



## Legislative Update: Looking Ahead to the Week of June 7

Here we go!

June in Harrisburg kicks into full swing next week when both the House and Senate return to Harrisburg to begin the adventure that is negotiating a state budget and code bills.

The past week featured a lot of ups and downs in terms of budget-related discussions, and while the idea of a two-year budget seemed nearly over, it managed to creep back on the table at the last minute and continues to hang on as a long-shot chance.

What does appear to be taking more shape is the real likelihood that there will be more money for k-12 education—mostly likely in the form of a BEF increase. This week, numbers from the low hundreds of millions to the low billions were tossed out as potential possibilities, and while the exact number isn't certain, it appears likely that the number will contain at least eight zeroes.

How do you manage an increase in education funding at a time when billions of dollars in federal funds are flowing? A trade-off. That trade-off is beginning to take shape, and we'll start to see it come into more focus next week. The lead candidate right now is a serious increase to the EITC/OSTC program, with a potential statutory escalator clause built in, providing significant increases in tax credits available to business firms. The Senate just released the long-awaited language of Senate Bill 1—which will be voted out of the Senate Education Committee on Monday (see below), and it contains a \$400 million increase to the tax credits available for these programs and a 25% escalator each year.

With the massive EITC/OSTC component coming to the table, it appears that the likelihood of any charter school reform is waning—at least as it pertains to funding reform. While discussions are still happening on all fronts, the timeline continues to move to the fall. However, the rest of the charter school reform conversation—including a conversation about a statewide charter school authorizer—is also front and center in Senate Bill 1 and will be discussed in the Senate Education Committee on Monday.

And speaking of that Senate Education Committee meeting on Monday, they're also expected to vote on an education savings account bill (aka tuition vouchers), Senate Bill 733, that has the capacity to divert more than \$500 million from school district subsidies to nonpublic schools (see below).

So, we're expecting the June budget season to kick off with a lot of fireworks on Monday morning, setting the table for the education policy and funding discussions that will follow.

This is always the time of year when things get interesting, so sit back and stay tuned for more!

## Next Week...

The **Senate Education Committee** will meet on **Monday, June 7** to hold a voting meeting to approve two very controversial pieces of legislation:

- **Senate Bill 1** (Sen. Martin, R-Lancaster), which amends the Public School Code to provide significant modifications to the Charter School Law, including the creation of a statewide authorizer for charter schools—the Public Charter School Commission, clarification of the outcome in decisions when the Charter Appeal Board fails to meet, modifications to the charter school trustee requirements, and extension of the charter terms. The bill does not contain any charter school funding-related reforms. The bill also makes significant increases to the EITC/OSTC programs, increasing the available tax credits to \$300 million for scholarship organizations, educational improvement organizations, and pre-kindergarten scholarship organizations, and increasing the tax credits to \$100 million for opportunity scholarship organizations, adding a 25% escalator if at least 90% of the credits are used each year and reducing the threshold in the definition of economically disadvantaged school. The bill also includes some other changes, including reinstating the mandate waiver program.
- **Senate Bill 733** (Sen. Ward, J, R-Bedford), which amends the Public School Code to create the Education Opportunity Account Scholarship Program for Exceptional Students within the Treasury Department to provide education savings accounts to eligible students for tuition, textbooks or other costs generally associated with nonpublic schools. The scholarships will be paid for via a deduction from the resident school district's state subsidy and shall be equal to 90% of all state payments made to the resident school district for the immediately preceding school year divided by the resident school district's average daily membership for the immediately preceding school year. For a special education student, the base amount shall be increased based on the special education cost category (as articulated by the school district of residence).

In slightly less consequential or controversial news, the **House Education Committee** will meet on **Monday, June 7** to hold a voting meeting to approve the following bills/resolutions:

- **House Resolution 15** (Rep. Owlett, R-Tioga), which directs the Joint State Government Commission to conduct an analysis of the current school bus driver industry and provide recommendations about how to address the shortage of bus drivers.
- **House Resolution 60** (Rep. O'Neal, R-Washington), which establishes the Select Committee on the Jobs of the Future to investigate, review and make findings and recommendations regarding opportunities for the development of new industries.
- **Senate Bill 83** (Sen. Brooks, R-Mercer), which amends the Public School Code to provide for firefighter and emergency service training and to establish the Fire Training Fund.