****

**TESTIMONY OF THE**

**PENNSYLVANIA SCHOOL BOARDS ASSOCIATION**

**BEFORE THE HOUSE DEMOCRATIC POLICY COMMITTEE**

**ON**

**COST SAVINGS THROUGH IMPROVED EFFICIENCY**

Eric Wolfgang

President, PSBA

**Introduction**

Good morning Chairmen Sturla, Representative Ciresi, and other distinguished attendees. Thank you for inviting the Pennsylvania School Boards Association (PSBA) to present testimony today regarding achieving school district and local government cost savings through improved efficiency. My name is Eric Wolfgang, and I serve as the President of PSBA. I also have twenty years of experience as a former school board member and school board president at the Central York School District.

First, I would like to express my gratitude for holding a hearing on these important matters. In a normal year, issues of cost savings and opportunities for increased efficiency in public schools are important topics that PSBA and cash-strapped school districts across the state are happy to see highlighted and advanced in the General Assembly, but this is especially true now as public schools struggle under the impacts of COVID-19.

As school boards, administrators, teachers and staff have been preparing for the start of the 2020-2021 school year, and the eventual reopening of public school buildings, they are being confronted with a set of unparalleled challenges in terms of educational, operational, and health and safety planning. This pandemic has turned the already complex job of providing public education for all children in the Commonwealth into an extraordinarily difficult task requiring complicated planning and preparation with few explicit answers, many health risks, and looming financial disasters for many school district due to significantly increased costs and unprecedented revenue losses. In fact, traditional public schools across the state are expecting revenue shortfalls as much as $1 billion this fiscal year while also seeing a sharp increase in costs related to the pandemic.

Public school leaders are grateful for, and applaud, the Legislature’s action to level fund most education line items in the five-month state budget, as well as the additional health and safety grant funding which was augmented with federal dollars. However, the unfortunate truth is that such assistance will not outweigh the revenue losses and increased costs which traditional public schools are facing. Understanding that the state is also experiencing billions in lost revenue and will be unable to provide additional appropriations, PSBA believes the best way for the state to assist public schools in the current environment is to provide more flexibility and opportunities for cost savings which will not only be of assistance in the current crisis, but will continue to have positive impacts for years to come.

**Shared Services Grant Program**

As a part of the invitation PSBA received to participate as a testifier today our Association was asked to review a couple of legislative initiatives of interest to this Committee which are meant to provide savings and promote efficiencies in school districts and local governments. The first initiative is Representative Ciresi’s House Bill 2760, which establishes the Shared Services Grant Program within the Department of Community and Economic Development (DCED). The grant program in House Bill 2760 would award grants for improving and enhancing the capabilities of school districts and local governments through shared service activities. The activities included under the program include, but not be limited to, regionalization, consolidation, shared capacity, boundary change, and personnel sharing.

After reviewing the legislation PSBA is happy to take a position of support for House Bill 2760. As you may know, for many years cash-strapped school districts have looked for ways to share costs and services in areas such as transportation, athletics, special education services like speech language therapy and other support services, general academic programing, and administrative functions. However, such shared services, or even full consideration of complete consolidation or merger of school districts, may necessitate up-front investments that could be difficult for school districts to afford, so a grant program like this could make a real difference in school district decision making. Additionally, by keeping the grant program broad and flexible this bill would maximize the possible uses of grant money and incentivize school districts to find creative ways to bolster their efforts to operate more efficiently and save taxpayer dollars. Such grants could also allow school districts to take a realistic look at consolidation or merger with another school districts, a process which requires significant early investments in feasibility studies.

At this time, PSBA has two recommendations to offer for House Bill 2760. The first recommendation is that the grant program be adequately funded due to the fact that it must service all school districts and local governments in Pennsylvania, and thus may be stretched thin by a flood of grant applications. PSBA also recommends that DCED be required to consult with stakeholders as it designs the program and associated rules and regulations due to the broadness of the program.

**Transportation Flexibility**

The second initiative PSBA was asked to look at is a piece of proposed legislation being co-authored by Representative Thomas and Representative Ciresi which, according to the co-sponsorship memo, would provide that school districts may offer a transportation opt-out policy for families in order to permit school districts to more efficiently transport students without saving numerous empty seats on busses for students that use other means to travel to and from school. The proposed legislation would also include a process for parents to opt back in to school district provided transportation, allow for transportation for students in an emergency, and require busses to save a small percentage of empty seats in the case of a student facing an unexpected issue.

Unfortunately, the language for this legislation has yet to be introduced, so PSBA is unable to provide detailed feedback on the proposal at this time, but we would be happy to review the language once it is made available. However, on the general concept PSBA can say that, while the proposal could be effective in providing efficiencies and cost savings by reducing unused seats on busses, we are unsure how such a proposal would interact with the complex state transportation reimbursement formula, and this interaction should be investigated to ensure that school districts would not lose out on reimbursements by using the flexibility in the proposed legislation. Additionally, legislators should be aware that the possibility of numerous students opting back into school district provided transportation mid-year could cause significant logistical transportation problems for school districts such as the re-routing of vehicles and changing student transportation assignments during the school year.

**Permanent Mandate Waiver Program**

As the legislature looks for ways to help public schools reduce costs and increase efficiencies, one specific solution that PSBA’s members are asking for is broad, permanent relief from mandates that consume much of their budgets and stifle innovation.

School districts are required to comply with hundreds of individual mandates imposed by state law and regulations.  Considered separately, many mandates can be defended as implementing important policy objectives or as necessary to enhance the quality of education, health, safety, accountability, and transparency. However, the combined effect of mandates can become a costly and time-consuming burden, allow little to no flexibility for innovation, and may require compliance with antiquated and unnecessary processes and measures that make it difficult to operate a system of education that is truly thorough, efficient, and logical.

Public school leaders fully supported including the temporary mandate waiver program as part of the emergency pandemic legislation in Act 13 of 2020 which received unanimous support in the Legislature. However, the waiver provisions in Act 13 were only available for April, May, and June of 2020, which is the same time during which school districts had their hands full dealing with the educational, operational, and financial impacts of COVID-19. Public school leaders need a permanent solution that will continue in future years. Therefore, PSBA and our members have been advocating for the Legislature to permanently reinstate a mandate waiver program like the highly popular and successful one which operated in Pennsylvania from 2000 to 2010.

To accomplish this goal, PSBA has worked with Senator Langerholc to develop legislation that will soon be introduced as Senate Bill 1286 which would re-establish a permanent mandate waiver program. PSBA urges the Legislature to work quickly to pass legislation to address this issue.

**Advertising/Public Notice Reform**

Another helpful solution which would provide the cost savings and efficiencies that our members are asking for is to address the antiquated law which only allows advertising/public notice requirements to be fulfilled by publishing in printed newspapers. A popular solution would be to provide local governments, including school districts, with a flexible menu of print and online options to use in complying with advertising/public notice requirements. Such a solution would not only modernize our advertising requirements, but also provide much needed savings to local governments and school districts who are seeing sharp declines in future revenues due to the economic disruptions caused by COVID-19.

In recent years, newspapers have been sharply reducing or eliminating regular publishing and increasing advertising costs due to decreased demand for print. As a result, local governments are finding it difficult and expensive to comply with the antiquated advertising requirements in current law.  PSBA and its members fully support the goal of this requirement – keeping the public informed and ensuring transparency. However, this mandate is expensive and inefficient and was created before the Internet changed the ways that people receive information. Providing flexibility to meet advertising requirements would not only improve efficiency, increase readership, and reduce costs but also increase transparency by making notices searchable and available to a broader readership online. During the pandemic, public schools have used primarily electronic means of communicating with their communities with great success.

To accomplish the goal of providing a flexible menu of advertising/public notice options to school districts and local governments PSBA has worked with Representative Ortitay to introduce House Bill 2743 and Senator DiSanto to introduce SB 1222. Both of these companion bills are being supported by PSBA and numerous local government groups. PSBA urges the Legislature to move quickly to pass advertising/public notice reform which allows local governments to be more responsible with taxpayer dollars and reach broader audiences in a manner that fits the current times.

**Conclusion**

Public schools are creative and when given the opportunity will utilize cost saving measures that benefit our students and taxpayers. Creating opportunities for cost savings and increased efficiencies in public schools is vital especially as they struggle during a pandemic to ensure that Pennsylvania students are provided with a world class education despite the significant financial and logistical barriers that school districts face. Conversations like the one we are engaged in today are important in advancing much needed new legislative policy initiatives and reforms which will provide financial relief to public schools. PSBA would like to offer our support and assistance in continuing these efforts.

On behalf of PSBA, I want to thank you for your attention to, and support for, our public schools, and for this opportunity to provide input. I will be happy to take any questions.