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The State Budget is Passed

In the very late hours of Saturday night, the PA state budget was passed. This budget finalized at \$27.7 billion, about \$500 million more than the original amount in February. Basic Education Funding is set at \$5.40 billion, without the Student Achievement Education Block Grant (SAEBG) proposed for distribution of education funds currently calculated through separate formulas, such as basic subsidy, pupil transportation and Social Security. The basic education subsidy, pupil transportation, non-public and charter school pupil transportation and school employees Social Security remain under separate line items.

Other key appropriations include:

- Special education funding is level funded at \$1.02 billion.
- Accountability Block Grant is included at \$100 million.
- \$62 million for Career and Technical Education, and \$619.9 million for pupil transportation
- \$544.4 million for School Employees' Social Security and \$856 million for School Employees' Retirement

Charter School Tax Credits

School Choice supporters had a small victory during this legislative push with the expansion of the current Educational Improvement Tax Credit (EITC) program and the creation of another scholarship program to provide tax credits to students in the lowest performing school districts to attend private schools or other public schools. The new program, called Educational Improvement Scholarship Credit (EISC) funds larger scholarships for poor students residing in the attendance boundary of an underperforming school – often referred to as “voucher lite” or “EITC 2.0.”

The bill expands the existing EITC program from \$75 million to \$100 million. It also gives \$50 million to the new EITC 2.0 that applies to the lowest performing 15% of elementary and secondary public schools (Charter and cyber charter schools and career and technical centers are excluded from the list). The scholarship amount may not exceed \$8,500 for regular education students and \$15,000 for special education students. The money can be used to pay tuition at participating public and private schools.

To be eligible, a student's family income could not exceed:

- Through June 30, 2013 - \$60,000, plus \$12,000 for each dependent member of the household.
- After June 30, 2013 - \$75,000, plus \$12,000 for each dependent member of the household.
- An additional amount, to be determined by a formula, would be added to the income limit for students receiving special education services.

School districts in which a low-achieving school is located would be required to notify parents of the scholarship program with instructions about how to apply.

Public school districts, already struggling with very tough budgets, have lost funding in the general fund to these two programs. We should also be concerned about the academic and fiscal transparency and accountability. There is no requirement in this bill for the schools receiving taxpayer funded scholarship dollars to report on the educational progress or student achievement of the students receiving scholarships to attend private or nonpublic schools. Also, the bill does not require scholarship students under either program to take any type of standardized tests. Lastly, the bill imposes no requirements on scholarship and opportunity scholarship organizations to conduct annual financial audits as public schools are required to. We can note several of the issues we were concerned about with the school choice bill last year cropping up with the expansion of these scholarship programs.

Teacher Evaluation Bill

Legislation also passed that establishes a new system for evaluating public school employees. This new system uses student performance as a rating factor. For teachers and principals, the bill requires 50% of the overall rating to be based on student performance; for nonteaching professional employees, the bill requires 20% of the overall rating to be based on student performance. The bill requires the Department of Education to develop the evaluation tool, and states that any provision of a contract in effect on the effective date of the bill in conflict with the new evaluation rating tool must be discontinued in a new or renewed contract.

The revised bill states that when an employee receives a “needs improvement” rating twice within a ten year period, the overall rating of the employee shall be unsatisfactory. It also clarifies that an employee cannot receive a “failing” rating based solely on test scores, and that an employee who receives a “needs improvement” or “failing” rating must participate in a performance improvement plan. An employee’s rating form shall not be subject to disclosure under the Right to Know Law.

50% of the evaluation will be based on observation and evidence. This includes planning and preparation, classroom environment, instruction and professional responsibilities of the teacher.

The other 50% will be based on multiple measures of student performance as follows:

- 15% building level data: includes student improvement school-wide on performance on PSSA assessments, PVAAS growth, graduation rate, promotion rate, attendance, AP course participation and SAT/PSAT data.
- 15% teacher specific data: includes student improvement attributable to that teacher on performance on PSSA assessments, PVAAS growth, IEP growth of special education students, and district rubrics.
- 20% elective data: includes measures of student achievement that are locally developed and selected by the school district from a list approved by PDE and published in the Pennsylvania Bulletin by June 30 of each year, which includes district-designed measures and examinations; nationally recognized standardized tests; industry certification examinations and student projects and portfolios.

News From Around the State and Nation

An in-depth look at how tax credits for charter and private schools are being handled around the country.

http://www.nytimes.com/2012/05/22/education/scholarship-funds-meant-for-needy-benefit-private-schools.html?pagewanted=3&_r=1

A detailed look at the budget and school related legislation that passed last weekend

<http://www.delcotimes.com/articles/2012/07/01/news/doc4fef5e91f3b0b265571975.txt?viewmode=fullstory>

EITC tax credits can now fund tuition at private schools

http://www.philly.com/philly/education/20120702_Pennsylvania_corporate_tax_credit_will_pay_for_private-school_scholarships.html

Press release from Rep. Roebuck, who was opposed to the expansion of the tax credits

<http://www.pahouse.com/PR/188063012.asp>