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From: PSBA's Office of Governmental and Member Relations [cindy.eckerd@psba.org]
Sent: Friday, May 01, 2009 12:18 PM
To: Turnquist, Petter
Subject: Update on PSBA's FREE package, stimulus issues

May 1, 2009

[More Info](#)

PSBA Legislative Issue Update

The following is a PSBA Issue Update and Call to Action on the FREE Initiative for mandate relief, use of federal stimulus funds; and follow-up on questions from Legislative Advocacy Conference.

The FREE Initiative

The FREE (Focusing Resources on Educational Expenses) Initiative is a project launched by PSBA to bring attention to the costs to school districts caused by unfunded and underfunded mandates to state legislators and other policymakers. The initiative addresses approximately 20 issues, most of which are being turned into legislation.

PSBA has been successful in having several proposals introduced in both the Senate and House of Representatives, with some already acted upon and others are still being discussed with potential sponsors.

The Senate package

Senate Bills that have been introduced and already have received action include:

- ➔ • [SB 287](#), sponsored by Sen. Patrick Browne (R-Lehigh), which would create an exception for Annual Financial Reports (AFRs) from the requirement that all such reporting from school districts and intermediate units comply with generally accepted accounting and reporting standards and instead require PDE to develop reporting standards for these documents. Such standards could not include entity-wide statements, management discussions and analyses and notes to the financial statements, which are part of current practice and which increase the administrative burden on reporting entities. SB 287 has been reported from the Senate Education Committee.
- [SB 329](#), sponsored by Sen. Michael Brubaker (R-Lancaster), which would, increase the current bidding threshold from \$4,000 to \$25,000 for the State Public School Building Authority.
- [SB 332](#), sponsored by Sen. John Eichelberger (R-Blair), would do the following:
 - Increase the threshold under which construction or renovation work would be subject to the Separations Act from \$10,000 to \$25,000
 - Increase the threshold for written or telephonic bids for all contracts exceeding \$7,000 in cost (up from \$4,000)
 - Increase the threshold for construction, reconstruction or repair work that can be done by district personnel from \$5,000 to \$7,000
 - Increase the threshold for when construction projects must be competitively bid from \$10,000 to \$25,000
 - Increase the threshold for competitive bidding for furniture, equipment, school supplies from \$10,000 to \$25,000

BIDDING
THRESHOLD

- Increase the threshold for written or telephonic quotes for non-school supplies from \$4,000 to \$7,000
- [SB 419](#), sponsored by Sen. Robert Robbins (R-Mercer), would allow school districts and other local government units to electronically publish legal notices instead of having them published in the newspaper. Districts would first have to approve a resolution to do so and then publish a notice in the local newspaper of general circulation that notices will be published electronically on the districts' publicly available website. Districts would also have to ensure that access to the Internet is available to those not having access currently.

SBs 329, 332 and 419 have been approved by the Senate Local Government Committee.

Also in the Senate, [SB 250](#), which would remove the June 30, 2010 sunset date from the section of the Education Empowerment Act that allows for mandate waivers, has been introduced by Sen. Jake Corman (R-Centre). This bill is in the Senate Education Committee.

[SB 695](#), which would provide for a three-year moratorium on the provisions of the Prevailing Wage Act, has been sponsored by Sen. Michael Brubaker (R-Lancaster) and has been referred to the Senate Labor and Industry Committee.

The House bills

Similar bills have been introduced in the House.

- [HB 582](#) on AFRs has been introduced by Rep. Stephen Barrar (R-Delaware).
- [HB 1019](#) on bid limits was introduced by Rep. Mike Fleck (R-Huntingdon).
- [HB 795](#) and [HB 677](#) on legal notices have been introduced by Rep. Barbara McIlvaine-Smith (D-Chester) and Rep. Mario Scavello (R-Monroe) respectively.
- [HB 940](#) on cyber school payments and accountability has been introduced by Rep. Karen Beyer (R-Northampton). This bill is similar to HB 446 from the 2007-08 legislative session.

Also, Rep. Bill DeWeese (D-Greene) has introduced [HB 10](#), which restores counties' authority to assess certain oil and gas interests as property the same way that they do for coal and other mineral resources. This legislation corrects the 2002 decision in Independent Oil and Gas Association, et al. v. Board of Assessment Appeals of Fayette County that ruled that the General Assembly had not explicitly recognized gas and oil as a taxable interest.

To be introduced soon

Conversations are continuing on issues dealing with personnel, specifically on employee benefits mandated in the School Code, such as sick leave, sabbaticals and transfer of entities. A comprehensive labor relations bill and PSBA's pension proposal are also under discussion.

Additionally, proposals providing for reimbursement for land qualified under the Clean and Green program, requiring periodic re-certification of property declared exempt from taxes, allowing districts to implement impact fees on new construction, restrict the provisions of the Separations Act and reduce the costs associated with the

transportation of non-public students, are also being discussed with potential sponsors.

What you can do now

PSBA asks that you please contact the sponsors of the bills that have already been introduced and provide them with information on how the specific mandate addressed in their legislation affects your district and its taxpayers. We have been told that legislators are interested in moving the legislation on legal notices in particular, but are facing stiff opposition from the Pennsylvania Newspaper Publishers Association. Also, if there is mandate not mentioned here that you would like to see addressed, please contact PSBA's Office of Governmental and Member Relations at 800-9332-0588, ext. 3325 or email tim.allwein@psba.org.

STIMULUS

Update on federal stimulus funding

Those attending PSBA's recent Legislative Advocacy Conference were informed that the governor's plan to use \$1.1 billion of stimulus funds for basic education subsidy and \$317 million on State Fiscal Stabilization Fund Grants will get some competition from a plan to be introduced by Senate Republicans on Monday. At this point, few details about the new plan are available; however, some sources indicate that the alternative plan could call for reduced spending in the basic subsidy line item and put money elsewhere.

PSBA will keep members updated on this issue. For now, here is a follow-up to some of the questions on stimulus-related issues were asked at the conference.

One question dealt with the need to use Federal Davis Bacon requirements for prevailing wage. PSBA thanks PDE Executive Deputy Secretary Tom Gluck for following up with this answer:

"Any laborers and mechanics employed by contractors or subcontractors on construction, modernization, renovation, or repair projects assisted in whole or in part with ARRA funds must be paid in accordance with the prevailing wage requirements as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the United States Code (commonly called "Davis-Bacon and related acts"). (See also 20 U.S.C. 1232b Labor Standards and Section 1606 of the ARRA.) Contracts must include language that acknowledges that all contractors or subcontractors must pay laborers and mechanics employed under the contract no less than the locally prevailing wages for corresponding work on similar projects in the area. The Davis-Bacon Act directs the U.S. Department of Labor (DOL) to determine such locally prevailing wage rates.

If you need information about the prevailing wage rates in your community, you should contact the DOL regional office serving your geographic location. A list of the regional offices with contact information can be found at the following website:

<http://www.dol.gov/esa/contacts/whd/america2.htm#content>. You can also find additional Davis-Bacon and other prevailing wage information at the following DOL website: <http://www.dol.gov/esa/whd/programs/dbra/faqs.htm>.

The DOL regional offices may also provide guidance as to where the required weekly payroll submissions referenced in the Davis-Bacon regulations (see 29 C.F.R. 3.3 and 3.4) should be sent. Your state Department of Labor (or equivalent) may also provide further guidance on these types of issues."

PSBA is attempting to determine to what extent, if any, these requirements conflict with the provisions of Pennsylvania's Prevailing Wage Act.

Another question had to do with PDE's plans to conduct expedited PlanCon reviews of projects paid for in whole or in part by stimulus funds.

The [PDE Guide to the Federal Stimulus Education Investments](#), states the following on p. 14:

"To speed the process, the department will expedite mandate waiver and variance requests. Already filled-in mandate waiver templates are available for download at www.pde.state.pa.us/stimulus. School districts may download, sign and return these waivers as needed:

- School districts can access already filled-in mandate waiver forms for completion of a district-wide facility study. PDE will approve these submissions within 24 hours of receipt;
- School districts can access already filled-in mandate waiver forms for obtaining approval of all other state and local government agencies before a school district enters into a construction contract. PDE will approve these submissions within 24 hours of receipt; and
- PDE will expedite requests for a variance on the "20-year rule," which limits the ability of a school district to receive state reimbursement for projects on the same building within two decades.

For school districts that do choose to apply for state reimbursement, the Department of Education will streamline the PlanCon process and commit to a 2-day turnaround on all forms and documents submitted for approval. Please note that projects that include an addition greater than 20% of the existing square footage of the building will require an Act 34 public hearing, regardless of whether they seek state reimbursement for a construction project."

School consolidation proposal; PSBA's new white paper

This week Sen. John Wozniak (D-Cambria) held a press conference to announce the forthcoming introduction of his school consolidation legislation. The bill establishes a commission to recommend plans for the reorganization of Pennsylvania school districts composed of 15 members including the Secretary of Education, the Chairman of the State Board of Education, legislators, and other stakeholders appointed by the governor. The plan for reorganization must include recommendations for a schedule of implementation not to exceed five years from the date of approval. The commission within one year of its first meeting must approve no more than two reorganization plans and submit them to the General Assembly. The General Assembly is authorized to approve a plan only by a concurrent resolution. Failure to approve a plan or if the plan for reorganization is rejected by the General Assembly, then the State Board of Education is authorized to develop and promulgate by regulation a plan for the reorganization of school districts and the implementation of new boundaries.

This week, PSBA's Education Research & Policy Center released its new [white paper](#) with research on the financial and educational impact of school mergers

and consolidations that challenges the arguments of cost savings and improved student achievement. The research, which includes data from other states, shows that there are no documented cases of financial savings from mergers, that it has had a negative impact on student achievement, and that the potential for adverse economic impact on smaller communities that lose facilities exists. Further, PSBA concludes that legislative mandates for statewide consolidations or mergers are not sound policy, and local school districts should have a clear choice in such decisions.

PSBA's Web site now includes the [Power point presentations](#) from the Legislative Advocacy Conference, which was held April 26-27, at the Hilton Harrisburg.

PSBA hopes that the information provided is helpful and will send an update next week on the issues discussed in this alert.

If you no longer wish to receive e-mail from us, please click [here](#).

