

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 178

PRINTER NO. 2257

AMOUNT

\$604,081,000

FUND

General Fund

DATE INTRODUCED

January 23, 2017

PRIME SPONSOR

Representative Day

DESCRIPTION

House Bill 178 amends the Public School Code of 1949 and contains the following provisions:

Keystone Exams

Delays the requirement that Keystone Exams be used as a graduation requirement or benchmark for need to participate in a project based assessment for one year.

Federal ESSA State Plan Review

Requires consultation between the Department of Education and the General Assembly in the development and implementation of the Federal Every Student Succeeds Act State Plan. Prohibits the submittal of a proposed State plan or revisions to the State plan to the United States Secretary of Education until the Education Committees of the Senate and the House of Representatives have been provided 15 days to review and comment. Requires the comments submitted by the Education Committees to be included in the submissions.

School Director Training

Requires school directors and charter school trustees to participate in training provided by the Department of Education at no cost in consultation with education organizations. Allows the department to approve training programs provided by school entities and school organizations. Requires 4 hours of training if newly elected or appointed, 2 hours upon reelection for school board directors and 2 hours for charter school trustees during the 5th year of a trustee's service.

Financial Watch School Districts

Provides for appointment of a financial administrator in a school district identified for financial watch status that receives educational access program funding. Provides for the financial administrator in consultation with the Secretary of Education to craft and implement a financial improvement plan for the school district. Provides that the financial improvement plan may require changes to accounting and automation procedures; changes to permanent staffing levels; performance goals that administrative staff must meet for contract renewal; changes in school district policy; sale, lease, conveyance, assignment or disposition of school district assets; consolidation of existing school buildings, existing non-instructional programs or other school district services; and, greater use of intermediate unit programs. Upon

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approval of the plan, requires the board of school directors to implement and adhere to the plan. If the financial administrator and the Secretary determine that the board of school directors has failed to comply with the provisions of the plan, provides for the financial administrator to assume the authority of the board and implement the plan in consultation with the Secretary. This applies to Erie School District.

PLANCON Moratorium

Extends the PLANCON moratorium prohibiting the Department of Education from approving new school building construction or reconstruction applications for fiscal year 2017-18.

Reports to the Secretary of Education

Clarifies the authority of the Secretary to require reports from school district superintendents.

Superintendent and Assistant Superintendent Contracts

Reduces the time period for a public meeting of the board of school directors to consider the retention of a district superintendent or assistant district superintendent from 150 days to 90 days prior to the expiration of their current term of office, and also provides that if no action is taken, the superintendent's or assistant superintendent's term is automatically extended for one time for one year, unless the board takes action to retain the individual prior to the end of the one year extension.

Economic Furloughs

Allows professional employees to be furloughed for economic reasons in order of performance based on annual performance evaluations.

Provisional College Certificates

Clarifies that the expedited process for members of the Armed Forces, veterans and their spouses to obtain permanent teaching certifications, applies to provisional teaching certifications.

Teacher Preparation Programs

Prohibits teacher preparation programs approved by the Department of Education from requiring a passing score on teacher certification assessments as a condition of program completion or graduation. Prohibits teacher certification assessments from being used as a component of a student's grade in any course, except the assessment of professional knowledge and practice which may be a component of the student teaching program. Requires a teacher preparation program to recommend applicants for certification who meet certain grade point average standards.

School Lunch Programs

Prohibits schools from publicly identifying or stigmatizing students who cannot pay for a school meal or who owe money for school meals. Includes provisions requiring the school to facilitate participation in the Free and Reduced Price Program Lunch Program.

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Drug and Alcohol Recovery High School Pilot Program

Makes technical changes to recognize the delay in implementation of the pilot program from 2016-17 to 2017-18.

School Security Drills

Provides that school entities may annually conduct a security drill in lieu of a required fire drill.

Opioid Education

Requires instruction related to the prevention of opioid abuse as part of mandatory instruction required in chemical, alcohol and tobacco use beginning with the 2018-19 school year. Requires the Department of Education and the Department of Health to jointly develop and make available model curriculum and in-service training programs. Requires school districts to provide in-service training in the subject every three years. Provides that the in-service training may apply towards a professional educators continuing professional education requirements.

Commission for Agricultural Education Excellence

Establishes the Commission of Agricultural Education Excellence jointly within the Department of Agriculture and the Department of Education to assist in the development and implementation of a statewide plan for agricultural education.

Community College Funding

Provides for community colleges to receive the same allocation as in fiscal year 2016-17.

Community College Reporting

Deletes obsolete reporting requirements.

Rural Regional Community College

Authorizes the college to change its name or adopt a fictitious name.

College Credit for Prior Learning

Expands the Transfer and Articulation program to require community colleges and State-owned universities to award academic credit for prior learning determined to meet uniform established standards, and to apply the credit toward graduation. Credit for prior learning includes: the Advanced Placement exam, International Baccalaureate exam, College Level Examination Program exam and Dante's Standardized Tests. Provides for the Transfer and Articulation Oversight Committee to develop and implement uniform standards for awarding academic credit for prior learning.

State Aid for Libraries

Provides for each library to receive a pro rata share of funding based on its allocation in fiscal year 2016-17.

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Basic Education Funding

Makes technical changes to the calculation of the basic education funding formula as follows:

- Provides that the data used to calculate the basic education funding allocation to a school district be fixed as of the first day in June preceding the school year in which the allocation occurs and that data shall only be revised during the allocation year when it is incorrect. This provision codifies current Department of Education practice.
- Excludes revenue received for tuition from patrons from the calculation of the local effort index to better reflect a school district's local effort.
- Recognizes the sales and use tax and cigarette tax is to be included in the definition of local tax-related revenue beginning with the 2016-17 school year funding allocation.

Intermediate Unit Funding - Provides for intermediate units to be funded at an amount equal to 5.5% of the Special Education Funding appropriation the same percentage amount as in fiscal year 2016-17.

Use of Undistributed Funds

Allows the Department of Education to use up to \$5,000,000 in undistributed funds to assist school districts in financial distress or identified for financial watch status.

Ready-to-Learn Block Grants - Provides for the distribution of Ready-to-Learn Block Grants to each school entity in the same amount as in fiscal year 2016-17.

State Board Master Plans for Basic and Higher Education

Changes the requirement for the completion of a master plan from every 5 years to every 10 years.

Nonpublic School Truancy

Provides for the new truancy law that was implemented in 2016 to apply to nonpublic schools beginning in the 2018-19 school year.

FISCAL IMPACT:

The enactment of House Bill 178 will cost the Commonwealth \$604,081,000 in fiscal year 2017-18.

The legislation provides for the distribution of \$598,281,000 in educational subsidies. This includes amounts from General Fund appropriations as follows: Ready-to-Learn Block Grants (\$250,000,000); Community Colleges (\$232,111,000); Special Education Funding - Intermediate Unit Set Aside (\$61,700,000); and the Public Library Subsidy (\$54,470,000).

The provisions requiring school directors and charter school trustees to participate in training are estimated to cost the Department of Education \$300,000 to develop and implement in 2017-18, and \$100,000 each year thereafter.

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The costs to the Department of Education and Department of Health to jointly develop and make available model curriculum and in-service training programs related to the prevention of opioid abuse are estimated to be minimal and can be accomplished within the agencies' normal operating budgets as curriculum and training programs are already widely available.

The Commonwealth's share of tuition paid for the maximum number of students enrolled in the Drug and Alcohol Recovery High School Pilot Program is estimated to be \$250,000 in Fiscal Year 2017-18.

Allows for the use of \$5,000,000 in unexpended funds for school districts in financial distress and financial watch status. Expenditure of these funds will be dependent on funds within the Department being available for use.

Provides that administrative costs related to the appointment of a financial administrator in a financial watch school district are to be paid for within the authorization to utilize unexpended funds discussed above.

Costs related to the operations of the Commission for Agricultural Education Excellence are estimated to be \$250,000 in fiscal year 2017-18.