



# Education Update

From the Senate Education Committee

FEBRUARY 27, 2006

## Governor Proposes 5% Basic Ed Subsidy Increase

**G**overnor Edward Rendell's proposed FY 2006-2007 budget includes a 5%, \$224 million increase in funding for the basic education subsidy.

The subsidy proposal includes funding supplements aimed at poor school districts, small district assistance, and Limited English Proficient students and guarantees each school district a funding increase of at least 2%. Under the Governor's proposal, the average subsidy increase for a school district would be 4.4%.

However, the Governor's proposal does not include funding supplements for growing school districts or school dis-

tricts with high tax effort. Both of those supplements have been included in the final basic education subsidy for the past three fiscal years.

The Governor's proposal will be the subject of a public hearing before the Senate Appropriations Committee on March 6.

## Basic Ed Subsidy Increase Misses Many School Districts

**N**early 18% of Pennsylvania's school districts will realize little or no benefit from the 5% increase in basic education subsidy funding that Governor Rendell proposed in his FY 2006-2007 budget.

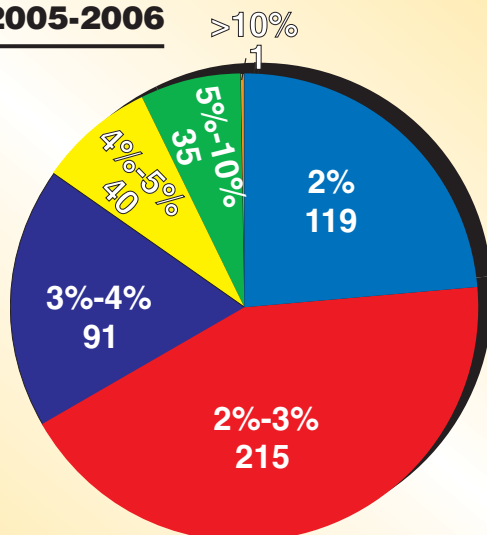
Ninety-one school districts would receive a smaller increase in their basic

education subsidy under the Governor's proposal than they did in FY 2005-2006, when the subsidy increased by only 3%, or \$131 million.

Of those 91 school districts, 74 are more affluent than the state median and 17 are less affluent than the state median.

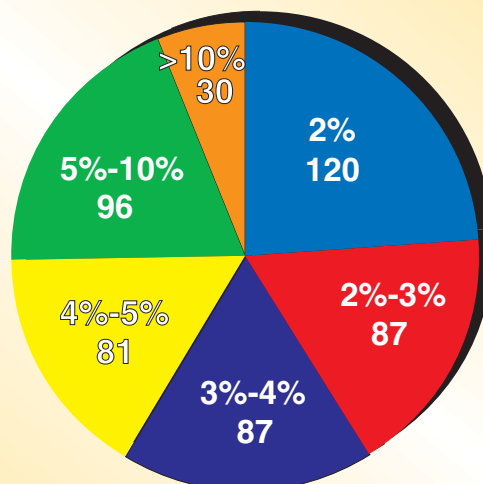
## Distribution of Percentage Increases in Basic Education Subsidy

**FY 2005-2006**



\* Number of School Districts

**Proposed FY 2006-2007**



\* Number of School Districts

### Senate Education Committee

Phone: 787-2637  
FAX: 783-9149

Senator James J. Rhoades  
Chairman

David L. Broderic  
Executive Director

## Committee Holds Hearing on School Director Training Bill

On February 1, the Senate Education Committee held a public hearing on Senator Rhoades' legislation to require newly elected school directors to complete a training course and pass an examination.

Senate Bill 298 would direct the Department of Education to establish a training program for newly elected school directors and would require school directors to pass an examination within nine months of being elected to office. The course would include instruction on school budget-

ing, finances, collective bargaining and curriculum and would be offered to school directors for free.

The Department would issue a certificate to anyone who completed the course and passed the examination. School directors who decline to take the course or fail the examination would be required to resign from office.

According to Rhoades, 21 other states currently require school directors to complete a training program.

## Senate Education Committee Activities

### Tuesday, March 14

Room 461  
10:30 a.m.  
Committee Meeting  
HB 185, HB 1618

### Wednesday, March 15

Hearing Room 1, North Office Building  
9:00 a.m. – 11:00 a.m.  
Public Hearing  
SB 965, SB 966

## Act 72 Deadlines Near for 108 School Districts

The 108 school districts that opted-in to Act 72, the Homeowner Tax Relief Act, must meet new deadlines to file preliminary budgets and request exceptions to backend referendum requirements.

Under Act 72, those school districts are required to file preliminary budget proposals with the Department of Education by February 20 so that their proposed FY 2006-2007 tax rates can be certified. Act 72 allows a school district to increase its tax rate up to an index that is computed for each school district using the percentage increase in the state-wide average weekly wage, the percentage change in the federal employment cost index for elementary and secondary schools and the school district's aid ratio.

For FY 2006-2007, school district indexes range from 3.9% to 6.3%.

Any Act 72 school district that intends to request an increase in its tax rates beyond what is allowed by its index is required to file a request for an exception by March 2. Exceptions are available for school construction,

special education, among others.

A school district whose exception request is denied must submit a backend referendum question to the voters at the primary election in order to increase its tax rate beyond the index.

### Act 72 Spring, 2006 Deadlines

Action	Deadline
School District Adopts Preliminary Budget	February 15
School District Submits Preliminary Budget to Department	February 20
Department Certifies School District Tax Rate	March 2
School District Requests Exception	March 2
Department Rules on Exception	March 22
School District Submits Backend Referendum Question to County	March 27
Primary Election	May 16

**For more information or detailed analyses of these topics, contact the Senate Education Committee staff at 787-2637.**