



News for Immediate Release

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Governor Corbett Enacts Landmark School Reforms, Increases Funding

Harrisburg – Delivering on his commitment to reform Pennsylvania’s public school system, Governor Tom Corbett today signed into law legislation that will bring sweeping changes to improve the quality of the state’s education system.

The state budget invests more than \$11.35 billion in funding to early, basic and higher education, accompanied by a new educator evaluation system and expanded school choice scholarship programs.

Pennsylvania will join at least 22 states in using student achievement to evaluate educators. Corbett has brought about significant changes to the current educator evaluation system, which has not been revised in more than 40 years.

“In order to bring about systemic changes to public education, reforms must start with those who teach in and lead our schools,” Secretary of Education Ron Tomalis said. “Governor Corbett’s initiatives will not only raise the bar for effective educators, they will ensure that every student has access to quality academic programs.”

The current system only allows for two ratings, satisfactory or unsatisfactory, and provides no meaningful feedback in areas where an educator could improve. The number of possible ratings will be expanded to four: distinguished, proficient, needs improvement and failing.

The new evaluation method, to be implemented in the 2013-14 school year, will include multiple measures of student achievement, such as the Pennsylvania System of School Assessment, the Pennsylvania Value Added Assessment System, graduation and promotion rates, as well as elective data to be determined at the local level.

“This new approach will ensure that those who are responsible for educating Pennsylvania’s students have the knowledge and skills necessary to prepare students for postsecondary success,” Tomalis said. “It will also provide important information for public schools to direct the more than \$500 million invested each year into professional development to areas that will impact students.”

During the 2011-12 school year, more than 120 school districts, charter schools, intermediate units, and career and technology centers participated in the second implementation phase of the new evaluation tool. This translates into more than 650 supervisors and nearly 5,000 teachers in 366 school buildings participating.

The third and final phase will take place during the 2012-13 school year with 264 local education agencies, consisting of 1,387 school buildings, 1,892 principals/supervisors and more than 31,600 teachers, expected to participate.

"Research shows that the performance of an educator has a direct impact on the future success of students," Tomalis said. "An educator simply moving from below average to average performance results in a \$250,000 increase in earnings for a classroom of students."

The new evaluation system will become effective for principals in the 2014-15 school year.

In addition, a new Educational Opportunity Scholarship Tax Credit program in which businesses could contribute to scholarship organizations is established to provide funding to eligible students who reside within the attendance boundary of a low-achieving school.

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.

The department would annually publish a list of the bottom 15 percent of elementary schools and the bottom 15 percent of secondary schools, based on combined math and reading PSSA scores.

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.

Eligible students could receive up to \$8,500 for a regular education program or up to \$15,000 for a special education program.

The budget also includes an expansion of the Educational Improvement Tax Credit program, enacted in 2001, by increasing the amount of tax credits available from \$75 million to \$100 million: \$60 million for Scholarship Organizations, \$30 million for Educational Improvement Organizations and \$10 million for Pre-Kindergarten Scholarship Organizations.

The maximum family income would be increased from \$60,000, plus an income allowance, per year to \$75,000, plus an income allowance, beginning July 1, 2014. The income allowance would equal \$12,000 per student through June 30, 2013, increase to \$15,000 on July 1, 2014, and an inflationary index would be applied each year thereafter.

"Students who attend low-performing schools should not be subjected to continued failure in their local school and must be afforded an opportunity to access quality educational programs," Tomalis said.

The governor also signed into law a measure to provide assistance to school districts confronted with financial difficulties.

The Department of Education will establish an early warning system to identify and assist school districts experiencing mild financial difficulties.

In more extreme situations, the Secretary of Education is authorized to declare a school district to be in financial recovery status if it satisfies either of the following:

- Moderate – average daily membership is greater than 7,500 and receives an advance of its basic education subsidy at any time, or
- Severe – a district receives an advance of its basic education subsidy and is currently in financial distress or is engaged in litigation against the Commonwealth seeking funding to remain in operation.

Upon declaration of financial recovery status, the Secretary of Education would appoint a chief recovery officer who would be responsible for developing and implementing a financial recovery plan for the district.

The law also calls for the creation of a loan program in which an eligible school district could apply for a long-term, interest-free loan. Loan funds would be immediately due and payable if a district fails to implement a recovery plan and is not progressing toward financial stability.

Corbett also signed into law the state budget for the 2012-13 fiscal year that allocates more than \$11.35 billion in funding for early, basic and higher education. This is an increase of \$378 million, or 3.4 percent, over the 2011-12 budget.

Early education programs will receive \$326.2 million:

- \$206.1 million for Early Intervention
- \$82.8 million for Pre-K Counts
- \$37.3 million for Head Start Supplemental Assistance

Support for public education – kindergarten through grade 12 – will receive \$9.34 billion, including:

- \$5.4 billion for the Basic Education Funding line item, which is an increase of \$49 million over the 2011-12 budget
- \$1.02 billion for Special Education Funding
- \$100 million for the Accountability Block Grant
- \$62 million for Career and Technical Education
- \$619.9 million for pupil transportation
- \$544.4 million for School Employees' Social Security
- \$856 million for School Employees' Retirement

Since taking office, Corbett's first two budgets have restored more than \$918 million in support of public schools, compensating for the \$1 billion in federal stimulus dollars lost at the end of the 2010-11 school year.

The budget also provides \$15 million to implement the Keystone Exams, rigorous end-of-course exams to ensure students are prepared for postsecondary success.

Beginning in the 2012-13 school year:

- The class of 2017 will be required to pass three exams – biology, algebra I and literature – in order to graduate
- The class of 2019 will also be required to successfully complete the composition exam
- The class of 2020 will also need to show proficiency on the civics and government exam

The State Board of Education is considering the development of five additional Keystone Exams for voluntary use in the subject areas of geometry, chemistry, algebra II, U.S. history and world history.

Higher education will receive a total of \$1.58 billion, including:

- \$412.8 million for the State System of Higher Education, which oversees the state's 14 state-owned universities
- \$501.3 million for the four state-related universities
 - \$139.9 million for Temple University
 - \$214.1 million for Penn State University
 - \$136.1 million for University of Pittsburgh
 - \$11.2 million for Lincoln University
- \$10.3 million for Thaddeus Stevens College of Technology
- \$13.6 million for the Pennsylvania College of Technology
- \$261.2 million for community colleges
- \$344.9 million for student grants through the Pennsylvania Higher Education Assistance Agency (PHEAA)

Pennsylvania's public libraries will receive a total of \$60.8 million:

- \$53.5 million for Library Services
- \$1.9 million for the State Library
- \$2.5 million for Library Services for the Blind and Physically Handicapped
- \$2.8 million for Library Access

"Governor Corbett's continued investment in education reaffirms his belief that all Pennsylvania students deserve quality academic programs," Tomalis said. "It's important for all interested parties to work together to ensure this becomes reality within the state's limited resources."

For more information about the education budget, including school district BEF allocations, visit www.education.state.pa.us/budget.

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