



**Testimony on
Economic Furloughs for School District Employees
Presented to
The House Education Committee
By
Tina Viletto and Sean Fields**

Good morning, Chairmen Clymer and Roebuck and members of the House Education Committee. I would like to thank you for inviting me to testify on behalf of The Pennsylvania School Boards Association regarding economic furloughs and issues affecting personnel management by school districts. The Pennsylvania School Boards Association is a nonprofit statewide association representing the 4,500 elected officials who govern the commonwealth's public school districts. PSBA is a membership-driven organization, pledged to the highest ideals of local lay leadership for public schools and working to support reform for the betterment of public education that prepares students to be productive citizens, and promote the achievements of public schools, students and local school boards. My name is Tina Viletto, Director of Legislative Services for the Montgomery County Intermediate Unit and outgoing board president for the School District of Cheltenham Township. I have been the Regional Director for PSBA representing Bucks and Montgomery Counties. I have heard the concerns voiced repeatedly from Districts in our region for the need for flexibility for furloughs of professional employees.

Economic Realities

From your wealthiest to some of your poorer districts, the economic crisis that has hit local governments does not discriminate. In all respects, revenue streams to allow districts to stay solvent are withering. In this environment, school districts must have flexibility to consider a variety of budget options to control costs. Such flexibility should include the ability to consider the furloughing of professional employees for economic reasons. I believe I can speak from direct experience as to the important role flexibility can play in a school district's management of its staff, especially in these times of lean budgets and trying to do more with less.

In terms of the economic environment for school districts, we are truly facing an unprecedented new fiscal reality. Not a single school district in the Commonwealth is immune to the continued economic downturn facing the country. In fact, since local funding comprises almost two-thirds of all public education dollars in the Commonwealth, school districts must rely on property taxes to fund their respective budgets¹, yet in recent years the revenue stream for school districts has decreased as property values and real estate transactions declined. Many school districts in Pennsylvania are attempting to balance ongoing and increasing costs. As a result, school districts are looking for greater flexibility in managing those costs.

Costs driven by legal mandates serve only to exacerbate the already difficult fiscal situations school districts face. Additionally, there are a number of areas where districts have little or no discretion to control costs. For example, increased healthcare costs for employees, rising pension obligations for employees, growing charter school tuitions, and increased special education costs are putting significant pressure on every district's budget. The financial challenges created by such factors require public schools to make tough budgetary decisions including the most effective use of school personnel.

School Districts' Need for Economic Furloughs

When dealing with the issue of furloughing professional employees, we must respect the vital importance of teachers and other professional employees in shaping the future of Pennsylvania's children. However, unfortunately there are times when such furloughs are necessary. With regard to payroll costs for employees, it is no secret that the vast majority of a school district's budget goes toward personnel costs. For 2011-2012, employee salary and benefits accounted for approximately 63% of school district expenditures for Pennsylvania public school districts. While school districts recognize this is money well-spent because experienced staff is essential to providing education and a primary component to student achievement, school districts require the flexibility to make decisions as to who are the best qualified and most effective employees for the school district.

¹ *Funding, Formulas, and Fairness: What Pennsylvania can learn from other states' education funding formulas*, 2013, p. 12.

Due to the requirements of Act 1 school district budgets are prepared on an accelerated schedule with tax limits set by the index, flexibility and certainty in developing a district budget is vitally important. To that end, school administrators and school boards need to have the ability to review their budgets and in some circumstances reduce staff for fiscal reasons. However, school districts are currently limited in their ability to suspend professional employees as outlined under Section 1124 of the Public School Code. These circumstances are:

1. When there has been a substantial decrease in pupil enrollment in a district;
2. Through curtailment or alteration of an educational program as a result of substantial decline in class or course enrollment or to conform with standards of organization or education activities required by law or recommended by PDE;
3. Consolidation of schools or school districts; or
4. As the result of reorganization of a school district.

These limitations offer very little flexibility to school districts looking to manage their resources, and in that respect, to make the best educational decisions balanced with controlling costs.

The argument has been made that furloughing employees for economic reasons would lead to the elimination of course offerings. We do not believe that is the case, and, in fact, it will likely have the opposite effect. Over the past several years, the courses which have been eliminated under the standards in Section 1124 include entire course offerings of arts, music, band, and other non-core academic programs. In other words, if the course was not mandated, it was often a candidate for elimination. The question remains: is it preferable for a school district to abolish entire programs of study, most often arts, music and foreign languages, rather than employees spread across multiple areas, so that such programs may still be offered? The suspension of employees for economic reasons, while an unfortunate by-product of a downturned economy, could serve to preserve student access to valuable courses and programs that might otherwise be lost entirely.

From personal experience and viewpoints of many superintendents, the most critical areas are loss of those nonmandated courses such as music, art, foreign language and computer science. Computer science courses, although not mandated, are one of the most critical losses to districts and their students whose skills must reflect the changing needs in the 21st century. In today's global society, where we need to teach students to be competitive with students across the world,

we are actually restricting access to the very tools needed to compete. Specifically, foreign language and computer science are not mandated courses and yet teach skills that will enable students to be productive in the global marketplace. Not having the ability to furlough school employees for economic reasons restricts districts' ability to serve the need to cultivate these critical skills.

In addition to the threat of abolishing entire academic programs, school districts are also facing a new challenge in managing teacher staff in conjunction with state standards. Given the changing dynamics regarding passage of keystone exams for graduation, districts may need to hire more teachers in the specific areas of Biology or Algebra 1. However, they may have an excess number of teachers in another math or science realm and will encounter a resultant hardship in hiring. For example, a high school may have a need for biology certified teachers. There may be an excess of chemistry teachers. Due to the inability to furlough, hiring a biology teacher may be a greater financial burden if there cannot be a reduction in chemistry teachers.

Under current law, even if a school district is granted a furlough under Section 1124 of the School Code, Section 1125.1 mandates a "last in-first out" process of staff reduction based solely on seniority. In other words, regardless of performance in the classroom, connection with students and staff, and/or the ability to provide cutting edge educational instruction, the only factor currently determining which professional employee is subject to being furloughed is seniority. In all respects, such a mandate is arbitrary and has led to inconsistent educational results for students. It is highly problematic that seniority alone drives these decisions without regard for an employee's impact on their students' learning. Such a process hampers the public policy objective of retaining the district's most effective educators. . One of most problematic scenarios is that a teacher who has never taught in a certified area could have retention priority over a seasoned teacher who has taught in a certified area simply due to seniority. Under Section 1125.1 of the School Code, a teacher holding more than one certification might be retained to teach a subject the teacher has little or no experience teaching simply due to their seniority status.

Provisions that allow school districts to consider performance-based factors and qualifications to teach or hold a particular position, rather than merely seniority, would enable school districts to retain those professional employees who are the most effective in their positions with the district. Residents of each school district elect school board members to make decisions that are in the best interest of the district, the taxpayers, and most importantly, the students. Those school board members hire administrators who are well-trained in evaluating the effectiveness of their professional employees. Undoubtedly, if all furloughs, including economic furloughs, allowed for multiple factors in combination to determine which employee to furlough (performance-based, need-based, seniority), such a process would not be arbitrary.

House Bills Under Consideration

PSBA appreciates the opportunity to comment both generally on the issue of the need to allow school districts to use economic furloughs and specifically on the legislation under consideration today: House Bills 779, 1722, and 1735. Overall, Representative Grove's House Bill 779 contains language that PSBA drafted in coordination with the sponsor and it embodies our members' ideal economic furlough legislation in the flexibility that it provides local school districts to make appropriate and necessary personnel decisions. House Bill 779 also addresses the arbitrary use of seniority in furlough making school employee changes under Section 1125.1, specifying that seniority must be considered only after one's "qualification to teach a particular subject or grade level or to hold a particular position." Furthermore, the bill ensures that prohibiting suspensions for economic reasons cannot be added to a collective bargaining agreement in the future.

PSBA also supports House Bill 1722 (Representative Krieger), which similarly only ties school districts to seniority rules after performance evaluations in an employee's area of certification are considered and disallows collective bargaining provisions prohibiting economic furloughs.

While House Bill 779 and 1722 are proposals PSBA supports as currently proposed, House Bill 1735 (Representative Aument) does not provide as much flexibility for school boards to manage their staff. Specifically:

- A school district must adopt a resolution setting forth other reasons and data supporting the decisions to reduce staff beyond controlling costs;
- It precludes school districts from suspending any employee who receives a performance rating of “distinguished,” except under certain circumstances; and,
- It applies rules of seniority to suspending and/or reinstating these school employees.

Overall the language is more restrictive and does not give local school boards the autonomy and authority to make personnel decisions at the local level as necessary. For example, I am finding that a number of superintendents are quite concerned with House Bill 1735 with regard to the performance ratings. Currently, districts do not have consistent rating processes. Under the changes for teacher effectiveness, there will be uniformity of ratings standards. However, there may be a greater incentive to rate teachers at the distinguished level to protect positions. Additionally, the goal under teacher effectiveness is to ensure that the highest quality teachers are in our schools. What happens if a school has five physical education teachers rated at “distinguished” and yet student enrollment does not warrant the need for five teachers? If the teachers are not certified in another subject matter, under current conditions, furloughs cannot occur. But, arguably, even under House Bill 1735, the burden is still there because the teachers have all been rated at “distinguished.”

If the committee determines that House Bill 1735 is the best proposal to pursue, PSBA urges members to do so with the intent of providing the most economic relief to school districts and their taxpayers. Implementing a flexible approach will allow elected school board members to best represent their communities and make decisions that are in the best interest of school children in each district and PSBA welcomes the opportunity to be a partner in passing meaningful reform.

Conclusion

The ability to furlough professional employees, as well as other measures that provide mandate relief and flexibility to school districts, will give school boards additional options to consider in difficult economic times, rather than forcing the districts to cut or reduce programs for students or increase property taxes. Allowing these staff reductions based on criteria such as performance, certification, and qualification to teach a particular grade or subject, rather than solely on

seniority, ensures that the educational program can continue with the best qualified individuals, rather than those who simply have the most seniority. The current system prohibits school districts from realigning resources to benefit the needs of the students.

Thank you to the committee for having me here today. PSBA looks forward to the opportunity to continue our work together on this important economic relief for school districts and I am happy to address any questions you may have.