



Pennsylvania Association of School Administrators  
Proud Leadership for Pennsylvania Schools

## Education Update February 11, 2019

*Due to the President's Day Holiday, the PASA office will be closed next Monday, Feb. 18. The next Update will be published on Monday, Feb. 25.*

### On the State Budget...

**Budget Overview** – Gov. Wolf last Tuesday unveiled a \$34.1 billion state spending plan, an increase in spending of 4.3% over the 2018-19 budget. The plan, which includes no increase in broad-based taxes, focuses on education, workforce development, early childhood education, and continuing the fight against the opioid epidemic. It is also important to note that, while the budget plan shows a 4.3% increase in spending over the 2018-19 budget, the state will need about \$495 million in non-budgeted dollars to close out the current fiscal year's budget, primarily due to increased costs for programs and services in the Department of Human Services.

**Education Funding Overview** – Funding for public school education increases 3.3 percent under the governor's plan to \$13.7 billion. Of that, an increase of \$200 million is targeted for BEF and \$50 million for special education. That is the good news, and PASA applauds the governor for recognizing the need for an increase in state funding for education.

The education funding plan is more complex than some of the numbers appear, however, as the proposal calls for distributing district Ready to Learn grant funding through the BEF line-item, along with funding for a proposed increase in the minimum threshold for teacher salaries.

Find links to important state budget and education funding documents on the [PASA website](#).

**Specific Line-Items** – The following list outlines the specific education line-items in the budget:

**\*Basic Education Funding:** On paper, there is a \$200M increase in the BEF. Of that, \$166M in new dollars would be driven through the formula. However, as noted above, the Governor proposes taking Ready to Learn block grant funding and rolling that into the BEF, making it no longer a separate line-item. Those funds would not be distributed through the BEF formula, and districts would get what they got this year.

**\*Minimum Teacher Salary:** The governor proposes increasing the minimum teacher salary to \$45,000, and he provided funding in the 2019-20 budget for those school districts, CTCs and IUs that have salaries below that floor. There are 180 school districts that would receive an increase through the BEF line-item to cover the salary (and corresponding PSERS and Social Security) increases. Overall, the governor indicated that this would cost approximately \$14M. There are a tremendous number of questions concerning this proposal, including the impact on current collective bargaining agreements and costs down the road.

**\*Ready to Learn Grants:** Also noted above, the budget drives out \$260M in funding for Ready to Learn grants through the BEF line-item, with all districts slated to receive the same RTL funds they received this year. (RTL funds would NOT be driven out through the new BEF formula.) The \$8 million still in this separate line-item is targeted to charter schools. As with the teacher salary proposal, there are questions concerning this proposal around reporting requirements and other details, all of which still need to be sorted out.

**\*Special Education:** The budget plan includes a \$50 million increase for special education – more

than double the increase over the past few years. That is good news. The new money is cumulative, with \$49 million driven out through the new formula.

**\*Career Technical Education:** There is a \$10M increase in this line-item, although the amount going through the actual CTC formula is level-funded at nearly \$60M. The additional dollars are targeted for job training programs.

**\*Early Childhood:** Both early childhood programs and Early Intervention are big winners in the budget, with funding spread between PreK Counts and Head Start increased \$50 million for 2019-20. For preschool programs, that amounts to an increase of over 16 percent. The additional funding would provide slots for an additional 5,500 of children into those programs. The governor also proposes using \$15 million in federal funds to increase slots of infant and toddlers to attend high-quality STAR 3 and 4 childcare programs. The governor identified these areas as the starting point for his emphasis on workforce development.

**\*School Safety and Security:** The budget calls for \$45 million in safety and security funding for schools for 2019-20. The current year's budget includes \$60 million for this. It is likely this number will be increased, as this is a high priority item for lawmakers.

**\*Transportation:** The budget plan level-funds this line-item at \$549M, which means that it is underfunded based on the formula. As a result, school districts would not get their full share of transportation reimbursement, and the delay in receipt of funding for this line-item is exacerbated.

**\*PlanCon:** The \$10M in the school construction line-item covers only lease reimbursements. Projects already in the PlanCon pipeline will receive funding as scheduled through bond proceeds. There is no money for new projects. And, unfortunately, there likely is not a new PlanCon system in the near future.

**\*Higher Education:** State system schools would see a slight increase under the governor's plan, while the state-related schools and community colleges would be level-funded.

**\*Other Line-Items Level-Funded:** Line-items for services and materials for nonpublic schools and for public libraries are level-funded.

**Warning about the Spreadsheets** – The spreadsheets posted by the PDE on both BEF and special education are based on OLD data, not current (2017-18) data, specifically old ADM data. School districts must be aware that those numbers do **not** reflect what actually would be driven out. With the BEF spreadsheets, what is updated are the poverty percentages and median household income. *Everything else will change.* New data will not be available until sometime in the spring. As for the special education spreadsheets, these currently are based on OLDER data – at least two years old. In fact, it is important to note also that the listed distribution of funds for the current school year (2018-19) isn't even right because of that data issue. **Please keep this in mind when you are working on your budgets and planning for 2019-20.**

**Other Policy Proposals** – In addition to raising the minimum teacher salary statewide, the governor is proposing several new initiatives related to student attendance, along with others as follows:

**\*Compulsory Age of Attendance:** The governor proposes to lower the compulsory attendance age from 8 to 6, which would capture an additional 3,300 students. Additionally, he called for a study to look at both the impact of lowering that age further to age 5 and the potential impact of providing full-day kindergarten statewide. He also proposes raising the compulsory age of attendance from 17 to 18, which would have kept an additional 4,400 students in school, based on 2016-17 data.

**\*Statewide Minimum Wage:** The governor proposes to raise the minimum wage to \$12/hour beginning on July 1, 2019, and increasing that amount by \$.50 per year until reaches \$15/hour by 2025. Budget revenue projects reflect the impact this would have in taxation revenue. We are aware that this plan would have an impact on school districts and all LEAs and are watching it carefully.

**\*Infrastructure Plan:** As noted in last week's Update and apart from the budget, the governor earlier this month outlined a statewide infrastructure initiative to be paid for with a natural gas extraction tax.

**Legislative Reaction to the Budget** – Overall, the General Assembly's reaction to the governor's proposal was positive. There was general support for much of the increase directed to education, along with the proposals directed at job training and workforce development. However, there was not as much support for the minimum teacher salary component of his proposal.

**PASA's Response to the Budget** – PASA is grateful to the governor for ongoing support for public education, as evidenced in this proposal. Increases for basic education, special education and early childhood education reflect a continuing priority to invest in our students and our public schools, and PASA welcomes this ongoing commitment. We will continue to work with the governor and members of the General Assembly as work proceeds on developing a final budget, which must reflect the growing costs public schools face annually due to increased student needs, high costs of infrastructure upgrades to strengthen educational goals and ensure student and staff safety, and the ongoing fiscal stress experienced by too many school districts in the commonwealth, as noted in the recent [PASBO/PASA Report on School District Budgets](#). PASA will continue to utilize the priorities outlined in the [PASA Resolutions](#) to inform our advocacy efforts in urging state funding that adequately and equitably meets the needs of public schools and communities across the commonwealth.

**Budget Hearings** – Now that the budget plan is unveiled, House and Senate appropriations committees will spend the next month examining various aspects of the plan through a series of committee hearings. The most important hearings in terms of education are below:

#### **House Appropriations Committee**

- \*Tuesday, Feb. 12 – PSERS/SERS (10 a.m.)
- \*Wednesday, Feb. 13 – Auditor General (1 p.m.)
- \*Wednesday, Feb. 13 – Attorney General (3 p.m.)
- \*Monday, March 4 – PDE (10 a.m.)
- \*Wednesday, March 6 – Budget Secretary (10 a.m.)

#### **Senate Appropriations Committee**

- \*Tuesday, March 5 – PDE (10 a.m. – continuing in the afternoon)
- \*Thursday, March 7 – Budget Secretary (3 p.m.)

### **In Legislative News...**

**Legislative Schedule** – The General Assembly stands in recess to allow the House and Senate appropriations committees to hold hearings on the governor's proposed budget. The Senate is not scheduled to return to session until March 11. The House session calendar has not yet been announced.

**In Recent Legislative Action** – The House recently passed [HB 227](#) unanimously. The bill clarifies that all candidates for the office of School Director will be required to submit 10 signatures for nomination.

**Legislation on Cyber Charter Tuition** – Two lawmakers are pursuing legislation that would alter the way tuition payments are made to cyber charter schools. Sen. Judy Swank (D-Berks) has

introduced [SB 34](#), which would require tuition payments similar to those made to brick-and-mortar charter schools when the district offers its own cyber program. In the House, Rep. Curtis Sonney (R-Erie) is seeking support for legislation that would require parents to cover the cost of cyber charter schools if the district already operates a full-time cyber program. State data indicates that cyber charter tuition paid by PA taxpayers from 500 school districts for 2013, 2014, 2015 and 2016 was over \$1.6 billion; \$393.5 million, \$398.8 million, \$436.1 million and \$454.7 million respectively. The [PASA Resolutions](#), which direct PASA's advocacy efforts states that PASA "supports legislation that would require equitable per-student tuition for charter schools based on how districts are funded, a statewide flat fee for cyber charter schools, and an exemption for districts from paying tuition for cyber schools when a school district offers a comprehensive cyber education to its students."

### **In National News...**

**Choice Options** – In his State of the Union address, President Donald Trump urged lawmakers to "pass school choice for America's children." That's a pretty vague statement—which means that if Congress even sneezes in the direction of choice, Trump and his team may be able to claim victory on it. But lawmakers have already rejected Trump's pitches for a new \$1 billion competitive grant that would pay for vouchers and more. And a behind-the-scenes effort to create a federal tax credit scholarship never got off the ground, thanks in part to opposition from conservatives who worried it amounted to a federal power grab. So what other policies could Trump realistically paint as a win for school choice? *Read the rest of the story: ["What Would It Mean to 'Pass School Choice,' as Trump Wants?"](#)* (from *Education Week*, 2/6/19).

### **On the Calendar...**

Feb. 12	Commonwealth Budget Seminar (I.U. 14)
Feb. 13	Commonwealth Budget Seminar (webcast)
Feb. 14-16	AASA National Conference on Education (Los Angeles)
<i>Feb. 18</i>	<i>PASA Office closed</i>
Feb. 20	PLUS Caucus of PASA meeting (virtual)
Feb. 21	PASA Webinar: Developing an Online/Blended STEM Education Program
Feb. 25	Webinar for Superintendents on the BEF Formula