



Pennsylvania Association of School Administrators
Proud Leadership for Pennsylvania Schools

Education Update January 8, 2018

Because the PASA office is closed on January 15, the next Update will be published on January 22.

In Budget News...

State Revenue – According to the PA Department of Revenue, total tax collections for the month of December exceeded estimate by \$15.3 million, pushing fiscal year-to-date tax collections \$62.5 million above estimate. In general, Pennsylvania collected \$2.8 billion in General Fund revenue in December, which was \$30.1 million, or 1.1 percent, less than anticipated. Fiscal year-to-date General Fund collections total \$14.2 billion, which is \$4.1 million below estimate. Both the Independent Fiscal Office and the Department have projected that the state will end the fiscal year at about \$34.75 billion. Meanwhile, there remain significant concerns that projections of \$241 million in revenue from new gaming expansion, an amount factored into the 2017-18 state budget, may be overly optimistic

Updated IFO Economic Projections – Before the holiday break, the Independent Fiscal Office (IFO) issued an updated General Fund revenue estimate for Fiscal Year 2017-18, given the legislative changes implemented as part of the FY2017-18 state budget. It appears as though those changes helped to add \$2.25 billion in General Fund revenues to the projections issued by the IFO in early August. The revised FY2017-18 General Fund revenue total projected by the IFO is now \$34.745 billion. That General Fund revenue estimate is \$45 million more than the FY2017-18 estimate used within the Nov. 16 IFO Five-Year Economic and Budget Outlook. Compared to the revenue estimate used by the state Budget Office for FY2017-18, the IFO's updated revenue estimate is \$7 million lower. The IFO is expected to issue another update later this month, at which time it will issue a revised revenue estimate for FY2018-19. (from Capitolwire, 12/22/17)

Unemployment Rate – Pennsylvania's unemployment rate was down one-tenth of a percentage point in November to 4.6 percent, the lowest rate since September 2007. This was the fourth consecutive monthly decline of one-tenth of a percentage point. The commonwealth's rate remained above that of the United States, which was unchanged from October at 4.1 percent. Over the year, the Pennsylvania unemployment rate declined by nine-tenths of a percentage point. (from a 12/22/17 press release, PA Department of Labor & Industry)

Data on Property Taxes – In the past month and a half, Harrisburg's nonpartisan Independent Fiscal Office has released four research briefs or special reports. Three of those four have been about property taxes, and they may soon factor into a major policy debate. In November, Pennsylvania voters approved a constitutional amendment that could make it easier for the state to eliminate property taxes on individual homeowners. But that ballot measure in and of itself does nothing to change state law. It merely paves the way for state lawmakers to pass new legislation that could achieve that end. These new reports — heavy with charts and computations — will likely inform arguments made for and against property tax abolition. *Read the rest of the story: ["New Raft of Data Sets Stage for Debate over School Property Tax Elimination in Pa."](#)* (from WHYY, 12/21/17).

In Legislative News...

Session Schedule – The House and Senate met briefly in a ceremonially day on Jan. 2. Both chambers are in recess until January 22.

Legislator Changes –

***Resignation:** Rep. Scott Petri (R-Bucks) has resigned from the House and is now the executive director of the Philadelphia Parking Authority. Petri served in the House since 2003.

***New Member:** Jeanne McNeill, widow of the late Rep. Dan McNeill, who passed away on Sept. 8, won a special election last month and was sworn into office on Jan. 2 as the new House member for the 133rd district (Lehigh).

In State News...

PA's ESSA Implementation Plan – The Pennsylvania Department of Education (PDE) on December 21 received written feedback from the U.S. Department of Education (USDE) on the Pennsylvania ESSA plan. The written feedback from USDE outlined components of Pennsylvania's plan that needed clarification and additional information needed to ensure that the federal statute outlining the goals of ESSA is met. Read USDE's comments [here](#). The PDE and the governor have decided to submit a revised ESSA Plan by the January 8 deadline to ensure that Pennsylvania will have an approved plan by February. The alternative – requesting an extension, as urged by the PA Senate Education Committee last week – would provide NO guarantee as to when the USDE would provide final approval of the plan, leading to serious concerns that such a delay could put the Department and school districts in a time crunch to properly prepare for the 2018-2019 school year.

Change in State Education Board Leadership – Gov. Wolf on Dec. 22 named a new leader of the State Board of Education, a day after accepting the resignation of the Larry Wittig, longtime Board chairman and a member of the Tamaqua Area school board, following accusations he pursued sexual relationships with teenage girls more than 35 years ago. Karen Farmer White of Pittsburgh will step in immediately as the new chairwoman of the board, which develops education policies for the state. Farmer White, who has been on the board for two terms, will be the first African-American chair of the board and has been instrumental in advancing educational equity and access in the commonwealth, including significant components of the state's academic standards. She holds bachelor's and master's degrees from the University of Pittsburgh and has been involved with numerous educational and philanthropic entities. In addition, she has been vice president of education at WQED, Pittsburgh's PBS affiliate, and executive director of the Program to Aid Citizen Enterprise, and worked at Mesirov Financial Corp. and the Community College of Allegheny County. (from the Associated Press, 12/22/17)

Control of Philadelphia Schools – Gov. Tom Wolf on December 27 announced that his administration has approved the return of Philadelphia public schools to local control. In a letter to the School District of Philadelphia, Secretary of Education Pedro A. Rivera approved of the district's recommendation to dissolve the School Reform Commission (SRC) and rescind its designation as distressed. "Quality public schools are essential for our economy and our future, and the improvements made by the district in recent years have been significant," said Gov. Wolf. "My administration has made public education a top priority, and local control with strong state support will make the district stronger. Restoring district operations to a locally-selected board of education will only allow those improvements to continue, and will better serve the needs of the district's students and schools." (from a press release)

Unpaid School Lunches –

***PDE Guidance:** The PA Department of Education has issued guidance concerning implementation of provisions in Act 55 of 2017 concerning procedures for addressing unpaid student lunch debt. The act stipulates that school communications on that issue need to be directed to the parent/guardian, not the student, that the school must make at least two attempts to reach the parent/guardian, that schools may not publicly identify or stigmatize students with outstanding lunch debt or force students to do additional work to earn a school meal, and that schools may not direct a student to discard a meal served to them because the student cannot pay or has outstanding lunch debt. [CLICK HERE](#) to access the PDE guidance for schools. (The Department will be providing additional guidance later this month.)

***Concern over Cost:** Starting in December, Pennsylvania school districts lost some of their most effective collection methods: the alternative lunch; the ability to withhold meals in middle and high schools; and the ability to restrict activities for students who owe lunch money. The changes were included in the revamped state school code that recently took effect. Under the law, districts are barred from taking any actions that could identify students with outstanding meal accounts. Instead, it requires districts to direct all communications about negative school lunch accounts to parents or guardians, and only after a student doesn't pay for five meals. School food service directors fear under the new rules

school lunch debt will skyrocket. *Read the rest of the story:* [“Food Fight: Districts Fear New State Rules Will Drive Up Unpaid School Lunch Debt”](#) (from *The Intelligencer*, 12/17/17).

Challenges for Rural Schools & Communities – The headlines in coverage of Pennsylvania public schools tend to revolve around action in Harrisburg or issues in the state’s largest urban districts. In much of the state, though, many small and rural districts like Titusville and Corry Area in northwest PA face challenges similar to their urban counterparts, just on a different scale. Illiteracy, opioid addiction and lack of economic opportunities are a growing part of many rural areas where educators stress over student poverty, school funding and how to better prepare students for a 21st century economy. *Read the rest of the story:* [“Rural Pa. Public Schools Look To Break Cycle of Struggle, Welfare and Addiction in the Northwest”](#) (from WHYY, 1/3/18).

Looming Teacher Shortage – The U.S. Department of Education has warned that Pennsylvania, like every other state, is facing a shortage of teachers. The problem is only going to get worse, experts say. There are pockets of problem areas in the commonwealth and some teaching specialties where it’s hard to find enough educators, state and federal data shows. But evidence of an overall statewide shortage is less obvious, for the time being. “It is not accurate to say Pennsylvania currently has a teacher shortage,” said Wythe Keever, a spokesman for the Pennsylvania State Education Association. “There is evidence however that a teacher shortage may be rapidly approaching.” The problem is two-fold, he said. The state will soon be hit with a wave of retirements and there are fewer college students majoring in education so there won’t be as many would-be teachers graduating to replace those who retire, he said. *Read the rest of the story:* [“Teacher Shortage Could Soon Get Much Worse”](#) (from *The Daily Item*, 1/6/18).

In National News...

Federal Tax Reform –

***Bill Passage:** Just before the holidays, Congress passed and Pres. Trump signed into law a tax reform bill that provides a 14 percent permanent tax reduction for corporations, makes significant reductions in inheritance tax obligations that affect high-income families, provides temporary (10-year) tax reductions for most American workers, imposes a cap on allowable deductions for state and local taxes, and changes rules governing 529 accounts to allow them to be used for K-12 private education costs as well as college costs. The cost of the tax change is estimated at about \$1.5 trillion.

***AASA Response:** AASA Executive Director Daniel A. Domenech issued the following statement following the House and Senate passage of the tax bill.

“AASA is deeply frustrated with and disappointed by today’s actions on Capitol Hill. Adoption of the tax bill is an affirmation of failed federal policy that exacerbates the wealth gap, does nothing to address inequities, and fails to support and strengthen our nation’s middle class. This policy may be a win for the wealthy, but it is an absolute defeat to our nation’s public schools and the students they serve.

“Today’s action on Capitol Hill is an example of failed public policy, and a missed chance for leadership and economic opportunity. It challenges historically foundational policy premises, including supports for the middle class and sovereignty of state and local governments, all to ensure and deliver tax cuts. The limited benefits that do exist for the majority of Americans are modest and short lived, while the consequences to our nation’s schools will be long term.

“Our public education system represents one of our nation’s original forms of infrastructure: the backbone of our civic society, our economic growth and vitality, and American creativity. The partisan vote on this bill highlights a deep and pervasive disconnect for more than half of Congress: those voting for this bill demonstrated a clear lack of understanding of or basic consideration for its impact on schools, and their ability to adequately and appropriately prepare our students for their future.

“This vote is a significant pivot toward aggressive partisanship and tax cuts paid for by the middle class. We remain committed to representing our members, the nation’s public school superintendents and will work tirelessly with our allies on Capitol Hill to mitigate the damages of this bill, to repeal and replace the most damaging aspects of this bill, and to expand recognition of the importance of our nation’s public

schools.”

***Tax Loophole & Private Schools:** Changes to the federal tax code could encourage more Pennsylvania businesses to pump money into K-12 private schools instead of paying state taxes. That’s according to an analysis by the nonprofit Institute on Taxation and Economic Policy (ITEP), which says it discovered an expanded loophole in the new law. By cross-referencing federal and state incentives, ITEP concluded that wealthy individuals and high-profit businesses across ten states — including Pennsylvania — may actually make money when they donate to private school scholarship funds. This would seem like welcome news to the Commonwealth’s private schools and a blow to public school advocates. At least in the short term, though, it’s unclear if private schools would receive any benefit, even as their well-to-do benefactors make a handsome profit. *Read the rest of the story:* [“New Federal Tax ‘Loophole’ Could Stoke Interest in Private School Donations in Pa.”](#) (from WHYY, 1/1/18).

CHIP, Student Assistance Delay –

***Temporary Fix on CHIP Reauthorization:** As lawmakers left Washington until January, a continuing resolution Congress passed before the holidays funds the Children’s Health Insurance Program — but only through March. Federal funding for the program, which insures more than 180,000 Pennsylvania children, expired months ago, when Congress failed to act by a Sept. 30 deadline. In a statement, Pennsylvania Gov. Tom Wolf and Acting Human Services Secretary Teresa Miller called the temporary fix disappointing. “[T]his partial funding is not the answer and Congress’ failure to do the right thing and fully fund this critical program is appalling,” they wrote. *Read the rest of the story:* [“CHIP Gets a Funding Reprieve, But It’s Only Temporary”](#) (from *The Pittsburgh Post-Gazette*, 12/22/17).

***Impact on PA:** As lawmakers rushed off Capitol Hill for winter break, a pair of bills passed the U.S. House that include money to keep Pennsylvania’s state-run children’s health insurance program operating through March, as well as aid for Lehigh Valley schools that have taken in students displaced by the Puerto Rican hurricane. But only one of the measures — a short-term spending bill to keep the federal government operating through Jan. 19 — cleared the U.S. Senate, leaving the \$81 billion disaster relief bill and its schools funding lingering until action is taken in 2018. *Read the rest of the story:* [“U.S. House Passes Bills To Prop Up CHIP through March; Aid Lehigh Valley Schools with Displaced Students”](#) (from *The Morning Call*, 12/21/17).

Delay of Special Education Rules – The U.S. Department of Education is proposing to delay for two years an Obama-era rule that requires states to aggressively address racial biases that may be channeling disproportionate numbers of minority children into special education. The department is soliciting public comment on its plan to postpone enforcement of the “significant disproportionality rule,” due to take effect July 1, 2018. The rule, which was issued in the last weeks of the Obama administration, required states to look at districts that had disproportionately high numbers of minority students identified for special education services, segregated in restrictive classroom settings or disciplined at higher rates than their peers. If it is not scrapped, the rule would take effect in 2020. *Read the rest of the story:* [“Betsy DeVos Is Delaying an Obama-era Rule on Racial Disparities in Special Education”](#) (from *The Pittsburgh Post-Gazette*, as published in *The New York Times*, 12/18/17).

Ruling on School Policy re National Anthem Protests – A federal district judge has granted a preliminary injunction blocking a California school district’s rules requiring students to stand during the National Anthem at sporting events. The case was prompted by a varsity football and basketball player at San Pasqual Valley High School who kneeled during the anthem at two games in the fall. The student, identified as V.A., engaged in the protest to express his “personal feelings and concern about racial injustice in our country,” he said in a court declaration. In a Dec. 21 decision granting V.A.’s request for the preliminary injunction against the rules, U.S. District Judge Cynthia Bashant of San Diego agreed that the rules appear to violate the First Amendment rights of students. “The court finds that plaintiff’s kneeling during the National Anthem is speech,” Bashant wrote. “This action is closely linked to the similar, well-known protests performed throughout the country, started by former National Football League quarterback Colin Kaepernick.” *Read the rest of the story:* [“U.S. Judge Bars District Policy Against Kneeling During National Anthem”](#) (from *Education Week*, 1/2/18).

U.S. Education in Charts & Graphs – Numbers can sometimes explain an issue better even than

words. *Education Week* has provided charts, graphs, maps, and visualizations that feature data that were released this year and convey some big takeaways about U.S. schools, students and teachers in 2017. [Click here](#) to review the data. (One chart notes that Pennsylvania was only one of seven states that earned the highest “grade” for education, a “B+ to B-”, by the Education Week Research Center.)

Across the Nation...

Florida: Diplomas for Puerto Rican Students – High school students who fled their homes in Puerto Rico when Hurricane Maria struck will be able to earn diplomas in Florida schools, the state has decided. Miami and several other Florida districts had been seeking special waivers to allow hurricane-displaced students to get their diplomas without taking state-mandated graduation exams. The Florida Department of Education has decided that high school juniors and seniors can earn Puerto Rico diplomas at their newly adopted Florida high schools. State K-12 schools Chancellor Hershel Lyons explained the decision in a Dec. 29 memo to school districts, according to the Tampa Bay Times. (from *Education Week*, 1/3/17)

Michigan: Paycheck Deduction Ruling – Michigan's Supreme Court ordered last month that the state return \$554 million it withheld between 2010 and 2012 from 275,000 school employees' and retirees' paychecks to pay for two years' worth of retiree health care, according to the *Associated Press*. The court unanimously ruled Dec. 20 that the state failed to show how the 2010 law that withheld the funds was "reasonable and necessary to further a legitimate public purpose," and that the withholding "substantially impaired" school employees' employment contracts by involuntarily reducing their wages. The ruling upheld a 2016 judgement by the state appeals court that struck down the law created under Democratic Gov. Jennifer Granholm. In the coming weeks, an educator in Michigan making \$50,000 a year will receive approximately \$3,000 plus interest. The state has for years struggled with ways to pay down ballooning pension and retiree health care costs. (as published on *Education Week*, 1/2/17)

On the Calendar...

Jan. 11-12 – New Superintendents' Academy 3 (PASA office)
Jan. 15 – PASA office closed
Jan. 16 – Technology Committee meeting (virtual)
Jan. 17 – PASA Webinar: Collective Bargaining
Jan. 23 – Women's Caucus board meeting