

2011 Policy Priorities (cont'd)

Reauthorizing and expanding the Mandate Waiver Program.—PASBO supports legislation reauthorizing the Mandate Waiver Program. The program, which expired July 1, 2010, provides significant cost savings, especially in the areas of purchasing and single prime construction.

Increasing hours worked for PSERS coverage.—PASBO supports legislation increasing the number of hours necessary to qualify for pension benefits. Under current law, a part-time school employee may receive full retirement coverage for working 500 hours per fiscal year (equal to three hours per day). Also, under Act 120 of 2010, school employees are credited with service for ANY hours worked if they previously meet the 500-hour qualifying requirement in any year. This threshold should be increased to 1,000 hours to prevent school districts from having to pay costly pension benefits to 180-day employees, such as cafeteria workers and bus drivers.

Allowing schools to collect property taxes.— PASBO supports legislation allowing school districts to collect property taxes. Current state law is archaic and promotes inefficiency in the collection of property taxes. Elected tax officers are unnecessary and inhibit the use of technology. A restructuring of the collection process similar to the restructuring of the earned income tax process under Act 32 of 2008 would be beneficial, as well as decrease collection costs and increase the security of taxpayer dollars.

Updating bidding and advertising thresholds.— PASBO supports legislation updating antiquated thresholds for construction, reconstruction, repairs, work to be performed locally, and bidding. Current requirements are artificially low and have not changed since the 1980s. For example, if a district work exceeds \$5,000, the district may not use personnel already employed by the district. The bid limit threshold should be changed to \$25,000, and the telephonic quotes threshold should be changed to \$10,000. Both thresholds should be adjusted annually by an inflationary index.

Streamlining PlanCon.— When a school district undertakes a major school construction project for which it seeks reimbursement from the Commonwealth, it must initiate a process known as PlanCon. School districts spend a significant amount of time and dollars attempting to meet arcane requirements for review by the Department of Education. The Department has statutory requirements for assuring that overall costs do not exceed state law. The review process also creates additional unnecessary architectural reviews. Some school districts spend more time and effort for unnecessary PlanCon reviews than the single digit state reimbursement they receive for school projects.

Authorizing local discretion for single prime construction.—PASBO supports legislation reauthorizing the Mandate Waiver Program under which school districts could seek a waiver to allow for a local option to use single prime construction in lieu of multiple prime construction. Single prime construction allows school buildings to be constructed in the same way as most private sector buildings. The benefits of single prime construction are multi-fold. A general contractor keeps order and accountability; time and litigation are reduced; and duplicative requirements for multiple prime contracts, such as insurance, are eliminated.

Allowing registered nurses to fill school nurse positions.—PASBO supports legislation allowing registered nurses to serve in the capacity of school nurse without having to complete a school nurse certificate program. Another cost-saving measure would be to increase the nurse to student ratio. Current law requires one school nurse for every 1,500 students.

Revising financing obligations for "host" school districts.—Under current law "host" school districts of students residing in a children's institution must finance the provision of the educational program for the student. Host school districts may then charge the school district where the student's parents live, or "resident" school district, the host district's tuition rate for the education of these students. This process creates an undue amount of financial and administrative burden on host school districts. PASBO supports legislation that would simplify the financing of non-resident students living in children's institutions.

Limiting non-public student transportation requirements.—PASBO supports legislation eliminating the requirement that nonpublic students be transported outside district boundaries. Under current law such transportation must be provided within ten miles outside district boundaries. Transportation by the school district should also be limited to when the public school is in session.

Repealing rules dictating the use of funds over the Act 1 index.— PASBO supports legislation repealing section 2502.49, the requirement that new dollars over the Act 1 index (1.4% for FY 11-12) be spent on new programs and program expansion. Complying with this requirement essentially builds future operating costs for school districts with which they can not keep pace when revenues decline. The effect of this rule also forces staff and program cuts.

Eliminating the mandatory loss of revenue on delinquent property taxes.—PASBO supports legislation providing for a reduction in fees or a later turn-over date during which school districts could continue to collect property taxes. This would provide school districts with a revenue increase and would be more taxpayer friendly. Currently, school districts are mandated to turn over delinquent property taxes to the County Tax Claim Bureau in January, in most cases, for taxes levied the previous July.

Fair, Adequate, and Equitable School Funding

Continuing progress on phasing in the fair and predictable school funding formula.—PASBO supports legislation that would continue progress on phasing in the school funding formula enacted in July 2008. With the end to federal stimulus funding, it is important that increased financial resources be directed to public schools, and proposals to direct funding away from public schools (e.g., vouchers) should be carefully studied.

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Given the budgetary and economic challenges facing the Commonwealth and its public schools, and anticipated funding cuts in FY 2012, the Pennsylvania Association of School Business Officials' (PASBO) 2011 Policy Priorities focus on providing school districts with opportunities to reduce costs and thereby achieve greater operational and fiscal efficiency. PASBO calls on the General Assembly to enact the following recommendations.

Providing the right to furlough for economic necessity.—PASBO supports legislation allowing a school district to reduce instructional staff for economic necessity. Current law only allows instructional staff to be reduced when there are educational program reductions. The right to furlough for economic necessity is absolutely necessary given that school districts are experiencing substantial decreases in state and local revenue, a falling Act 1 index and increased pension expenditures.

Other amendments to the School Code should include: (1) repealing section 1154 (relating to payment of salaries in cases of sickness, injury or death); and (2) section 1166, which grants the right to sabbatical leave to professional employees. This type of leave should not be dictated by the School Code, but should be collectively bargained.

Restructuring mandated payments to charter and cyber charter schools.—PASBO supports legislation revising the current formula for payments to charter and cyber charter schools. Under current law school districts are penalized on expenditures such as pensions and social security which increase payments, while charter schools are receiving direct reimbursement by the Department of Education. This results in an inequitable “double counting.”

The current formula for payments to charter and cyber charter schools also essentially allows an “excess cost” method regarding special education costs. Regular education students, who are regular education students, are identified as special education students by the charter/cyber charter schools they attend. The resident school district is then required to foot the bill.

The current formula also allows for charter/cyber charter schools to expand services for items like full-day kindergarten even if the school district of residence does not provide the service.

Charter and cyber charter school funding should also be revised to provide for a rational and equitable funding mechanism by which tuition is paid. Tuition rates for all charter schools are based on expenditures of a sending school district, not on instructional expenses of the charter school, resulting in school districts paying varying costs to the same cyber charter school.

Amending the Prevailing Wage Act.— PASBO supports legislation increasing the threshold from \$25,000 to \$500,000, at a minimum. The threshold should be adjusted annually by an inflationary index. This would remove smaller projects from the scope of the law and thereby reduce costs.

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