perform military service**, ensuring the employees will receive credit in the Public School Employees' Retirement System (PSERS) for the leave.
- [House Bill 1278](#) (Act No. 5A of 2013) (**Rep. William Adolph, R-165**) **appropriates \$41.689 million from the Public School Employees' Retirement Fund to the Public School Employees' Retirement Board** for the payment of all salaries, wages, travel and other expenses of the Board. This appropriation is for the administrative operations of the Board only, and is unrelated to issues of contributions and benefits.

House of Representatives

The **House Rules Committee** on June 29 **unanimously reported as committed** the following legislation:

- [House Bill 198](#) (**Rep. Ed Neilson, D-169**) would amend the Public School Code to establish the **Dyslexia Screening Pilot Program**. The Program would provide evidence-based early screening and evidence-based intervention services for children with risk factors for dyslexia. The Department of Education shall determine at least three school districts that meet the criteria outlined in the legislation to participate in the pilot. The Program would operate in those districts for three full school years to evaluate the effectiveness of evidence-based early reading assistance programs for children with risk factors for dyslexia, and whether those programs can reduce future special education costs. The Secretary of Education must submit an evaluation of the Program to the General Assembly no later than December 31 of the third year of the pilot, and recommend whether to continue, expand, or make changes to the pilot.

On July 1 the **House of Representatives adopted** on the floor of the House the following two **amendments**:

- **(Rep. William Tallman, R-193)** Specifies the pilot program shall be established and operate **to the extent funding is available** in the Department and the participating school district.
- **(Rep. Bernie O’Neill, R-29)** **Expands the definition of Dyslexia** to include “other difficulties including problems in reading comprehension and reduced reading experience that can impede the growth of vocabulary and background knowledge.”

After these amendments were accepted, HB 198 was sent to the House Appropriations Committee.

- [House Bill 1559](#) (**Rep. Frank Farina, D-115**) would amend the Public School Code to require each school entity’s **professional development plan** include four hours of training in **youth suicide awareness and prevention** every five years for educators in buildings serving students in grades 6-12. The Department of Education in consultation with the Department of Health shall develop recommended training guidelines and materials.

HB 1559 was subsequently sent to the House Appropriations Committee on July 1.

[Special Education Funding Commission](#)

On July 10 the **Special Education Funding Commission** formed by [Act 3 of 2013](#) conducted its **second public hearing**. The Commission is charged with developing a funding formula for the distribution of any future increase in special education funding and issuing a report no later than November 30, 2013. *The deadline, originally September 30, 2013, was amended in a provision of the Public School Code ([Act 59 of 2013](#)).* Any formula changes would not go into effect until approved by the General Assembly.

Chairman Pat Browne said the previous hearing focused on the function of special education programs, and this hearing would focus on the finance of such programs.

Sandra Edling and **Laura Cowburn** testified on behalf of the Pennsylvania Association of School Business Officials (PASBO). Edling, Assistant Director of Management Services at the Montgomery County IU, described examples of financial impacts, such as assistive technology supports, extended school year services, and specialized transportation services. She urged the Commission to not make any additional mandates.

Cowburn, Assistant to the Superintendent for Business Services, Columbia Borough School District, recommended to the Commission that it proceed with the tiered categories of special education, increase funding to districts, modify the criteria for access to Contingency Funds, and cap charter school special education costs at actual costs.

Upon Representative Longietti’s request, PASBO will provide the Commission with the most relevant data regarding services and costs. Representative O’Neill requested that Cowburn and Edling also provide the financial impact of students with IEPs who stay in school until 21 years of age. Chairman Browne asked if the Commission should consider students on Medicaid as students who may need additional funding to accompany special education services, to which Edling replied it should. Browne also said while the geography component is not a charge of the Commission, he does recognize the issue of costs to districts associated with transportation.

Mike Griffith, School Finance Consultant from the Education Commission of the States, provided a national perspective. According to Griffith, the federal government promised to pay 40 percent of special education costs, but among the states, the combined funding from the state and its school districts ranges from 82 percent to 88 percent of total funding while the federal government provides the balance of between 12 percent and 18 percent. Special education costs account for approximately 15% of

education spending. States are funding special education through either the primary funding formula, outside of and in addition to the primary formula, or through special funding for high-cost programs. Griffith said it is often easier to include special education funding within the primary funding formula and that approach would take into account a district's ability to pay. He encouraged the Commission to consider funding based on services provided instead of disability categories. Griffith suggested that three categories may be limiting, but Chairman Browne explained that the Commission is charged with recommending funding through three categories.

Griffith explained thresholds and how state reimbursements to districts work in other states. He then shared with the Commission a federal update on IDEA. There is no expected increase in federal funding in the upcoming years, but there is talk to remove IDEA funding from sequestration. However, he said, this change might result in less Title I funding.

Ridley School District **Superintendent Lee Ann Wentzel** testified on behalf of the Pennsylvania Association of School Administrators (PASA). Wentzel stated that while the Commission is charged solely with establishing a special education funding formula, PASA believes it is equally important that the General Assembly establish a funding formula for the distribution of basic education funding. Education programs and services for nondisabled students are being reduced at a disproportionate level, but the two go hand in hand; 80 percent of students with disabilities receive some or all of their educational services in the regular classroom.

Wentzel noted that the Pennsylvania Information Management System (PIMS) data must be represented in the formula to reflect accurately the student population. There is currently assumed a 16 percent incidence rate; however the actual range among districts for students requiring services is between 5 percent and 30 percent. The range of disability varies as well; some services may require only a few thousand dollars while other cost-intensive needs may require as much as \$100,000.

PASA recommended to the Commission that a funding distribution be based on actual student enrollment, cost differentiation for the level of services, and district need. PASA also suggests "hold harmless" be eliminated and that a phase-in timeline be established.

View online the **written testimony** provided to the Commission:

- [Sandra Edling](#), Assistant Director of Management Services, Montgomery County IU #23
- [Laura Cowburn](#), Assistant to the Superintendent for Business Services, Columbia Borough School District
- [Mike Griffith](#), School Finance Consultant, Education Commission of the States
- [Lee Ann Wentzel](#), Superintendent, Ridley School District

To watch a video recording of the hearing, [click here](#).

The next Commission hearing is scheduled for July 25 in Bucks County.

STATE BOARD OF EDUCATION

The 315th meeting of the State Board of Education (SBE) was held in Harrisburg on July 10.

The SBE first met as the State Board for Vocation Education. **Lee Burket**, Director of the Bureau of Career and Technical Education, provided the Bureau's report. Burket reported that the plan and services for the sixth year of the Technical Assistance Program (TAP) is being finalized. Last year, 62 career and technical schools were included in the program, and there is anticipated a few additional schools for this year. TAP will include project based learning sessions, among other topics. Burket also highlighted from the report that, during the program approval period from February to May 31, 96 schools requested 162 new program approvals for either Tech Prep and/or Program of Study (POS) delivery. An

outline of the Career and Technical Education Secondary POS Pathways was reviewed. Four schools submitted a total of 14 proposed POS programs for consideration for the Pathway initiative. Each program is to be evaluated to assure alignment with the standards outlined in Chapter 4 (Academic Standards and Assessments) and Chapter 339 (Vocational Standards).

There were no action items for the State Board of Vocational Education.

The **State Board of Education** was then called to order.

Acting Secretary of Education Dr. William Harner was introduced as a member of the Board for the first time since assuming the role at the Department on June 1. Harner expressed his eagerness to begin work with the Board and emphasized the importance of their work together for the children of the Commonwealth. He noted he has met with many legislators to discuss their views on education, and is working to schedule other meetings across the state.

Harner requested the item for discussion of **House Resolution 338** be moved up on the meeting agenda so that he could be present for the discussion while also allowing him to attend most of the Commission meeting on Special Education Funding occurring at the same time.

Thus began the over two hour discussion about [House Resolution 338](#). HR 338, which was adopted by the House of Representatives on June 18, urges the Secretary of Education and the State Board of Education to "ensure that public schools continue to maintain absolute flexibility in the curriculum...; not to establish required reading lists or in any other way adopt, or attempt to impose, a Statewide curriculum; reject completely and unilaterally any attempts to subject Pennsylvania students to a national standardized assessment; ensure that Pennsylvania academic standards are not burdensome and costly to public schools; and ensure that Pennsylvania academic standards do not result in intrusion into student and family privacy or in the collection or reporting of additional data to the Federal Government."

It also resolves the Secretary of Education and the State Board of Education commit to close consultations with the Education Committees of the Legislature before taking any further action on the development and implementation of new academic standards.

The final-form revisions to the Chapter 4 regulations were transmitted to the Governor's Policy Office, Governor's Budget Office and Office of General Council for review and had since been withdrawn to give the Board time to consider the concerns raised in HR 338.

Board Member Lee Williams addressed the three main concerns of the Resolution: local control, national assessments, and data. Williams said that the current policy already acknowledges the retainment of local control, but may be further refined; Pennsylvania is not participating in the national assessments; and the current policy already addresses the limited use of data.

Senator Andrew Dinniman, a member of the Board, expressed his concerns with the Chapter 4 revisions (Pa. Common Core). The concerns centered largely on lack of resources while burdening schools with another unfunded mandate. Dinniman suggested that there is no "buy-in" with the legislators; and on behalf of the Legislature said the resistance is due to the Board breaking an agreement made between them (the General Assembly) and the Governor when the State adopted the Common Core Chapter 4 regulations in 2010. Dinniman said the Board should look to a hybrid approach from examples around the country. He also emphasized the need for a fiscal note to be attached to the proposal of the Board.

During the public comment period, 14 individuals from across the state provided their opinions on the matter. The main theme of the arguments centered on local control and the intrusion of federal government, but also referenced subjects such as God and violence.

Once everyone who wanted to speak was given the opportunity, the meeting agenda resumed as scheduled.

Shane Crosby from the Pennsylvania Department of Education's Office of Chief Counsel (OCC) provided the report of **Professional Standards and Practices Commission** (PSPC). In 2012, the number of misconduct complaints filed with the OCC increased, as did the number of complaints involving incidents of sexual misconduct, and the number of cases filed with the PSPC. There was established within the OCC an Educator Discipline Division dedicated solely to the effective enforcement of educator discipline laws. Out of the 563 complaints received (116% increase), 301 were resolved (106% increase). Of the complaints resolved, 120 were without discipline, while 181 involved discipline. There were 44 investigations assigned and all 44 were completed. The report states that as the OCC expands its response and makes efforts to resolve all complaints efficiently, it is confident the pending amendments to the Professional Education Discipline Act will be helpful in realizing the Commission's mission to protect students and hold accountable educators who betray the public trust. **PSPC Executive Director Carolyn Angelo** added that the new \$25 teacher certification fee, a provision in this year's Public School Code ([Act 59 of 2013](#)), would also aid in the Commission's ability to resolve the growing number of complaints.

The PSPC report was followed by a discussion on the future and value of the Board's **Student Leadership Program**. The Program began in 2008 with a grant provided by the National Association of State Boards of Education, funding from the MetLife Foundation, and support from the Pennsylvania Association of Student Councils. The original funding will be exhausted at the end of 2013. The annual cost for the four student members is \$4,300. The SBE determined that the Program is valuable, and it will begin to pursue different funding sources.

The SBE then considered the application of **The Educational Enrichment Initiative (TEEI) for renewal of accrediting authority**. TEEI was seeking a renewal to accredit tutoring, testing, and remedial centers. The Board determined during the May 9 meeting to appoint an ad hoc committee to review TEEI's application. The ad hoc committee met July 8 and made the following recommendation to the Board, which it approved: A two year provisional period will be granted, allowing TEEI accrediting authority until July 31, 2015, provided there is compliance with five conditions and contingent on the progress of meeting each of the conditions. If TEEI satisfies those requirements, SBE may extend the authorization for three more years until July 31, 2018.

The SBE approved the following **2014 Meeting Schedule**:

- January 8 – 9
- March 12 – 13
- May 14 – 15
- July 9 – 10
- September 10 – 11
- November 12 – 13

Before adjourning, the Board formed per [Act 104 of 2010](#) an ad hoc committee to study the benefits and detriments of mandating dating violence education in schools and develop recommendations and a report for review by January 2014.

The next meeting of the State Board of Education will be September 11–12 in Harrisburg.

[EPLC NEWS](#)

EPLC continues to accept applications for the 2013-2014 Education Policy Fellowship Program (EPFP). The 10-month professional development program begins in September and continues until next

June. To read about the Education Policy Fellowship Program, including the 2013-2014 schedule, [click here](#). If you would like to discuss any aspect of the Fellowship Program and its requirements, please contact Program coordinators Mattie Robinson at 717-260-9900 or robinson@eplc.org, or Ron Cowell at 412-298-4796 or cowell@eplc.org.

DATEBOOK

- The **Special Education Funding Commission** will conduct a hearing on **July 25** in Bucks County.
- The **National Association of School Boards of Education (NASBE) 2013 Annual Conference** will be held **July 28 – July 30** in Arlington, Virginia. This conference is designed for state board members, policy leaders, and other stakeholders in education. To view the agenda and to register, [click here](#).
- The **National Autism Conference** will be held **July 29 – August 1** in State College. The conference will provide evidence-based information to assist educators, providers, and families in developing effective educational and therapeutic programming for all students with autism spectrum disorders. To see the agenda and to register, [click here](#).
- The **Pennsylvania State Interagency Coordinating Council (SICC)** will meet on **Friday, August 9** from 12:00 PM – 3:00 PM at PaTTAN Harrisburg. PaTTAN offices in Pittsburgh and King of Prussia will be video conference sites.
- The **National Conference of State Legislatures' Legislative Summit** will be held **August 12 – 15** in Atlanta, Georgia. For more information about the nation's largest gathering of state legislators and legislative staff, [click here](#).

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