MINUTES
STATE BOARD OF EDUCATION

333 Market Street | 1st Floor
Harrisburg, PA 17126

November 13, 2014

The 323rd meeting of the State Board of Education was convened on Thursday, November 13, 2014. Public notice of the meeting was made in accordance with the Sunshine Meeting Act of 1986. The meeting was called to order at 8:50 a.m. by Chairman Larry Wittig.

Attending:

Carol Aichele	Kirk Hallett	Mollie Phillips *(via phone)*
Jay Badams	Teresa Lebo	Justin Reynolds
James Barker *(via phone)*	Donald LeCompte	Colleen Sheehan *(via phone)*
Wendy Beetlestone *(via phone)*	Francis Michelini *(via phone)*	Craig Snider
James Grandon *(via phone)*	Jonathan Peri	A. Lee Williams
		Larry Wittig

The minutes of the September 11, 2014 meeting of the State Board of Education were approved on a **Williams/Badams** motion.

REPORT OF THE ACTING SECRETARY OF EDUCATION

Dr. Carolyn Dumaresq, Acting Secretary of Education, reported on the following subjects:

School Performance Profile

Dr. Dumaresq introduced Bob Shinskie with Standards Aligned Systems to present a current summary of the School Performance Profile (SPP) that was launched in 2013, and is now part of the educator evaluation system.

- 2012-2013 - 3,004 schools received an SPP score.
- 2013-2014 - 2,947 schools received an SPP score. The lower amount is due to reconfiguring, consolidating and combining of schools.
- On average, schools received a rating of 76.
- 2013 listed over 300,000 visitors to the SPP website.

Board member Craig Snider stated that it would be very interesting to see the correlation between higher performing school districts and the presence or lack of presence of a robust arts and sports program. Dr. Dumaresq responded that the Department of Education (PDE) does not gather that hard data at this time and stated that the legislature has taken PDE out of the approval of alteration or curtailment of extracurricular programs.

Eligible Content Review

Brian Heyward reported on the PA Academic Review website (www.paacademicreview.org) that was recently released in October 2014. PA Academic Review will be available for viewing until the end of January 2015, or longer as a public service of information for parents. This site was established by taking a look at the eligible content and trying to become more transparent to the public about what is expected of students regarding standards. Since October, PDE made the eligible content as well as assessment questions for third grade English Language Arts and third grade mathematics available for review, while receiving over 6,500 sessions. Those sessions have resulted in over 4,000 reviews. Most viewers indicated that the eligible content statements should remain in their current format; however, approximately 1,300 people requested the content should be changed.

Craig Snider asked how the general public learns about this website. Dr. Dumaresq stated that when the site launches today, there will be outreach and press as well as school districts and various education groups publicizing through their resources.

Kirk Hallett asked how Dr. Dumaresq would respond to those parents that say schools are only "teaching to test". Dr. Dumaresq stated that she asks people to teach to the standards and expectations for what we want students to know and be able to achieve when they graduate from a Pennsylvania high school. If teachers teach the standards and the curriculum, they shouldn't worry about the test. The test measures whether the standards have been delivered effectively and whether students have learned.

Pensions

At the request of the Board, an overview of the current status of state and school employee pensions was presented by Nicole Duffy, Deputy Secretary of Administration. Pennsylvania currently has two different pension systems:

- State Employees' Retirement System (SERS)
  - Executive, Legislative and Judicial Branch
  - Authorities (Turnpike Commission, etc.)
  - Pennsylvania State System of Higher Education (PASSHE)
  - State-Related Universities
- Public School Employees' Retirement System (PSERS)
  - Public school teachers, administrators and employees

SERS

- Employer contributions from Commonwealth and entities
  - Money appropriated in each agency's budget
- Employee contributions are a percentage of pay
  - Fixed by statute based on hire date and multiplier selection
  - Between 5-10%, most 6.25% of pay
- Investment earnings
  - Assumes investment returns of 7.5% per year

PSERS

- Employer contributions from Commonwealth and public schools
  - Commonwealth contribution
    - Minimum of 50% up to 89%
- Employee contributions are a percentage of pay
  - Fixed by statute based on hire date and multiplier selection
  - Between 5.23 -10.3%, most 7.5% of pay
- Investment earnings
  - Assumes investment returns of 7.5% per year

Defined Benefit Plan

- Basic formula
  - Multiplier (either 2 or 5%)
  - Years of Service
  - Final Average Salary

Historical Overview

- 2001 Investment Return
- Act 38 of 2002
- Act 40 of 2003
- Great Recession of 2008
- Act 120 of 2010

Current Status

- Combined, both systems have an unfunded liability of nearly $50 billion
- The state's contribution to PSERS
  - $288M in 2011;
  - $600M in 2012;
  - $856M in 2013;
  - $1B in 2014; and
  - $1.382B in the current fiscal year
    - $1.57B appropriated
    - $225M in asset transfers

By 2019, the state's contribution will be rougly $2.6B.

Board member Craig Snider stated that although the Board has no authority to change the pension process, and it's a legislative matter; however, as a State Board of Education, we do have the charge of evaluating efficiency of the school districts. If we see a tsunami of expenses coming in that would effectively bankrupt the public schools, he believes that as fiduciaries of that system we should study the issue as a Board and perhaps make a statement. Carol Aichele agreed with Mr. Snider that the Board should be aware of the looming pension issues.

REPORT OF THE PROFESSIONAL STANDARDS AND PRACTICES COMMISSION

A representative of the Professional Standards and Practices Commission (PSPC) was unable to attend the meeting; however, Chairman Wittig noted that the PSPC submitted a written report that was made available both to the Board and members of the public.

PUBLIC COMMENT

There was no public comment.

ACTION ITEMS

FINAL-FORM CHAPTER 18 (FINANCIAL RECOVERY)

A motion to approve the Final-Form Chapter 18 (Financial Recovery) was made by Lee Williams and seconded by Jonathan Peri.

VOTE: Roll Call vote: 13-**YES**, 0-**NO**, 0-Abstentions. *(Aichele-YES, Badams-YES, Barker-YES, Beetlestone-YES, Dungee Glenn-YES, Hallett-YES, Michelini-YES, Peri-YES, Phillips-YES, Sheehan-YES, Snider-YES, Williams-YES, Wittig-YES)*

FINAL-OMIT AMENDMENTS TO CHAPTERS 12, 14, 16 & 49 TO ALIGN STRATEGIC PLANNING PROVISIONS FOR CONSISTENCY WITH CHAPTER 4

A motion to approve the Final-Omit Amendments to Chapters 12, 14, 16 & 19 to align strategic planning provisions for consistency with Chapter 4 was made by Craig Snider and seconded by Jay Badams.

VOTE: Roll Call vote: 12-**YES**, 1-**NO**, 0-Abstentions. *(Aichele-YES, Badams-YES, Barker-YES, Beetlestone-YES, Dungee Glenn-NO, Hallett-YES, Michelini-YES, Peri-YES, Phillips-YES, Sheehan-YES, Snider-YES, Williams-YES, Wittig-YES)*

APPLICATION OF ADVANCED SEEKING AUTHORITY AS AN APPROVED ACCREDITOR FOR PRE-K, NURSERY, KINDERGARTEN, ELEMENTARY, SECONDARY PRIVATE ACADEMIC SCHOOLS

A motion to approve the Application of AdvancED Seeking Authority as an Approved Accreditor for Pre-K, Nursery, Kindergarten, Elementary and Secondary Private Academic Schools was made by Kirk Hallett and seconded by Craig Snider.

VOTE: All were in favor as indicated by unanimous voice vote.

ANNOUNCEMENTS

Chairman Wittig provided a status update on Chapter 11. In September, the Board approved a technical amendment to align Chapter 11 with a Supreme Court ruling that addressed compulsory attendance requirements for kindergarten students. The Board's amendment to Chapter 11 has been approved by the Attorney General and is scheduled for consideration by the

Independent Regulatory Review (IRRC) Commission on the morning of November 20th. Pending IRRC approval, the regulation will be submitted for publication in the Pennsylvania Bulletin in December and should be in effect by the start of the new year.

Craig Snider mentioned the pending lawsuit against PDE and State Board of Education and asked what about the state's formula for school funding. Dr. Dumaresq stated that there has been a funding formula that was based on data 15 years ago (school size, population, etc.), and at some point PDE stopped paying on the factors and instead paid whatever was received the previous year, you would receive two percent more. There should be a formula reflective of district drivers but also student factors.

ADJOURNMENT

There being no further items of business, the meeting was adjourned at 10:20 a.m. on a **Badams/Peri** motion.

Stephanie Jones

Stephanie Jones
Administrative Assistant