

HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA

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BUDGET HEARING  
DEPARTMENT OF EDUCATION

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House Appropriations Committee

Main Capitol Building  
Majority Caucus Room 140  
Harrisburg, Pennsylvania

Tuesday, February 18, 2014 - 1:33 p.m.

1300 Garrison Drive, York, PA 17404  
717.764.7801 877.747.2760

1 COMMITTEE MEMBERS PRESENT:  
Honorable William Adolph, Jr., Majority Chairman  
2 Honorable Ryan Aument  
Honorable Karen Boback  
3 Honorable Jim Christiana  
Honorable Gary Day  
4 Honorable Brian Ellis  
Honorable Glen Grell  
5 Honorable Seth Grove  
Honorable Adam Harris  
6 Honorable Tom Killion  
Honorable David Millard  
7 Honorable Mark Mustio  
Honorable Donna Oberlander  
8 Honorable Bernie O'Neill  
Honorable Scott Petri  
9 Honorable Jeffrey Pyle  
Honorable Curt Sonney  
10 Honorable Mike Turzai  
Honorable Joseph Markosek, Minority Chairman  
11 Honorable Bryan Barbin  
Honorable Brendan Boyle  
12 Honorable Matthew Bradford  
Honorable Michelle Brownlee  
13 Honorable Mike Carroll  
Honorable Scott Conklin  
14 Honorable Madeleine Dean  
Honorable Deb Kula  
15 Honorable Michael O'Brien  
Honorable Cherelle Parker  
16 Honorable John Sabatina  
Honorable Steven Santarsiero  
17 Honorable Jake Wheatley  
18 REPUBLICAN NON-COMMITTEE MEMBERS PRESENT:  
19 Honorable Robert Godshall  
Honorable Daryl Metcalfe  
20 Honorable Matthew Gabler  
Honorable Rick Saccone  
21 Honorable Hal English  
Honorable Mike Tobash  
22 Honorable Paul Clymer  
Honorable Will Tallman  
23 Honorable Mario Scavello  
Honorable Steve Mentzer  
24 Honorable Marguerite Quinn  
Honorable Mark Gillen  
25

1 DEMOCRATIC NON-COMMITTEE MEMBERS PRESENT:

2 Honorable Pam DeLissio  
3 Honorable Dan Frankel  
4 Honorable William Keller

5 STAFF MEMBERS PRESENT:

6 David Donley  
7 Majority Executive Director

8 Ritchie LaFaver  
9 Majority Deputy Executive Director

10 Daniel Clark, Esquire  
11 Majority Chief Counsel

12 Miriam Fox  
13 Minority Executive Director

14 Beryl Kuhr, Esquire  
15 Minority Chief Counsel

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TESTIFIERS

DEPARTMENT OF EDUCATION

Caroline Dumaresq, Acting Secretary

Nichole F. Duffy, Deputy Secretary

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1 MAJORITY CHAIRMAN ADOLPH: Good afternoon,  
2 everyone. I would like to reconvene the House  
3 Appropriations Committee budget hearing. With us  
4 this afternoon is the Secretary of Education,  
5 Carolyn Dumaresq. She is actually the Acting  
6 Secretary of the Department of Ed, and with her is  
7 Ms. Nichole Duffy.

8 Ladies, if you would bring those mikes as  
9 close as possible so everyone in the room can hear  
10 you, as well as our viewing audience.

11 For your information, members of the  
12 Appropriations Committee that have joined us,  
13 Representative Ryan Aument, Representative Gary  
14 Day, and also joining us is Representative Will  
15 Tallman. Thank you for joining us.

16 And as customary, we always invite the  
17 committee chairs of the standing committees, and  
18 with us this afternoon is the Republican Chair of  
19 the House Education Committee, Chairman Paul  
20 Clymer. Thank you, Chairman.

21 Secretary, would you like to start with an  
22 opening comment?

23 ACTING SECRETARY DUMARESQ: Yes, please.  
24 Thank you. Chairman Adolph and Chairman Markosek  
25 and members of the House Appropriations Committee,

1 I would like to thank you for giving me the  
2 opportunity today to present some comments  
3 regarding Governor Corbett's '14-'15 executive  
4 budget for the Department of Education.

5 The Governor's proposal represents \$12.01  
6 billion in funding for education or a \$387 million  
7 increase from the prior year. This number  
8 accounts for over one-third, actually 41 percent,  
9 of the entire State budget. Included in this  
10 investment is a \$368.6 million increase for  
11 support of our public schools, \$20 million of  
12 which will be driven for students in special  
13 education, the first in six years that he will be  
14 able to add money to the special education budget.

15 Since taking office, the Governor has, in  
16 fact, increased state support for public schools  
17 by 1.55 billion or 18 percent, as well as  
18 increased the State's investment in early  
19 childhood education by 72 million or 24 percent.  
20 Over the past three years, Governor Corbett's  
21 Ready to Learn Education agenda has been  
22 transforming public education through increased  
23 accountability and transparency.

24 Increased accountability, and as we've  
25 raised our standards and our assessments as

1 represented in Chapter 4, increased accountability  
2 in our new teacher and principal evaluation  
3 system, and I thank you for your support in making  
4 that pilot, that three-year pilot, in fact, into  
5 regulation and into law. And then focusing also  
6 in transparency in our school performance profile,  
7 which we launched this year.

8 The Governor's Ready to Learn agenda  
9 includes the following initiatives:

10 Ready to Learn block grant, and this  
11 budget provides 341 million in total funding. Of  
12 that, 241 million is new, and the Ready to Learn  
13 funding for public schools. That is a block grant  
14 that is spread out on a student focused funding  
15 formula, to enhance early learning opportunities  
16 and for students to provide resources for our  
17 students in improving education at the local  
18 level, and I'll be happy -- I'm sure there will be  
19 some questions on that later. So I won't go into  
20 any more of that detail.

21 The one million of that is called a  
22 Governor's Expanding Excellence Program, which is  
23 a mentoring program. It's a million dollars in a  
24 competitive grant for Pennsylvania high achieving  
25 public schools to analyze and publish best

1 practices, and then to share them with those who  
2 could use the extra support and help.

3 Pennsylvania Hybrid Learning grant, a ten  
4 million dollar new funding for competitive grants  
5 for schools to develop and implement new  
6 educational strategies or teaching techniques to  
7 help raise student achievement.

8 And then Governor's Schools for  
9 Excellence, \$350,000 to support three Governor's  
10 schools this summer in agricultural sciences,  
11 science and technology, and engineering. And I'm  
12 sure we'll have questions about that later.

13 Ready to Succeed, this budget provides 25  
14 million through Pennsylvania's Higher Education  
15 Assistance Agency, PHEAA, for Ready to Succeed  
16 scholarships to make post-secondary education more  
17 affordable for middle-income families. This will  
18 be a merit-based system, and to say that we've had  
19 an excellent pre-meeting with PHEAA last week to  
20 talk about implementation of this, and I thank our  
21 sister agency for their support.

22 These initiatives along with the proposed  
23 budget, I believe, show a commitment to our  
24 students in education and puts us in the right  
25 direction. I thank you for allowing me to briefly



1 share those, and I will be happy to answer any  
2 questions that you have.

3 MAJORITY CHAIRMAN ADOLPH: Thank you very  
4 much, Madam Secretary.

5 Chairman Markosek?

6 MINORITY CHAIRMAN MARKOSEK: Thank you,  
7 Chairman Adolph.

8 Madam Acting Secretary, Madam Deputy  
9 Secretary, welcome. Although I'm happy to see  
10 that the Governor is proposing a modest increase  
11 in education funding in this budget year, I am, I  
12 have to tell you, disappointed that it is not in a  
13 form of an increase to the basic education  
14 subsidy, which, as you know, is the largest most  
15 flexible appropriation within the education  
16 budget.

17 I would much rather see an increase in the  
18 basic education subsidy, which would give school  
19 districts more flexibility in how best to direct  
20 those sources, rather than a new block grant  
21 program which I think you've titled Ready to Learn  
22 or other programs that may have strings attached.

23 Is it the intention of the Corbett  
24 Administration to no longer provide increases in  
25 the basic education subsidy?

1           ACTING SECRETARY DUMARESQ: Let me answer  
2 that in a couple of different ways. I think there  
3 were multiple questions in there. One is where  
4 did that block grant come from in the design of  
5 that? And what we did is when we received the  
6 first school profile for each school building, we  
7 did look at those school districts or those school  
8 buildings that had very large increases in growth  
9 and those that had less than a year of growth or  
10 low increases.

11           So we called superintendents and we said  
12 for those that had great achievement, what did you  
13 do? What would you account for that achievement?  
14 What program did you put into place? And for  
15 those who did not have the growth we said, well,  
16 if you had additional funding what would you spend  
17 it on to increase student achievement?

18           The results of those steps inside that  
19 block grant reflect the comments that we got back.  
20 By and large, superintendents were saying -- who  
21 didn't have a great growth, I wish I had time or  
22 money for staff development to bring the staff  
23 together to do a mapping, a good curriculum  
24 mapping of our K to 3 curriculum to the state  
25 standards and to get children ready to learn by

1 grade 3.

2 And, conversely, those superintendents who  
3 said they had great growth said they had good  
4 articulation or curriculum mapping up to grade 3.  
5 So we've put together and others said I wish I had  
6 money to do tutoring for Keystone exams, for  
7 supplementary services. So we put together this  
8 block grant, focused at those initiatives that we  
9 believe raise student achievement.

10 Inside that block grant there is  
11 flexibility and is built in as part of a waiver.  
12 So that if a school district, by their school  
13 district profile now, would be in one of the lower  
14 tiers and they believe that they've already  
15 accomplished that this year, they, in their  
16 application, can ask for a waiver to move up to  
17 use it for additional resources for different  
18 topics because I don't think any of us have a  
19 handle on truth. I would be responsive to  
20 superintendents to say, look, I think I covered  
21 that, but this is an idea that I believe will move  
22 student achievement. So inside the block grant is  
23 flexibility for superintendents to ask for  
24 different things.

25 Let me address your question about basic

1 instructional subsidy. I just wanted to tell you  
2 a little bit about how that was developed. The  
3 basic instructional subsidy, as we look at that,  
4 if you remember the formula really hasn't been run  
5 since the '90s, and it was based on ADMs back then  
6 and poverty factors. And I think we all know that  
7 since the '90s, school districts, economies, local  
8 economies have changed. School districts have  
9 grown and they have shrunk. So the formula that  
10 drove out the basic instructional subsidy is one  
11 that is not sensitive to the new realities that we  
12 are facing in school districts.

13           And, in fact, everyone that at least I  
14 speak with has been calling for a new formula.  
15 And so I'm very encouraged that, in fact, the  
16 legislature through Representative O'Neill is at  
17 least suggesting that maybe we get together like  
18 we did with special education and take a look at  
19 basic instructional subsidy, because before I  
20 would encourage us to put more money into that  
21 system, I would encourage us to make sure that it  
22 is a formula that we all agree with, that it is  
23 sensitive to the current realities of student  
24 population and poverty, and then go in and put  
25 more money into the flexible use.

1           MINORITY CHAIRMAN MARKOSEK: So the  
2 Governor is not going to put more money into the  
3 basic education?

4           ACTING SECRETARY DUMARESQ: Not this year,  
5 no.

6           MINORITY CHAIRMAN MARKOSEK: Okay. Just  
7 to change gears a wee little bit. This morning we  
8 had the retirement systems here, PSERS  
9 particularly, which would effect school districts,  
10 and the Governor is proposing to reduce the State  
11 and the school districts' pension payments, as I'm  
12 sure you know, presumably in order to provide  
13 spending increases in next year's budget, although  
14 reducing payments will increase the debt in the  
15 long run by billions and billions of dollars, as  
16 we know.

17           If the legislature does not go along with  
18 the Governor's proposal to reduce payments, is the  
19 Governor still committed to increasing education  
20 funding?

21           ACTING SECRETARY DUMARESQ: I believe the  
22 Governor is interested and dedicated to increasing  
23 school district funding. I think, however, that  
24 if the collars go in, it's not just the State that  
25 reaps, but it's the local school district that

1 would reap the benefit. So I would hope that the  
2 legislature, again knowing that the largest  
3 increases that we have been having in the State  
4 System of support for public education is coming  
5 from mandatory pension contributions. This  
6 Governor has kept his promise in doing that, and I  
7 would hope that we would, again, work together to  
8 look at pension reform that, in fact, makes sure  
9 that our retirees are not hurt and that no current  
10 employee has a detriment to what they've already  
11 earned, but to do good pension reform so that it  
12 is, in fact, the collars are temporary relief. It  
13 is not a permanent solution.

14 MINORITY CHAIRMAN MARKOSEK: We had just,  
15 in the conversations we had earlier, and perhaps  
16 you didn't see any of it, just this morning, I  
17 think maybe not unanimously but a lot of us, I  
18 think on both sides of the aisle understood that  
19 the word reform relative to what the Governor  
20 wants to do is really a misnomer. We're in a  
21 sense just creating more debt for the Commonwealth  
22 by some of the proposals that he's made relative  
23 to paying off the pension obligations. So, it  
24 would seem to me then, and I guess this is really  
25 the basis of my question, we're basing your

1 budget, or he's basing your budget, on projected  
2 savings that really, you know, there's a huge  
3 question of will it actually come about, and if  
4 they do not come about as he has projected, then  
5 how does that affect your budget? Will some of  
6 these increases on the Ready to Learn program and  
7 some others, will they have to be curtailed? And,  
8 again, what will happen to the basic ed formula?  
9 Will he cut that even further than he already  
10 has? It just creates a lot of issues, and I would  
11 really be curious to hear your thoughts on it.

12 ACTING SECRETARY DUMARESQ: Well, first I  
13 don't believe that the Governor's budget and the  
14 proposal that is before you would claim this is  
15 pension reform. I think the Governor has put out  
16 his belief on what pension reform would look  
17 like. I know there are multiple bills that are  
18 going through the House and the Senate being  
19 discussed on pension reform. I think that is true  
20 pension reform. I would characterize what is in  
21 this budget as temporary relief as we move forward  
22 to pension reform. And I have to say that, again,  
23 as in my position, I would argue that the  
24 170-million-dollar savings that we would get from  
25 that temporary relief if, in fact, not approved by

1 the legislature would have to be renegotiated  
2 across all the budgets in the Commonwealth. I'll  
3 argue very strenuously to hold onto what we have.

4 MINORITY CHAIRMAN MARKOSEK: Well, I  
5 appreciate what you said, and temporary relief  
6 really is what it is, and that's what we have been  
7 complaining about, because it essentially just  
8 kicks the can down the road, and we're looking at  
9 an additional 13 billion in long-term debt and  
10 pension obligations added to what we already have  
11 which is significant, so that's the basis for my  
12 question here. It sounds like the Governor's plan  
13 including where he's finding money for education  
14 is very weak, and it depends a lot upon what we do  
15 here in the legislature.

16 ACTING SECRETARY DUMARESQ: Yes. And I  
17 would hope that this just points to the fact that  
18 we need pension relief. We need serious pension  
19 changes as we go forward in the future, and I  
20 think that the collars would be more than paid for  
21 with pension relief.

22 MINORITY CHAIRMAN MARKOSEK: Finally,  
23 there's another 225 million in tobacco settlement  
24 funds that will be given to PSERS to help with the  
25 -- as a one-time payment for temporary relief, as



1 you say, from the pension payments, which again,  
2 is very short-sighted. And I think it's just  
3 going to create a lot of problems for the  
4 Commonwealth, not only in education, but just  
5 across the board.

6 ACTING SECRETARY DUMARESQ: Well, I would  
7 have to go back and check my data, which I will  
8 do, but I believe that it wasn't funds. It was a  
9 portfolio that is being transferred over,  
10 investments that are matching what currently is  
11 being used by PSERS, so it would be a portfolio.  
12 It wouldn't be just one-time money, but I'll check  
13 that.

14 MINORITY CHAIRMAN MARKOSEK: It's just one  
15 time. That's the problem. What do we do after  
16 that? We get past the election year and then what  
17 do we do?

18 Okay. Thank you, Madam Acting Chair, I  
19 appreciate it. Thank you.

20 MAJORITY CHAIRMAN ADOLPH: Thank you,  
21 Chairman Markosek. We just spent about  
22 two-and-a-half hours with the two pension boards,  
23 and a lot of these questions have been discussed.  
24 And I think what the Governor has done with the  
25 education budget proposal is he put in front of us

1 what lowering the collar will do. He's also  
2 charging the legislature to come up with a reform  
3 package that the increasing the debt, that the  
4 lowering the collars will result in. He's  
5 charging the legislature to come up with the  
6 reform measures that will come up with the savings  
7 to offset the debt and be very similar to Act  
8 120.

9           The only question I have for you right  
10 now, Madam Secretary, as a former educator is  
11 that -- and I hear this all the time regarding the  
12 education budget. Do you believe that pension  
13 contributions should be included as a education  
14 expense? I know how I feel about it. Okay. And  
15 pension is included in all the other general  
16 government operation line items, but for some  
17 reason, when we include pension costs in  
18 education, they say it's not an education cost.

19           As an accountant by profession, I'm always  
20 including employee benefits in the cost of labor,  
21 whatever the industry may be. So I don't want to  
22 lead you to the answer I want. I would never do  
23 that. But I saw my good friend, Representative  
24 Dean, laughing over there. I'm learning an awful  
25 lot from her as she probes the testifiers here.

1 You know my question.

2 ACTING SECRETARY DUMARESQ: Yes, I do.  
3 And as a former superintendent of two different  
4 school districts, one very poor small school  
5 district and one -- I wouldn't say wealthy, but  
6 better off and very large school district, again,  
7 as I built my budget, pensions and Social Security  
8 and healthcare were always part of the labor costs  
9 and part of the education budget.

10 I would say that the support for pensions  
11 is even more important for school districts whose  
12 aide ratio is above 5 -- .5. As you know, when we  
13 reimburse for pensions and Social Security, we  
14 reimburse at least 50 percent, regardless of how  
15 wealthy the school district is, of those costs.  
16 But for school districts whose aide ratio is above  
17 .5, we reimburse up to those school districts.  
18 That's a critical piece of their budget and a  
19 critical piece of their revenue, especially school  
20 districts who have aide ratios of .8 and above.  
21 So 80 percent of that cost is being reimbursed by  
22 the Commonwealth. Yeah, I would definitely  
23 include that as part of my labor costs.

24 MAJORITY CHAIRMAN ADOLPH: Thank you.

25 Chairman Paul Clymer.

1           REPRESENTATIVE CLYMER: Thank you,  
2 Mr. Chairman, and welcome, Secretary Dumaresq.

3           ACTING SECRETARY DUMARESQ: Thank you.  
4 Nice to see you.

5           REPRESENTATIVE CLYMER: It's good to see  
6 you as always.

7           I have two questions, some observations,  
8 and then I'll ask the question. While financial  
9 investment in education is an important priority,  
10 and we heard about that this morning, and we'll  
11 continue to hear it throughout the course of the  
12 coming months, what is taught in the classroom is  
13 equally important. For years, I've always  
14 championed American History and Civics. They are  
15 my passion.

16           Understanding how government works at all  
17 levels is important. If we are to retain our  
18 identity as a constitutional republic or a  
19 democracy this, indeed, is critical.

20           For example, at the federal level,  
21 students should be learning the meaning of the  
22 separation of powers. The executive branch, the  
23 President, does not have the power to make or  
24 change laws, but to enforce the legislation which  
25 he, the President, signed into law and to uphold

1 the constitution, which the President has taken a  
2 sworn oath to do.

3 The judiciary, the federal courts, but in  
4 particular, the nine-member Supreme Court have the  
5 awesome responsibility to determine the  
6 constitutionality of laws that are brought before  
7 the Court for that purpose to determine whether or  
8 not they are constitutional.

9 The legislative branch, members of  
10 Congress make the laws of the land and are  
11 responsible for spending the taxpayer's money.  
12 Students need to understand the depth and meaning  
13 of our constitution in order to appreciate our  
14 freedoms and our liberties. Because we are a  
15 nation of laws, we have become an exceptional  
16 nation.

17 Madam Secretary, here's my question: In  
18 our present system of education, do you think we  
19 are adequately fulfilling this mission?

20 ACTING SECRETARY DUMARESQ: Let me just  
21 restate to make sure I'm answering your question.  
22 Do I believe that we are adequately fulfilling the  
23 mission in delivering in our public schools the  
24 standards by which we are holding those students  
25 accountable included of which are US history,

1 which is part of our standards.

2 REPRESENTATIVE CLYMER: Yes.

3 ACTING SECRETARY DUMARESQ: I can say we  
4 have standards which the State sets, and we work  
5 with educators in Pennsylvania to develop  
6 Pennsylvania standards for Pennsylvania students.  
7 We worked very hard on that. We then have, in  
8 certain subjects we have state assessments, and  
9 they tend to be in reading and math and science to  
10 measure, in fact, whether those standards are  
11 being met.

12 It is the local school districts, because  
13 Pennsylvania is a local controlled state  
14 especially when it comes to curriculum and  
15 materials, local school districts, in fact, have  
16 the freedom to develop the curriculum and the  
17 pacing and what it is taught. Our measure of  
18 knowing whether the standards are, in fact, on  
19 those state assessments that we measure. We don't  
20 have a measure statewide for U.S. History, but I  
21 can tell you in the standards that are published  
22 on our standards line system for U.S. History, the  
23 government, the functions, the separation of  
24 powers, in fact, are part of those standards. I  
25 just don't have a test that I can say measures

1 that, so that I could answer you directly, but I  
2 can measure those other standards that we have.

3 REPRESENTATIVE CLYMER: And that's very  
4 adequate. Thank you for that response.

5 My final question is this: Public  
6 education is an evolving process, we know that  
7 from our many meetings. We have the traditional  
8 public schools. We have the faith-based private  
9 schools. We have the secular private schools. We  
10 have charter schools, cyber charters, and we have  
11 home schooling.

12 As Secretary of Education, which is a  
13 tough and challenging responsibility, you do have  
14 some oversight on these educational alternatives  
15 so that abuse and misuse of state dollars is not  
16 permitted. And yet, it's your awesome  
17 responsibility to allow each of these groups to  
18 reach their full potential in teaching their  
19 students without excessive state involvement.

20 So my question is this: I know that other  
21 state agencies are involved when it comes to  
22 exposing and curbing corruption and abuse. That I  
23 recognize. But in your opinion, as best as you  
24 can formulate it, do you think that these  
25 alternative schools, this evolving process in

1 education, that that mission is being fulfilled?

2 ACTING SECRETARY DUMARESQ: Well, I can  
3 only speak to what I know about public entities,  
4 which would include traditional public schools,  
5 charters, and cybers because, in fact, they are  
6 part of the school -- and our vocational schools,  
7 part of the school performance profile. So that's  
8 a public document that folks can see.

9 I would caution that inside that school  
10 performance profile there is a compare feature, so  
11 that when people would like to see how am I doing  
12 as compared to similar schools or how is this  
13 charter school doing in comparison to its feeder  
14 patterns, there is the ability to go on and to  
15 look at that and to draw judgments from that.

16 As far as religious schools, other than  
17 the 180 days or the 990 hours of instruction, home  
18 schoolers still take the tests so school districts  
19 who are really the oversight, the superintendents  
20 who are the oversight of the home school programs  
21 get to see those test results. Otherwise, there  
22 is limited ability in parochial schools, although  
23 I do encourage that some of our parochial schools  
24 do take the keystones. We've offered that as an  
25 opportunity, and they do take those tests. But we



1 really only have authority over public entities  
2 other than minimal registration numbers of days,  
3 number of hours.

4 REPRESENTATIVE CLYMER: Thank you. I'll  
5 just conclude with these remarks in that so often  
6 within these evolving numbers of alternatives in  
7 education, there are so many good things that are  
8 happening across the board, and we need to stop  
9 being so critical. The criticism is important.  
10 We need to uphold those teachers and  
11 administrators and students who do well. I think  
12 they get lost in the shuffle, and that's really  
13 disturbing. There are bright spots, and we need  
14 to make those bright spots shine brighter. So  
15 I'll just end there.

16 Thank you, Mr. Chairman, for allowing.

17 ACTING SECRETARY DUMARESQ: Thank you.  
18 And thank you for that. I think we often forget  
19 that our public schools are doing wonderful  
20 things, and our private -- and we have a very rich  
21 private and parochial school system that do  
22 wonderful things for children. And I would  
23 encourage folks to come out as we are doing those  
24 awards, those Governor's Awards for Excellence to  
25 see the wonderful things that are happening out

1 there in the classrooms and in our school  
2 buildings because there is a lot to be proud of.

3 MAJORITY CHAIRMAN ADOLPH: Good. Thank  
4 you. I would like to acknowledge the presence of  
5 Representative Barbin, Representative Gillen, and  
6 the Majority Leader Mike Turzai. Thank you for  
7 being with us.

8 The next question will be by  
9 Representative Matt Bradford.

10 REPRESENTATIVE BRADFORD: Thank you,  
11 Chairman Adolph.

12 I actually wanted to follow-up on a point  
13 that the Chairman made, and I think you concurred  
14 with, about the component cost of the pension cost  
15 of teachers as part of the cost of educating  
16 today's kids in today's classroom. And I think,  
17 while I know the chairman is a fine accountant, I  
18 think it misses one component, one important  
19 component of the pension cost, which is the cost  
20 of prior decisions to not pay current year pension  
21 costs and to kick the can, and we're obviously  
22 seeing the spike that continues to increase in  
23 pension costs at about half of the pension costs  
24 that we will pay this year for, quote/unquote,  
25 teacher costs are not about educating today's

1 kids, but are about the failure of past  
2 legislators to fully fund the pension, and now we  
3 are seeing the carrying costs plus interest costs  
4 coming into full force and now we're dealing with  
5 that. So I think we do a little bit of a  
6 disservice to our local school boards that are  
7 dealing with the pension issue, and I think we  
8 oversimplify the cost of educating kids when we  
9 act like it's just the normal cost of today's  
10 pension contribution.

11 I would also say, furthermore, in light of  
12 the Governor's proposal, to artificially lower the  
13 actuarially already reduced pension contribution,  
14 that what we are doing is we are saying to future  
15 students, future Pennsylvanians, our future  
16 taxpayers that their education will be jeopardized  
17 because we are not going to either raise the  
18 revenue or make the cuts in this year's budget,  
19 but they will have to pay even higher pension  
20 costs because we didn't pay the cost this year,  
21 that we put off today at the cost of their  
22 education tomorrow, just unfortunately as our kids  
23 today are feeling.

24 So at some point it is pay me now, pay me  
25 later; and I fear as though that when we say oh,

1 well, this is just the cost of educating a kid, so  
2 when we manipulate pension costs, and I think  
3 underestimate the true cost of doing nothing on  
4 the pension, I fear as though we do a disservice.

5 So I wanted you to comment, if you could,  
6 or at least do you recognize that at least 50  
7 percent of the pension costs that we're paying  
8 this year have nothing to do with educating  
9 today's kids? It's about the cost of past  
10 inaction to fund the pension.

11 ACTING SECRETARY DUMARESQ: I think that  
12 part of the costs that we are realizing now in  
13 those spikes have come from a history of not  
14 putting in the minimal contribution. I think we  
15 all understand that, and I think there are folks  
16 on both sides of the aisle that can recognize  
17 that, perhaps, things that we did in the past  
18 weren't, in fact, the best choices we could have  
19 made. However, I'm hopeful, that folks on both  
20 sides of the aisle, as we go forward, will, in  
21 fact, commit themselves to doing real pension  
22 reform and capture some of that future kicking the  
23 can down the road. It's time to stop that, and  
24 it's time to do good pension reform.

25 REPRESENTATIVE BRADFORD: And, Secretary,

1 I agree. And I actually agree on the need to do  
2 pension reform. I think you nailed it right on  
3 the head, though, when you say not making minimal  
4 contribution is how we ended up here. Remember we  
5 are proposing in this Governor's budget to not  
6 make the minimum contribution. In fact, we are  
7 doubling down on the strategy that got us into  
8 this predicament.

9 You know, I agree completely that we need  
10 to do something, but doing something that  
11 exacerbates the problem, in fact, we actually will  
12 be going on the same cycle really worries me. And  
13 I also think it's particularly problematic because  
14 obviously we are going to do it at the state  
15 level, but we have much more flexibility in terms  
16 of funding options. In terms of our local school  
17 districts when we are going to say to them, look,  
18 you are going to have additional funding because  
19 we are going to loosen up your pension  
20 contribution. We talked about the structural  
21 deficit in the State's budget. What we are going  
22 to say is we are going to deal with the structural  
23 deficit because they are practically borrowing  
24 because of this pension debt against future --  
25 they are basically going to increase their

1 unfunded pension liability for these local school  
2 districts as well. So what we do to ourselves at  
3 the state level will also be passing down to our  
4 school districts. So I think it's very  
5 problematic that if we continue to double down on  
6 a failed policy --

7           ACTING SECRETARY DUMARESQ: Well, I think  
8 if we do nothing, it's very problematic. I think,  
9 again, what we would like to see for this year's  
10 budget is some relief that is critical for the  
11 State and the local school districts with this  
12 collar recommendation. I just am hopeful that, in  
13 fact, we can come to agreement and we look  
14 forward. I commit myself to any amount of hours  
15 we can do to look forward to coming up with true  
16 pension reform so that we can recapture the  
17 savings and not have those future children paying  
18 the price.

19           REPRESENTATIVE BRADFORD: Right. Thank  
20 you, Secretary.

21           I want to move on to one thing real quick  
22 because I know I used up a bunch of my time. The  
23 accountability block grant in the Governor's prior  
24 budget was zeroed out. I know Chairman Adolph and  
25 others fought long and hard to get the hundred

1 million restored from the prior over 250 million  
2 kind of a down payment.

3           This budget proposes to expand a grant  
4 program similar to the accountability block  
5 grant. At the time that Secretary Tomalis  
6 defended the decision to zero out the  
7 accountability block grant, he said that is the  
8 wrong way to go. I was reading some of his  
9 testimony, but to paraphrase, basically block  
10 grants are silos, and we need to give school  
11 districts basic education funding formula  
12 increases. And I know you touched on this with  
13 Chairman Markosek. Is this a reversal in the  
14 Administration's policy?

15           ACTING SECRETARY DUMARESQ: Well, it  
16 sounds like it is from your comment. But I would  
17 say, again, as a superintendent, I think we need  
18 to be focusing the money at educational programs  
19 that improve student achievement. So there is  
20 enough flexibility in that block grant if  
21 superintendents think they have better ideas, but  
22 it should be used for programs that we know  
23 increase student achievement, whether that be  
24 preschool programs, whether that be curriculum  
25 alignment, whether that's tutoring, whether it's

1 lowering class size. There's so much flexibility  
2 in the system, that in focusing academics and  
3 student achievement, that I believe this is the  
4 right way to go, and I encourage the use of the  
5 money that way.

6 REPRESENTATIVE BRADFORD: Just to follow-  
7 up on that, one of the other programs that was  
8 zeroed out by the Governor was the charter school  
9 reimbursement line item, and again, Secretary  
10 Tomalis at the time said that that was being put  
11 into the basic ed formula because it allowed  
12 greater flexibility.

13 What we've seen, especially in the  
14 southeast, and we live next to the school district  
15 of Philadelphia and really see what is just a  
16 heartbreaking experience there, which frankly is  
17 coming into our suburban districts as well, but  
18 when you see the impact of what zeroing out these  
19 line items have had on certain districts, is the  
20 Administration also reviewing charter school  
21 reimbursement as one way to help these districts  
22 that have been so disproportionately impacted by  
23 the policies of the Administration?

24 ACTING SECRETARY DUMARESQ: I think when  
25 we talk about looking at basic instructional



1 subsidy and we look at reform, that basic  
2 instructional subsidy, that would be where we want  
3 to talk about funding and reform.

4 Also, when you discuss charter school  
5 reform and the way the 363 is calculated and what  
6 those components are in the 363, again, I would  
7 welcome the opportunity to sit with you to discuss  
8 true reform in charter school funding.

9 REPRESENTATIVE BRADFORD: Thank you, Madam  
10 Secretary.

11 ACTING SECRETARY DUMARESQ: Um-hum.

12 MAJORITY CHAIRMAN ADOLPH: Thank you.

13 Representative Jeff Pyle.

14 REPRESENTATIVE PYLE: Thank you, Chairman,  
15 Madam Secretary, thank you. Jeff Pyle, 60th  
16 legislative District, Armstrong and Indiana  
17 Counties.

18 Before I was elected I taught for 13  
19 years, so I have a couple of specific questions.  
20 Of great, great concern back home is common core.  
21 Can you please address that? A lot of people  
22 don't know that phraseology. For those in the  
23 game they kind of have an outline understanding of  
24 what is happening. Maybe you can share with the  
25 committee what exactly this is.

1           ACTING SECRETARY DUMARESQ: I do  
2 appreciate the House resolutions that were given  
3 to me to help ensure and comfort folks who had  
4 concerns about common core.

5           Common core is nationally an effort by  
6 governors and chief secretaries of education to  
7 take a look at standards that we were referring to  
8 before to say, are there basic or minimal  
9 standards that, as children move around the United  
10 States that, in fact, are needed and so that we  
11 stabilize what is third grade math, what is fifth  
12 grade reading. So there was an effort to develop  
13 what they call the common core -- national common  
14 core standards.

15           Pennsylvania was in the throws of  
16 reviewing our standards before this movement  
17 came. And, in fact, we had a very good set of  
18 academic standards for Pennsylvania students. We  
19 did take a look -- previous state boards did take  
20 a look at the national common core, but felt that  
21 there were things actually in the Pennsylvania  
22 academic standards that were more rigorous and in  
23 some cases not, and were taught earlier than the  
24 national common core. So we brought together  
25 Pennsylvania educators, teachers, elementary

1 teachers and secondary teachers to say, take a  
2 look at the academic standards. Here's the  
3 national common core state standards. What is the  
4 best for Pennsylvania students? So Pennsylvania  
5 educators developed the Pennsylvania core  
6 standards to reflect what they believed was  
7 necessary for Pennsylvania students, and that is  
8 what the State Board adopted.

9 In addition to that, there were national  
10 tests that were being developed for three to eight  
11 and for graduation. So anticipating that  
12 question, again, Pennsylvania educators came in  
13 and we looked and said, you know, we think we have  
14 some very good three to eight, we call that the  
15 PSSA, and we have alternatives for our at-risk  
16 students, our special need students. So we can  
17 raise the rigor because obviously the state  
18 assessments matched the standards, and if we raise  
19 the rigor of our standards we need to raise the  
20 rigor of our test, our Pennsylvania test, and we  
21 were already launched down the road with our  
22 keystones, which we were using to replace the 11th  
23 grade PSSA test. Because as educators, we know  
24 that closest to instruction testing should occur  
25 if you want to measure knowledge.

1           So we've changed the 11th grade PSSA test  
2 to our keystone exams, the three that we have, and  
3 decided no to national testing, yes to  
4 Pennsylvania testing, developed by the  
5 Pennsylvania educators for Pennsylvania students.

6           REPRESENTATIVE PYLE: Thank you very  
7 much. My follow-up question to that is how much  
8 national input are we taking in formulating our  
9 test vehicles?

10          ACTING SECRETARY DUMARESQ: None.

11          REPRESENTATIVE PYLE: None. That's the  
12 best news I've gotten all day, Chairman. That's  
13 good stuff.

14          ACTING SECRETARY DUMARESQ: You were  
15 pretty clear in the message that you sent us  
16 before as we were working on Chapter 4 about data  
17 collection and national tests and standards and so  
18 are the Pennsylvania educators that we brought in  
19 to work on this.

20          REPRESENTATIVE PYLE: As hard as it may  
21 seem to believe, some of us in the more rural  
22 areas don't have a lot of trust for what is coming  
23 out the of the beltway right now. Local control  
24 is paramount to us. Our school boards are elected  
25 of our peers, and we trust in them to develop

1 curricula that is synonymous for transitioning our  
2 young people into productive lives of citizenry,  
3 and I'm real happy to report my school board  
4 doesn't -- and they'll tell you--and I'm real  
5 proud of these guys--their job is not to teach  
6 kids. Their job is to teach future citizens,  
7 which I think is the right focus.

8 On that note, I'll close, Chairman, with  
9 one answer for Chairman Clymer. The reason they  
10 haven't developed social studies standards is  
11 because there are six different disciplines every  
12 social studies teacher is entitled to teach, and  
13 in the time it would take to develop psychology,  
14 economics, history, sociology, we just haven't  
15 gotten to that stage yet.

16 But thank you, Madam Secretary, and thank  
17 you, Mr. Chairman.

18 MAJORITY CHAIRMAN ADOLPH: Thank you,  
19 Representative.

20 At this time, I would like to announce the  
21 presence of Representative John Sabatina of  
22 Philadelphia, and the next question will be asked  
23 by Representative Mike Carroll.

24 REPRESENTATIVE CARROLL: Thank you,  
25 Mr. Chairman. Madam Secretary, welcome.

1           ACTING SECRETARY DUMARESQ: Thank you.

2           REPRESENTATIVE CARROLL: You know, in  
3 addition to those of us who serve in the Capitol,  
4 our partners back in the district, the  
5 administration, our teachers, and our school  
6 board, I deal with them and interact with them  
7 like most House members on a regular basis, and  
8 they are very concerned. And, you know, a  
9 headline that struck my notice and got my  
10 attention last week in the Scranton Times, I'll  
11 read the first two sentences of the story, Madam  
12 Secretary, because I think they're telling, and  
13 I'll try to go slowly for the stenographer.

14           On its current course, the North Pocono  
15 School District will probably be broke in three to  
16 five years. If something doesn't happen at the  
17 State level, it's not if we will go broke, but  
18 when we will go broke is what the business  
19 manager told the school board.

20           And the business manager outlined two  
21 different scenarios, the one scenario with tax  
22 increases to the index and drawing down the fund  
23 balance and one scenario where they don't even  
24 increase the taxes to the index and draw the fund  
25 balance down.

1           And, this scenario, as I understand it, is  
2 a scenario that is on the horizon for about 496  
3 out of our 500 school districts, according to  
4 PSBA, that when you contemplate the obligations  
5 that they have on the horizon with respect to  
6 their pension and raising taxes to the index, they  
7 can't do it.

8           And I understand -- at least I've deduced  
9 myself that it seems to me the policy of the  
10 Administration up until now is to force the  
11 districts to use the fund balances to augment the  
12 financial problems that we have in the  
13 Commonwealth.

14           But, Madam Secretary, what do I tell the  
15 North Poconos School Board and the administration  
16 with respect to what is on the horizon when now we  
17 have a new Ready to Learn program that forces the  
18 school districts to spend money on new programs  
19 and doesn't address at all the prospects on the  
20 horizon with respect to the fact that they can go  
21 broke?

22           ACTING SECRETARY DUMARESQ: Well, I would  
23 first say that the flexibility that's in that  
24 block grant to either support and continue  
25 programs is there. We would hope that they would

1 focus the money in the block grant on initiatives  
2 that would raise student achievement. Again, as  
3 I've said, that could be extra learning  
4 opportunities in kindergarten and K4 or in  
5 tutoring that the superintendents had asked for,  
6 for supplementary services for Keystones. But if  
7 they have a program that they believed would  
8 accomplish that better for raising student  
9 achievement, there is the waiver to come in to  
10 look at that.

11 So we tried to give a focus for those  
12 programs that we believe are on target for raising  
13 student achievement but provide internal  
14 flexibility for those to ask and present their own  
15 ideas.

16 So I would hope that the 240 million plus  
17 opportunities for hybrid, opportunities for  
18 mentoring, special education funding again, the  
19 new money, the 20-million-dollar special ed  
20 funding that will come out will help to give us a  
21 softer launch, but I would agree if we do not  
22 tackle the pension problem, and if we don't get  
23 true pension reform, we are going to be in very  
24 difficult times going forward.

25 REPRESENTATIVE CARROLL: I just think that



1 it's overly optimistic to suggest that the \$10  
2 million for hybrid learning or the Ready to Learn  
3 block grant program offers a real solution for the  
4 school boards across the state. And North Pocono  
5 School District is a wonderful school district by  
6 every measure that the Department has, you know,  
7 better than 50 percent of the other school  
8 districts or in the upper 50 percent, better way  
9 to say it, in terms of their ability to educate  
10 our children.

11 But their plight is a plight that is  
12 shared by many, at least in Northeastern  
13 Pennsylvania that I'm familiar with. So it just  
14 seems to me that the prospect of a Ready to Learn  
15 block grant is contrary to everything that I hear  
16 with respect to the Administration and a lot of  
17 members of the other party with respect to  
18 mandates because now we are going to give --  
19 provide a block grant to the 500 districts and  
20 tell them what they can do with the money.

21 When the fact of the matter is that the  
22 school boards, members, their business managers,  
23 and superintendents know what has to happen with  
24 the money. They need more money with flexibility  
25 and not with prescribed uses as is being

1 contemplated by this grant program. So, I don't  
2 expect you to answer that. It's just the reality  
3 is that we are on the brink of a financial  
4 catastrophe in this state with respect to the 500  
5 districts. And, you know, there will be a growing  
6 list of the lucky 20. In June, when we do the  
7 budget, for 20 districts meet some special  
8 category to help bail them out of a financial  
9 catastrophe, and we'll have a growing list of  
10 districts that will qualify for that.

11 I'll stop there and shift, if I can, to  
12 the access program, Madam secretary. Again, most  
13 of the -- the three things that I wanted to talk  
14 about all really have a common theme, and that is  
15 to try to address the financial catastrophe that  
16 is on the horizon for the districts. The  
17 Department of Education and Department of Public  
18 Welfare and the districts that have been around  
19 the block over and over with respect to the access  
20 reimbursement.

21 Can you please tell me if there is any  
22 hope or if there is any solution on the horizon  
23 with respect to access?

24 ACTING SECRETARY DUMARESQ: For those who  
25 may not know what the issue was, we did have a

1 financial audit of the federal government at this  
2 time over access program, federal dollars you can  
3 access for early learning opportunities for  
4 children who are special needs children.

5 They disallowed through that fiscal audit  
6 a number of things that we used to bill the  
7 federal government for. Most importantly, for one  
8 of the things they disallowed was not direct  
9 services. So that when we charge or we ask for  
10 reimbursement for IEP planning and preparation,  
11 they disallowed that. They said the only thing  
12 they would reimburse now is direct service.

13 So that wasn't something we did.  
14 Obviously it was something that was given to us.  
15 The other issue that caused concern is that they  
16 no longer would accept just a denial by someone  
17 not paying. I'm talking third-party providers.  
18 By someone just not paying. I'm talking about  
19 Blue Cross Blue Shield, Aetna, the health  
20 providers. They would no longer take what we had  
21 in the past, by them not paying that as a reason  
22 to deny. They said you must have letters saying  
23 they won't reimburse. So they shifted the burden  
24 back on us, and we have been working very hard  
25 with the Governor's office, with our sister agency

1 and welfare and with our Department of Education  
2 to one, get those letters. And I'm happy to say  
3 that we have now over 75 percent of those letters  
4 coming in. Money starting to flow. Aetna was the  
5 most recent one that we received. And I can get  
6 you the details of the ones we have, how much  
7 money that has released in payments, and how much  
8 is still left to go as we work through the last of  
9 those providers, but it wasn't something that we  
10 welcomed. It was something that was given to us,  
11 and we have been struggling to catch up to pay  
12 those bills.

13 REPRESENTATIVE CARROLL: My message, Madam  
14 Secretary, is that there is still a problem with  
15 the access disbursements. The districts and  
16 superintendents continually hound me with respect  
17 to payments that they haven't received, and I  
18 would urge you to work with DPW folks and anybody  
19 else to get to the finish line with respect to the  
20 access problem.

21 And then finally, the PlanCon, again, you  
22 know, reimbursement to school districts, similar  
23 to the access discussion, similar to the basic ed  
24 subsidy, PlanCon level funded again for this  
25 year. What do I tell the school districts with

1 respect to PlanCon and what's on the horizon  
2 there? How much longer are we going to have to  
3 wait on that front?

4 ACTING SECRETARY DUMARESQ: Okay. PlanCon  
5 when we got here three years ago had been  
6 overcommitted by \$30 million. So we have been  
7 trying to climb out of the hole between those  
8 programs that were approved and the line items  
9 that we had the revenue to repay those.

10 We have over 300 still in the pipeline,  
11 and we are working our way through based on the  
12 revenue source that we have for PlanCon. I would  
13 say as we have been saying as debts -- as those  
14 projects have their debt realized and come off the  
15 books, we'll reach back in and start to pull first  
16 those that are the longest in the pipeline to  
17 start to reimburse those, but we are working our  
18 way through the list and are working very hard.

19 I guess I just have to say I hear you as a  
20 superintendent. I feel what you are saying as a  
21 former superintendent. But I also worry that we  
22 talk about not enough money for basic  
23 instructional subsidy. We talk about not enough  
24 money for PlanCon. We talk about not enough money  
25 for pensions, and what is enough? And where is it

1 going to come from and in a very fragile economy  
2 that is just starting to grow itself out. And the  
3 taxpayers are going to have to take the burden, so  
4 again, I look at it as here's the revenues that we  
5 have. Here's what we can reasonably expect to  
6 occur, and then all the list of the things that I  
7 wish I had money for, what can we afford and what  
8 are those priorities? And for me it was raising  
9 student achievement.

10 REPRESENTATIVE CARROLL: Madam Secretary,  
11 that's our job though to sort out. The reality is  
12 we have put the shackles on the school directors  
13 with respect to what they can do in terms of  
14 raising taxes even if they could round up the five  
15 votes on the school board. So they can't raise  
16 taxes above the index if they wanted to. They're  
17 drawing down their fund balances because it's the  
18 only choice, they laid off teachers and closed  
19 schools, so it's incumbent upon us to try to  
20 solve that problem. So the reality is that the  
21 obligations that we face, especially the pension  
22 obligation, is a responsibility that is accrued to  
23 us because we chose to postpone the payments. Now  
24 our school boards and our school districts and our  
25 children are going to pay for that decision. But

1 the reality is that we have no choice but to try  
2 and solve this financial problem for the school  
3 districts, and I dismiss the suggestion that these  
4 are the revenues that we have. The reality is the  
5 solution to this problem might be additional  
6 revenues. It really might be because I'm not sure  
7 that if we are going to suggest that it's an  
8 alternative of A or B, you know, spend the money  
9 we have to solve the problem or don't solve it,  
10 kick it down the road, I would prefer option C,  
11 and let's see what option C is with respect to  
12 actually solving the problem in a responsible  
13 way. We should probably send our school districts  
14 and our school directors a thank you note for  
15 subsidizing the Commonwealth with respect to  
16 PlanCon and access and the basic ed subsidy.  
17 Thank God they have been partners with us. I  
18 think that partnership is about to come to an end  
19 because I think they are, as the Scranton Times  
20 reported, almost broke.

21 Thank you.

22 MAJORITY CHAIRMAN ADOLPH: Thank you.

23 The Chair will just remind members that --  
24 it's very important subject matter. You know, if  
25 we can just keep our questions to the questions,

1 so we can get through, because I know everybody  
2 wants to be able to ask some questions, and we are  
3 almost exceeding the Senate's five minute button  
4 that they have over there. So please keep that in  
5 mind.

6 Representative Jim Christiana.

7 REPRESENTATIVE CHRISTIANA: Thank you,  
8 Mr. Chairman.

9 Good afternoon, Madam Secretary. Thank  
10 you for being here. As the Chairman alluded to,  
11 no subject is more emotional than educating our  
12 kids, and sometimes the emotion gets the best of  
13 us, and I'll try to keep my emotions aside today  
14 and just talk about the facts and ask a few  
15 questions.

16 First, I was actually planning on talking  
17 about the reserve balances of the public schools  
18 in Pennsylvania, and the last gentleman had  
19 mentioned about the schools needing to draw down  
20 their fund balances, but I looked at a statistic  
21 this morning that showed that over the last year  
22 the fund balances for the public schools in  
23 Pennsylvania actually grew by \$300 million to an  
24 estimated 3.5 or 3.8 billion depending on what you  
25 look at.



1           Are there any strings -- Does Harrisburg  
2 dictate to the school districts how much fund  
3 balances -- reserve balances they must hold or  
4 what that money can be used for?

5           ACTING SECRETARY DUMARESQ: It would  
6 depend on how that money was put into reserve.  
7 There are superintendents and school boards who  
8 decide at some designated fund balance or  
9 unreserved fund balances, so you have to go back  
10 and look at the board action when, in fact, that  
11 money was encumbered to put into the fund balance  
12 to see if there was strings attached to that, but  
13 not from Harrisburg.

14           REPRESENTATIVE CHRISTIANA: And one of my  
15 frustrations as we continue to have the debate  
16 about whether or not we are spending enough -- And  
17 I think you're right, how much is too much? We  
18 bicker back and forth whether the last year of the  
19 Rendell Administration when the State invested  
20 \$8.9 billion versus today we are looking at a  
21 proposal of \$10.3 billion. We can talk about all  
22 kinds of things. If we look over the last 15  
23 years and we look at the increase of  
24 administrative cost and professional staff over  
25 that period has increased by 40 percent, while the

1 increase to teachers has only increased at 14  
2 percent. As we go through these difficult times  
3 and the frustration from my standpoint is that a  
4 lot of times the first decision in tough economic  
5 times is to layoff teachers. And when we are  
6 looking at school districts, every school district  
7 that has a superintendent and a business manager  
8 and a solicitor in spite of all the technology  
9 over the last 15 years, can you comment as to  
10 whether or not school districts are looking at  
11 consolidating administrative services? Do we  
12 still have 500 superintendents, 500 business  
13 managers, 500 solicitors, executive assistants for  
14 the majority of those positions? Have school  
15 districts looked at consolidating their central  
16 offices?

17 ACTING SECRETARY DUMARESQ: I think there  
18 have been efforts, at least I know back when I was  
19 sitting in the seat that we were looking at  
20 consolidated services. So we did both  
21 purchasing. We looked at transportation services  
22 that we could work together so we didn't have  
23 buses just especially to nonpublic schools  
24 crossing each other's lines. We looked at  
25 consolidating services for again, as I said,

1 purchases for technology.

2           There again, one of the strengths that we  
3 have in Pennsylvania is local control, but it's  
4 also probably one of the constraints that we have  
5 in addition to football teams and mascots.

6           So I would say, again, it depends on the  
7 willingness of those local communities to look at  
8 merger. The Department helps and supports those  
9 who are honestly interested in looking at that,  
10 and there are -- As we know, there are school  
11 districts that have -- when they were created had  
12 very robust economies, and those economies,  
13 because of either steel mills or coal mines, have  
14 disappeared or changed, and we stand ready at the  
15 Department to help those who would like to look at  
16 mergers or consolidations to help them through  
17 that.

18           REPRESENTATIVE CHRISTIANA: In my 15th  
19 District, we are very proud of having the first  
20 voluntary merger. The school districts -- the  
21 number of school district is one thing, but from  
22 the number of superintendents and business  
23 managers and some of the most expensive positions  
24 and ones that have the least interaction with the  
25 kids in the classroom, I feel like Harrisburg

1 should be incentivizing or studying the cost, the  
2 impact of those expenses, as well as should be  
3 encouraging school districts to not just layoff  
4 teachers. And because of the seniority rules in  
5 Pennsylvania, sometimes we may be laying off some  
6 of the best and the brightest and most talented  
7 teachers because they have the least amount of  
8 seniority. So thank you for your commitment to  
9 looking at that.

10 We talk a lot about testing nowadays and  
11 the number of days that kids are testing. I'm not  
12 sure how many days my parents tested when they  
13 were in K through 12. I don't even remember how  
14 many days we were subject to standardized test,  
15 but clearly it's increased over the last few  
16 years, a decade.

17 Can you comment on the average number of  
18 days that educators are having to not prepare for,  
19 but specifically to do the test?

20 ACTING SECRETARY DUMARESQ: To prepare for  
21 is a year-long process.

22 REPRESENTATIVE CHRISTIANA: Sure, I get  
23 that. Right.

24 ACTING SECRETARY DUMARESQ: So, I would  
25 say that we often -- people will give me charts

1 that will show, look at all the days of testing.  
2 It's two week's worth of testing. What we try to  
3 do is to provide school districts with flexibility  
4 on when to give those tests. So those two weeks  
5 and now we've obviously extended based on  
6 districts asking us to push back the testing  
7 window that it will look like now it's four weeks  
8 of testing, but you pick those days in between.

9 Since the tests aren't timed, and I think  
10 that people don't realize that our PSSA tests are  
11 not timed tests, so students can have as much time  
12 as they need to finish the test, especially if  
13 there are accommodations being given to students.  
14 It's hard to say how long does the test last.  
15 But, for example, in PSSA tests, there usually are  
16 three modules of math and three modules of reading  
17 and usually they are 45-minute modules.

18 Again, it would depend on the  
19 accommodations that were being given or students  
20 who would need more time. So it's hard to say,  
21 average, what it is, but it's usually a few days  
22 of testing that people go through.

23 REPRESENTATIVE CHRISTIANA: And I have  
24 heard the number of 11 to 12 days on average. Two  
25 weeks of instructional days that are lost. My

1 concern is that those numbers of days, ten,  
2 twelve, eleven, eight days we are losing of  
3 instructional days that used to be in the  
4 calendar, so if it's still 180 days a year and now  
5 we have ten less instructional days, is the  
6 Department looking at extending the school year to  
7 cover that loss of instructional days?

8 I know that Governor Christie recently  
9 talked about kids going to school more hours a  
10 day, more days a year. Is the Department looking  
11 at the benefits of what that decision would mean?

12 ACTING SECRETARY DUMARESQ: Let me make  
13 sure that I understand what you are asking me.  
14 Are you asking me if this year, because of --

15 REPRESENTATIVE CHRISTIANA: No, no, no.  
16 I'm sorry. This year is an exception. I saw the  
17 local article about the extension this year, but  
18 based on previous years, we are losing about eight  
19 to 12 days of instructional days per year due to  
20 additional testing. Would you be -- Have you  
21 looked at extending the school year to recoup  
22 those loss of instructional days due to the  
23 increased testing days?

24 ACTING SECRETARY DUMARESQ: Well, first of  
25 all, I believe testing is part of assessment and

1 part of the curricular process, so I'm not sure  
2 it's lost instruction. It's, in fact, the measure  
3 of whether we know whether the delivery of  
4 instruction works. So that written, taught, and  
5 tested is all part of the instructional cycle.

6 I do want to go back -- Before I give you  
7 an answer on the eight to 12 days of testing, I  
8 would really like to go back and check that data  
9 to see, in fact, whether that's what we are  
10 talking about is the calendar or the actual time  
11 that students are sitting taking the test, but  
12 I'll check that data for you.

13 REPRESENTATIVE CHRISTIANA: I think it's  
14 an important clarification.

15 Mr. Chairman, one final point I would like  
16 to ask the Secretary is recently in the Beaver  
17 County Times if I could just quote them. They  
18 said, there's gigantic holes that permeate the  
19 laws, and efforts in the state level seem to be  
20 working towards more restrictive access of  
21 information rather than less restrictions on folks  
22 in the media or the public accessing data, and I'm  
23 specifically looking at the financial data of  
24 school districts. The State now puts every single  
25 penny which the State spends online, which I think

1 was a huge reform.

2           The right to know law has been manipulated  
3 by some on a local level in all different  
4 settings. We've read about all kinds of misuse of  
5 taxpayer funds, in cyber schools and public  
6 schools in Beaver County. Is the Department  
7 committed to getting away from the antiquated  
8 right to know process and supporting an effort to  
9 put all school spending on-line so that folks  
10 don't have to jump through hoops and the media  
11 doesn't have to wait 30 days to see just  
12 traditional spending of taxpayer money?

13           ACTING SECRETARY DUMARESQ: I think that  
14 this Administration is committed to transparency.  
15 I think we've proven that in our school  
16 performance profile where we've made a very  
17 transparent building by building comparison for  
18 achievement, graduation, all the components of  
19 what makes a healthy school building.

20           I think if, in fact, we could agree on  
21 what are those common factors that everyone has so  
22 that we could report those and without a lot more  
23 data mining or data requests from school districts  
24 that we have this -- our school performance  
25 profile, which could, in fact, include financial



1 information.

2 The key that I would like to say is we  
3 need to make sure that it's data that is common  
4 across all districts, just like we did with the  
5 academic score, if you will, that they're common  
6 items that we could post and then things that we  
7 already collect and we could format, so I would be  
8 happy to have that conversation continue with  
9 you.

10 REPRESENTATIVE CHRISTIANA: I think that's  
11 a fair request on your behalf, and I would agree  
12 that this Administration has been very committed  
13 to financial data transparency, and I look forward  
14 to working with you on the other initiatives.

15 ACTING SECRETARY DUMARESQ: Thank you.

16 REPRESENTATIVE CHRISTIANA: Thank you,  
17 Mr. Chairman.

18 MAJORITY CHAIRMAN ADOLPH: Thank you. I  
19 would like to acknowledge the presence of  
20 Representative Mark Keller who joined us. And the  
21 next question will be by Representative  
22 Santarsiero.

23 REPRESENTATIVE SANTARSIERO: Thank you,  
24 Mr. Chairman.

25 Madam Secretary, welcome. It's good to

1 see you. Thank you for spending your time with us  
2 here today. I wanted to follow-up on a couple of  
3 different issues, and I'm going to be respectful  
4 of the Chairman's admonition and try to move it  
5 along as quickly as I can.

6 First to follow-up on the issue of the  
7 pension, I think you said earlier in your  
8 testimony that the lowering of the collars would  
9 be paid for by pension relief, if I understood you  
10 correctly.

11 ACTING SECRETARY DUMARESQ: Pension  
12 reform.

13 REPRESENTATIVE SANTARSIERO: Pension --  
14 well, okay. Whatever we want to call it.

15 What if that -- The only thing the  
16 Governor has proposed so far is the lowering of  
17 the collars. What if the second piece of that  
18 doesn't happen in this legislative session? In  
19 other words, the pension reform doesn't happen and  
20 all we have is the lowering of the collars, which  
21 as Representative Bradford pointed out earlier is  
22 really foisting a financial burden on future  
23 generations of school students.

24 Is it the Administration's position that  
25 these new initiatives will continue in this budget

1 because they are largely paid for by the cost  
2 savings associated with lowering the collars?

3 ACTING SECRETARY DUMARESQ: Well, first of  
4 all, I don't know that the cost savings from the  
5 state savings from that is largely funding the 240  
6 million in the block grant, the one million for  
7 the mentoring, the 20 million for special Ed, the  
8 ten million for hybrid, so there's a lot more that  
9 is in the Governor's education budget proposal  
10 than the collar savings that we would have.

11 I would say that the commitment to  
12 continue with the proposal that we have, as I  
13 answered before, I will certainly be very  
14 aggressive in trying to hold onto what we have in  
15 the budget. But if, in fact, the legislature does  
16 not approve that relief, then the Governor will  
17 need to sit down and the secretaries sit down with  
18 all the secretaries to see how do we accommodate  
19 that loss of revenue that we have.

20 It is also our hope that, in fact, while  
21 it may not happen in this legislative session, but  
22 before we have to sit here again next year, that  
23 we would have true pension reform, and we would  
24 see how those savings would be realized, and we  
25 would not be asking school districts to continue

1 to fund those large cliffs that we have.

2 REPRESENTATIVE SANTARSIERO: And on the  
3 numbers, I'm looking at the money as fundable. If  
4 there's \$300 million going into the overall  
5 education budget, and that's the savings  
6 associated with lowering the collars, then money  
7 is fundable.

8 So I take your answer to mean that you are  
9 not sure ultimately whether these new initiatives  
10 would continue to go forward if there is no  
11 pension reform as you're describing it?

12 ACTING SECRETARY DUMARESQ: The collars or  
13 true pension reform?

14 REPRESENTATIVE SANTARSIERO: Well, the  
15 collars -- Let's break it out. If there is no  
16 true pension reform would be presumably somehow  
17 diminishing the cost of the pensions aside from  
18 playing around with the collars. If that doesn't  
19 happen and all you've got are the collars, is it  
20 the Administration's position that they are going  
21 to continue on with funding these new initiatives?

22 ACTING SECRETARY DUMARESQ: I have been  
23 given no other direction than that the 240 million  
24 the ten, the 20, the 25 is the education budget,  
25 and that it is dependent on the 170-million-dollar

1 savings from the collars. This is the proposal --

2 MAJORITY CHAIRMAN ADOLPH: Representative,  
3 I think the Secretary has answered that question.  
4 Actually, we're the ones that are going to decide  
5 what goes in and what stays in the budget. So, I  
6 think the Secretary has stated numerous times that  
7 she would like to see these programs stay in the  
8 budget.

9 ACTING SECRETARY DUMARESQ: All of it.

10 REPRESENTATIVE SANTARSIERO: And I  
11 appreciate that, Mr. Chairman, and I'm not trying  
12 to belabor the point. I'm certainly not trying to  
13 badger you. I'm trying to better understand the  
14 Administration's position from my standpoint,  
15 because as I have heard this discussion unfold  
16 today, you know, there seems to be two parts. The  
17 one part is the reduction in the collars, and  
18 that's the Governor's proposal right now. That's  
19 the only thing the Governor has proposed. And the  
20 other part is this very ambiguous pension reform,  
21 which no one seems to be able to define. So, you  
22 know, the basis of my query is, well, if that  
23 second piece, that ambiguous pension reform,  
24 doesn't occur because it didn't happen last year,  
25 it hasn't happened so far since Act 120, then the

1 issue is well, are we still going to go forward  
2 with the lowering of the collars? And if the  
3 answer to that question is no, then what happens  
4 with the new initiatives? If the answer to that  
5 question is yes, well, then it implicates what  
6 Representative Bradford said earlier, which is now  
7 we are foisting this financial burden on future  
8 generations of students.

9 Let me move on to charter school reform.  
10 You talked about your commitment to tackle that  
11 issue, and I appreciate that. When Auditor  
12 General DePasquale was in front of us last week,  
13 he identified another issue of charter reform that  
14 I think is fairly significant, and that is what  
15 I'll describe as this charter of lease double  
16 dip. Where the charters have related entities  
17 that they lease their building from, and then they  
18 still seek reimbursement from the State.

19 He wasn't yet sure what the total amount  
20 of State funding associated with that double dip  
21 might be, but he thought it could be as much as  
22 \$20 million, I think, is the number he used.

23 Is the Administration as interested as it  
24 seems the Auditor General is in trying to close  
25 that loophole as well?

1           ACTING SECRETARY DUMARESQ: Yes, I believe  
2 so. We can focus that there is \$8.2 million that  
3 is given out in charter school lease  
4 reimbursement. Just to kind of reflect back when  
5 I came into this chair, we and the secretaries  
6 before me were operating under what the previous  
7 administration had operated on in improving  
8 charter school lease reimbursement, so we have not  
9 changed any of the approval process.

10           I think if you'd look at the law that  
11 talks about charter school lease reimbursement, it  
12 is very broad. It says what the secretary  
13 approves. So, if we didn't change the process,  
14 and it's pretty vague on what that process would  
15 be, the conversations I have been having with the  
16 Auditor General is what it is, that most recently  
17 as two weeks ago when they came to discuss this,  
18 what is it that we believe has crossed the line  
19 between true lease reimbursement and mixing of  
20 something that we wouldn't consider to be good  
21 practice. So we need to sort that issue out first  
22 to say when is it not really a true lease  
23 reimbursement and then discuss the regulation of  
24 the process that would go into place there.

25           All of the ones that have been made have

1 been made in good faith following, again, the  
2 previous administration to this administration in  
3 approving lease reimbursement. So what we are not  
4 talking about is going back and taking money away  
5 from things that have already been approved.

6 I think what we need to do is go forward  
7 to say, how do we untangle those that have crossed  
8 the line and then how do we move forward with a  
9 better set of regulations? And that's an ongoing  
10 conversation.

11 REPRESENTATIVE SANTARSIERO: So when you  
12 are talking about the untangling, you're talking  
13 about delving into what the corporate relationship  
14 might be between the property owner and the  
15 lessee?

16 ACTING SECRETARY DUMARESQ: Yes.

17 REPRESENTATIVE SANTARSIERO: Okay. Let me  
18 move to PlanCon, if I could, just briefly. A year  
19 ago when your predecessor, Secretary Tomalis, was  
20 in front of us, I asked him whether the State had  
21 any survey of the condition of school  
22 infrastructure across Pennsylvania. And his  
23 response at that point was, no, there really  
24 didn't -- He wasn't aware of it. And he followed  
25 up with a letter saying that that was, in fact,



1 the case.

2 A few months later, of course as you're  
3 aware, the Department issued a report on PlanCon,  
4 and it acknowledged the fact that there really was  
5 no survey, and it was going to embark on that at  
6 that time.

7 Where are we with that survey at this  
8 point?

9 MS. DUFFY: I'll take that one. What we  
10 are doing right now is we are putting together a  
11 survey that will go out to the school districts to  
12 answer about the state of their facilities as they  
13 are today. Based on responses from that survey, I  
14 think the intention is then to go out to certain  
15 types of districts that would fall into different  
16 catchment areas and actually look at the  
17 buildings. And then taking all of that  
18 information together, and I think we're due a  
19 report to you in May as far as where we are in the  
20 process. Whatever we get as far as answers, we  
21 want to then look at where education is going in  
22 the future, to make sure that the way the PlanCon  
23 system is currently working in the current  
24 formulas in law are the ones that need to be  
25 there, so that we're ensuring that we are keeping

1 up with innovation in the classroom.

2 So I think right now what we are doing  
3 is -- we've -- you know, we had surveys I think  
4 maybe five, six years ago are the latest surveys  
5 we've ever done in the Department.

6 We are resurrecting some of those  
7 questions. We are really working the questions.  
8 The districts will probably get them in a week or  
9 two.

10 REPRESENTATIVE SANTARSIERO: When do you  
11 see some final report in terms of what you believe  
12 the needs are statewide?

13 DEPUTY SECRETARY DUFFY: I think it would  
14 depend on what we see in the survey responses.

15 REPRESENTATIVE SANTARSIERO: So you really  
16 don't have a time frame for that at this point?

17 DEPUTY SECRETARY DUFFY: I do not.

18 REPRESENTATIVE SANTARSIERO: You know, I  
19 would get back to what Representative Carroll was  
20 talking about before. I actually have a bill that  
21 would fund -- put another \$300 million in the  
22 PlanCon, and there is revenue out there, and in  
23 this case it's based on a 29 cent per MCF  
24 severance tax that we could enact in this state.  
25 So there is revenue out there that we could do

1 that and meet our needs, even our existing needs.

2 But there is one other point I want to  
3 make about that because that report, it ended on a  
4 very disturbing note from my perspective. And  
5 that note was that the Department could not itself  
6 say whether it believed that the condition of our  
7 school infrastructure had an impact on children's  
8 learning.

9 And I have to tell you, the  
10 superintendents in my district were completely  
11 flabbergasted by that comment. And I hope,  
12 Secretary, that's not your view. I mean, you were  
13 not the secretary at that time, I don't believe.  
14 So I hope that that's not where you are, because I  
15 think any of us who have taught in a school room  
16 knows that the environment in which the children  
17 find themselves does, in fact, have an impact on  
18 their learning. Would you agree with that?

19 ACTING SECRETARY DUMARESQ: I would agree  
20 that children need to feel safe. They need to be  
21 in safe environments. I think there's probably a  
22 large description between what some people think  
23 is the proper environment and what others would  
24 think it is, but I would not dismiss that the  
25 school environment doesn't have an impact on

1 children learning. No.

2 REPRESENTATIVE SANTARSIERO: I appreciate  
3 that. One last thing, the 180 day --

4 MAJORITY CHAIRMAN ADOLPH: There will be a  
5 second round. You hold the record right now,  
6 Representative.

7 For those that were keeping it over and  
8 under on the word pension, if you had over, you  
9 won.

10 Next question will be asked by  
11 Representative Boback.

12 REPRESENTATIVE BOBACK: Thank you,  
13 Mr. Chairman.

14 Good afternoon, Madam Secretary.

15 ACTING SECRETARY DUMARESQ: Good  
16 afternoon.

17 REPRESENTATIVE BOBACK: I noticed that the  
18 Governor proposed 350,000 to re-establish the  
19 Governor's School on Excellence which was cut in  
20 the previous administration, and I want to applaud  
21 the Governor and the Department for this  
22 proposal. And the three schools would be  
23 sciences, agricultural sciences, of course,  
24 agricultural being the number one industry in our  
25 state, and technology and engineering.

1           My question is how will the Department  
2 choose the site selections and the specific  
3 colleges or universities to host the three  
4 Governor's schools?

5           ACTING SECRETARY DUMARESQ: Good. There  
6 are a number of different factors that go into  
7 that. One is we have Governor's school in the  
8 western part of the state, obviously for the  
9 sciences. So we would like to have the other two  
10 central eastern. We would like to have a nice  
11 dispersion of those. We also need universities or  
12 colleges that have an expertise or are known for  
13 the content that we would like to deliver. And  
14 then thirdly, we need the colleges and university  
15 to have summer dorms available because it is a  
16 residential program.

17           So they're the things that we are looking  
18 at as we look at the two future ones this summer.

19           REPRESENTATIVE BOBACK: Thank you very  
20 much. I am very enthused about the  
21 re-establishing of this.

22           ACTING SECRETARY DUMARESQ: Me too.

23           REPRESENTATIVE BOBACK: This is great.  
24 Thank you.

25           ACTING SECRETARY DUMARESQ: Thank you.

1 MAJORITY CHAIRMAN ADOLPH: Thank you,  
2 Representative.

3 Representative Parker.

4 REPRESENTATIVE PARKER: I wanted to go  
5 back to the question that Chairman Markosek opened  
6 up with in regards to the Administration's  
7 decision to establish the Right to Learn block  
8 grant and to distribute dollars to school  
9 districts via that vehicle versus use of the basic  
10 education formula. And I wanted you to just  
11 clarify for me for the record, and I wanted to  
12 make sure I understood you correctly, you were  
13 very clear in noting challenges you thought were  
14 sort of in place as it related to the old  
15 formula. You basically talked about it being  
16 antiquated and outdated with regards to economic  
17 current status, economically as a Commonwealth  
18 along with sociofactors and other issues; is that  
19 correct, Madam Secretary?

20 ACTING SECRETARY DUMARESQ: That's correct  
21 with either driving it through basic instructional  
22 subsidy which has factors that were back in the  
23 '90s or, in fact, the ABG, the 100 million that is  
24 still being funded under an older formula, which  
25 is actually reflective of, I think it's 2002-3,

1 student counts, and PSSA results. So the new 240  
2 would be driven out based on current ADMs, current  
3 aid ratios, ELL students, and poverty students.

4 REPRESENTATIVE PARKER: And I guess with  
5 that being said, Madam Secretary, because you were  
6 so specific in noting what the sort of areas that  
7 you magnified and focused on when you communicated  
8 with the superintendents when developing what the  
9 formula would be to drive out the Right to Learn  
10 dollars, you were very specific. The Governor has  
11 said that he supports adequate fair funding  
12 formula for public education statewide. You've  
13 seen the legislative action that we have taken as  
14 a body on each side of the aisle.

15 Why is it that the Administration, the  
16 Department of Ed could not have worked together  
17 using the same sort of rubric that you just  
18 described with the current data, since we have the  
19 old formula and it's sort of serving as a  
20 foundation, using all of the current elements that  
21 you just so eloquently described for us to  
22 establish a school funding formula now instead of  
23 saying that we supported a study of another study  
24 with the current data and we already have a  
25 foundation. Just help me there.

1           ACTING SECRETARY DUMARESQ: Well, I think  
2 it's a matter of readiness to work on this, and I  
3 know that and I'm hopeful that both the House and  
4 the Senate, and I know the Administration is ready  
5 to work on this. I think we tried to model the  
6 beginning through the block grant, a student-  
7 focused formula, and I look forward to a speedy  
8 commission to look forward at bringing basic  
9 instructional subsidy.

10           Again, there's a number -- I made it sound  
11 too simple. So let me just say that while we know  
12 that there are certain things we want to attribute  
13 current ADMs, it should be current aid ratios.  
14 There are pieces of the formula that should  
15 recognize that some children are more difficult to  
16 bring to grade level because of the deficits that  
17 they come to us with. We also need to be mindful  
18 that any rapid change in the formula could  
19 destabilize some school districts.

20           REPRESENTATIVE PARKER: Madam Secretary,  
21 I'm thinking, and I appreciate your response, but  
22 I'm thinking about this Chairman. He sounds like  
23 he's ready to pick up a gavel, and I do want to  
24 get through to the rest of the questions.

25           ACTING SECRETARY DUMARESQ: Okay. I'm



1 ready to work on it.

2 REPRESENTATIVE PARKER: I understand where  
3 you are going. I'm just saying with the same  
4 specificity that you were able to outline, what  
5 the criteria was in describing how you are going  
6 to distribute those Right to Learn dollars. I  
7 believe that after having watched what this  
8 General Assembly and Administration has the  
9 ability to do when we just passed the 2.5-billion-  
10 dollar transportation plan that people thought was  
11 impossible for us to do, I think anything is  
12 possible when you have the political will to do  
13 it, and I just wanted to get that on the record.

14 Next, Madam Secretary, I just also wanted  
15 to note why I am really passionate about that  
16 funding formula, because when I look at data,  
17 which reflects that, via the '10-'11 fiscal year  
18 through 2014-'15, if we were simply flat funded to  
19 the 10 and 11 years compared to where we are being  
20 funded now, and I'm referring to the School  
21 District of Philadelphia. We have lost \$1.1  
22 billion, and I know when you immediately hear that  
23 number, you're saying, Rep, yeah, I know what  
24 numbers you are looking at. That's great. But  
25 you are including stimulus, and you are absolutely

1 right.

2 But if we take a stroll back to the  
3 '08-'09 through '14-'15 years, if we were just  
4 flat funded at the '08-'09 year, Philadelphia  
5 wouldn't be at a loss of \$591 million. So when I  
6 look at the School District of Philadelphia, for  
7 example, that last year had a 304-million-dollar  
8 structural deficit that we recently learned what  
9 we feared in November, that we would have  
10 additional cost that the School District of  
11 Philadelphia did not budget for from increased  
12 enrollment in charter schools because that charter  
13 school reimbursement line item that we have come  
14 to depend on because of the expansion of the  
15 charter school saw the movement in our region.  
16 This was \$25 million that we did not budget for,  
17 and because we are at a loss for that funding, we  
18 couldn't budget for because the School District of  
19 Philadelphia cannot control the charter school  
20 enrollment process because charters do not have to  
21 report to the district or CAP, as the district  
22 would request, where that enrollment is. They  
23 have to pay, and if they don't pay, the charter  
24 school can just directly bill the Department of  
25 Ed.

1           So, in the end, the School District of  
2 Philadelphia on an annual basis is in crisis mode  
3 coming back saying we need more and then we hear  
4 you're being fiscally irresponsible when, because  
5 of the charter school expansion in our region, we  
6 can't effectively budget for it. I just wanted to  
7 know if you could just talk about that discrepancy  
8 in the school district's financial accounting  
9 practices along with the growth of charter schools  
10 in our region.

11           ACTING SECRETARY DUMARESQ: Wow. I would  
12 say that to your last point about the charter  
13 schools and not having caps, and then the  
14 Department upon request of the charter school  
15 having to withhold and pay. Whatever side you are  
16 on on that issue, the reality is that's the law.

17           REPRESENTATIVE PARKER: And I support  
18 charters wholeheartedly for the record.

19           ACTING SECRETARY DUMARESQ: I'm  
20 administering the law. And if that's not the way  
21 we are -- For dispute resolution, if there's  
22 different ways, give me something else to  
23 administer. I am administering the way the law is  
24 set on caps and pulling those funds out.

25           I think the issue on funding for

1 Philadelphia schools is one that, again, the  
2 amount of money that we have put in is looking,  
3 again, toward next year is about 56.8 million in  
4 the major subsidies. We are looking at money for,  
5 again, in addition to that, special ed, the  
6 reimbursement for Social Security and pension is  
7 probably, because of the aid ratio, The highest  
8 that we give. So that again, those monies that  
9 are going into Social Security and in particular  
10 into pension is supporting Philadelphia in the 80  
11 percent of the cost.

12 So, again, we are working hard. I think,  
13 again, one of the issues that we can look to in  
14 the future is if we can get the basic  
15 instructional subsidy reformed. If we can get  
16 pension reform, we will be able to, perhaps,  
17 answer some of your concerns in a fashion that you  
18 may like a little better.

19 REPRESENTATIVE PARKER: I just wanted to  
20 note for the record, Madam Secretary, Philadelphia  
21 has lost \$440 million. That is just in charter  
22 school reimbursement. And again, I know that you  
23 have a constitutional obligation to uphold the  
24 law, and our job is to work in creating the  
25 policy, but it's also extremely important that the

1 Department clearly recognizes when Philadelphia  
2 comes and tells you that we have this annual  
3 consistent budget shortfall, it is not because of  
4 fiscal mismanagement in the School District of  
5 Philadelphia.

6 When we talk about the flexibility that we  
7 need and you hear us say, Right to Learn doesn't  
8 work for Philadelphia because of the number of  
9 counselors we've lost, the nurses that we've lost,  
10 the librarians that we've lost. We need the  
11 flexibility to be able to address those issues.  
12 It's not because of the management by the School  
13 District of Philadelphia, and the school district  
14 is also controlled by the State.

15 ACTING SECRETARY DUMARESQ: Can I just  
16 respond?

17 REPRESENTATIVE PARKER: Sure.

18 ACTING SECRETARY DUMARESQ: I want to make  
19 sure that -- and the only thing I would take issue  
20 with is that Philadelphia has lost. Philadelphia  
21 children still are funded through the charter  
22 schools and the public charter schools, so the  
23 money has gone to Philadelphia. It hasn't gone to  
24 the traditional public schools. It's gone to  
25 public schools where parents have made a different

1 choice in the funding that goes.

2 REPRESENTATIVE PARKER: Madam Secretary,  
3 let me just say for the record that I support high  
4 performance seats. This sort of illusion of  
5 debate between charters versus traditional  
6 publics, I support high-quality seats regardless  
7 of where they were. But you can't have a separate  
8 and unequal district by placing one against  
9 another, when one is responsible for funding the  
10 other, and you don't say, well, this money is  
11 missing out of this budget because you have to  
12 take care of this structure then we tell you that  
13 you're failing. I needed that to be on the  
14 record.

15 The last thing, and I'll ask to be placed  
16 on the second round is I want to talk about this  
17 issue of accountability. I want to know where is  
18 the performance data for charter schools in the  
19 State? I have not seen any data that reflects so,  
20 and I know Philadelphia, for example, we have 83  
21 charter schools, and someone just gave me a note  
22 that said, do you realize that that would make you  
23 one -- just the charter schools it would make it  
24 one of the second largest districts in the  
25 Commonwealth.

1           Tell me, how are we measuring the  
2 effectiveness and whether or not charter schools  
3 are up to par with where we would like them to be  
4 in the Commonwealth?

5           ACTING SECRETARY DUMARESQ: On the school  
6 performance profile that was published in  
7 September, and I'd be happy to send you the list  
8 of the scores, that is all public information,  
9 charter schools and cyber schools are held  
10 accountable to the same formulas and the same data  
11 and transparency as traditional public schools, so  
12 that's on there, and I'll make sure to send you  
13 the link that you can take a look at that.

14           I, too, support quality charter schools.  
15 In fact, the Department is the authorizer of cyber  
16 charter schools, and because of my commitment to  
17 having quality choices for parents in those other  
18 alternatives for public schools, we have closed  
19 two cyber schools this year while under our watch,  
20 and I would encourage school districts who are the  
21 authorizer of the brick and mortar to use the  
22 school performance profile as they are renewing  
23 charters to put those academic measures in those  
24 charters.

25           Again, as I think I mentioned earlier, we

1 need to be careful on the use of those comparisons  
2 because when you go in, and you can do this right  
3 on the school performance profile, you can take a  
4 charter school and you can say, okay, what are the  
5 feeder systems, where are those students coming  
6 from? Take a look at their building score and  
7 then take a look at the feeder system scores, and  
8 then at least you would get, I think, an honest  
9 comparison of the quality of the charter and the  
10 rigor and the journey they are on by the students  
11 that are being fed in. So are they doing at least  
12 as well as their feeder system? That is all on  
13 that school performance profile. I'd be happy to  
14 come over and work with you to show you how you  
15 get in and take a look at that, but I think it may  
16 answer some of your questions that you have.

17 REPRESENTATIVE PARKER: Thank you, Madam  
18 Secretary. I hope to see you in the second  
19 round.

20 MAJORITY CHAIRMAN ADOLPH: I hope there is  
21 a second round.

22 Representative Aument.

23 REPRESENTATIVE AUMENT: Thank you,  
24 Mr. Chairman.

25 Madam Secretary, good to see you. Two



1 questions I want to talk about, the hybrid  
2 learning line item in your budget. I also want to  
3 talk about the implementation of the teacher  
4 evaluation as well as the school performance  
5 profile, which we've discussed a little bit this  
6 afternoon. But before I do so, I just want to  
7 compliment you on the work that you did with  
8 regard to championing the IRC approval for the  
9 revised Chapter 4 regulations.

10 I know that was a difficult -- some  
11 difficult work this summer with regard to the  
12 approval of the revised Chapter 4 regs, and we  
13 discussed, Representative Pyle earlier today  
14 talked a little bit with you about common core.  
15 And we recognize that the failure to adopt the  
16 revised Chapter 4 regulations would have resulted  
17 in the approval of the national common core  
18 standards, which would have been adopted back in  
19 2010, would have required the development, the  
20 implementation of Keystones exams in ten subject  
21 areas.

22 It would have required the Department to  
23 realign PSAAs and Keystone exams to the national  
24 common core state standards, which would have  
25 resulted in significant costs. So just at the

1     outset, I just want to thank you for your work  
2     with regard to the adoption of the new  
3     Pennsylvania core standards, the Keystone exams,  
4     the revised Chapter 4 regulations.

5             First, if I could just ask you your sense  
6     of the implementation of the teacher evaluation,  
7     could you provide this committee with an update  
8     with regard to the implementation of the new  
9     teacher evaluation system as well as the school  
10    performance profile, and how the school  
11    performance profile is being used to replace the  
12    AYP model?

13            ACTING SECRETARY DUMARESQ: Okay. The  
14    teacher evaluation, for classroom teachers, Act  
15    82, went into effect this school year. So, we are  
16    fully implementing the first year, as you know  
17    it's a three-year implementation, after a three-  
18    year pilot that, in fact, was put into law by Act  
19    82. We worked with thousands of educators as we  
20    were implementing and developing that program. So  
21    this year, for classroom teachers, teachers who  
22    deliver direct instruction in the classroom, we  
23    have a new teacher evaluation system. It will be  
24    85 percent the traditional way and then the school  
25    building profile, which will be published in

1 September of next year, we then add the elective  
2 process in the third year for those teachers who  
3 have individualized testing, that piece will go  
4 in, so we will be fully implemented in three  
5 years.

6 Next year the principal evaluation and the  
7 vice principal evaluation and specialist will go  
8 into effect and their cycle. So we are fully  
9 implementing. We have been training for three  
10 years. This will be our fourth year of training  
11 principals. We've developed supports for our  
12 teachers on our Standards Align System,  
13 professional development for overviews again for  
14 Act 48 credit, free to the teacher and to the  
15 school systems and for each of the components in  
16 Danielson which is the observation model for each  
17 of those 22 components there.

18 Staff development, again, it's been  
19 developed if a teacher, through their dialogue  
20 with the principal has a weakness or an area that  
21 needs improvement, there is staff development for  
22 all those components on the Standards Align  
23 System.

24 So I think we have a very robust support  
25 system that improves the quality of instruction

1 that is in the classroom because we all know how  
2 critical an effective teacher is for being in that  
3 classroom. We are training now on what we call  
4 the student learning objectives, which is the  
5 elective piece. We have found one of the needs  
6 that we have for our educators is something we  
7 call data literacy, which is how do you use  
8 student test scores or achievement to, in fact,  
9 then instruct and change instruction. So we are  
10 out there working and doing that piece of training  
11 as we move forward.

12 The school performance profile as you know  
13 we've launched the first one which was based on  
14 '12-'13 student performance. That was launched in  
15 September. And for every building, that is over  
16 3,000 buildings in the Commonwealth, which are  
17 your traditional public schools, brick and mortar,  
18 charters, cybers, and vocational schools. So  
19 that's all up there for folks to see. And we are  
20 working on that. Again, that was over 4,000  
21 educators interaction saying what should be. If  
22 you want your building to be measured for quality,  
23 what would you include as a measure of that? It's  
24 a very robust multiple measure of student  
25 achievement.

1           So I fully launched into those two major  
2 issues really raised the transparency in the rigor  
3 of the profession.

4           REPRESENTATIVE AUMENT: Thank you for  
5 that. I was extremely pleased to see in the  
6 Governor's budget request the \$10 million for  
7 hybrid learning. For those that may not be  
8 familiar with hybrid learning on the committee,  
9 I'm fortunate to come from Lancaster County where  
10 we have had a number of our local school districts  
11 that have been extremely innovative in the use of  
12 technology in the classroom to individualize and  
13 customize learning experience for Pennsylvania  
14 students. I have been in numerous classrooms  
15 where I've had the opportunities to see this --  
16 witness this in person just to see a level of  
17 engagement with young people and a classroom that  
18 really empowers students and empowers teachers.

19           If you could sort of describe for the  
20 committee, for those that may not be familiar what  
21 hybrid learning is, and can you talk with us a  
22 little bit about do we have early student  
23 achievement results with regards to hybrid  
24 learning that speak to the benefits with regard to  
25 student achievement. And then finally do we have

1 any feedback that the Department has received,  
2 perhaps, from parents, from students, from  
3 educators their level of satisfaction with hybrid  
4 learning?

5 ACTING SECRETARY DUMARESQ: First let me  
6 describe hybrid learning or digital classrooms, if  
7 you will. It's a different instructional  
8 strategy. It's a different way of presenting  
9 content or curriculum to students.

10 One way that they do it is called a flip  
11 classroom where, in fact, a student may take  
12 direct instruction and then go home and through  
13 digital content learn and support what happened in  
14 that classroom.

15 Another model of hybrid learning is what  
16 we call dividing the classroom up so that a third  
17 of the students are delivering direct instruction,  
18 then they go into what we call cooperative  
19 learning groups where, in fact, they work together  
20 on projects that reinforce the content that the  
21 teacher taught, and then for another third of the  
22 classroom they move into individualized learning  
23 using technology, not only digital content but the  
24 hardware.

25 The benefit of that is that when they are

1 doing their individual learning, if a student  
2 needed enrichment or remediation, you can really  
3 tailor that individual instruction for the  
4 student's needs.

5 I visited classrooms that have hybrid  
6 learning, and the level of engagement in the  
7 students in their education is amazing to watch.  
8 Being an old math teacher, I would visit  
9 classrooms and say, you know, do you like this?  
10 Is this an interesting way to learn? I can't tell  
11 you one student that didn't say, yes. They prefer  
12 this. I think when we know that the students are  
13 engaged in their learning, their achievement  
14 increases.

15 So the more we can deal with the different  
16 learning styles of children, some like that  
17 interaction with teachers. Some like to work  
18 alone. Some like to work in groups. That type of  
19 instruction and classroom organization, I think,  
20 increases the student engagement and increases  
21 student achievement.

22 So do we have data that would suggest,  
23 yes, those schools that are kind of pioneers into  
24 the hybrid learning have looked at their PSSA  
25 scores and they've kind of compared those hybrid

1 classes to the non-hybrid classes and student  
2 achievement has significantly increased,  
3 significantly in math terms of significant  
4 difference.

5 We find it mostly, it's interesting, in  
6 the Keystones in those increases that we've had in  
7 students who engaged in those hybrid classes and  
8 then taken those Keystones at the end of  
9 instruction.

10 So we do have student achievement from  
11 those pilots that we have. We've also, through  
12 those pilot schools, asked for parents and  
13 teachers to say, what do you think? Did it work?  
14 And we're getting very positive feedback from --  
15 again, if you are interested, I can give you where  
16 to find -- or anyone where to find those results  
17 on-line as they're published.

18 So we are looking through this hybrid  
19 learning grant, the ten million, to start planning  
20 grants for new folks, implementation for new  
21 folks, but also expansion grants for those that  
22 are already in there.

23 So, again, it's a different instructional  
24 strategy. Teachers need to be given the tools of  
25 how to diversify that classroom because it's



1 really three lesson plans versus one lesson plan  
2 because of the nature of the learning. But it has  
3 some very promising results that we've seen so  
4 far.

5 REPRESENTATIVE AUMENT: Thank you very  
6 much, Madam Secretary. Thank you, Mr. Chairman.

7 MAJORITY CHAIRMAN ADOLPH: Thank you.

8 Representative Dean.

9 REPRESENTATIVE DEAN: Thank you,  
10 Mr. Chairman.

11 Good afternoon, Madam Secretary Acting,  
12 Deputy Secretary.

13 ACTING SECRETARY DUMARESQ: Good  
14 afternoon.

15 REPRESENTATIVE DEAN: I thank you for this  
16 conversation. I love all of these different  
17 hearings, but maybe there is no more important  
18 department to come before us than the Department  
19 of Education. I'm a former teacher. I'm a  
20 mother. And I taught at a higher ed level before  
21 I came to the House.

22 So maybe I want to just frame my comments  
23 and my brief questions in our constitutional  
24 obligation, because I think by talking with you we  
25 really are testing, are we living up to our

1 constitutional obligation, which I know you take  
2 seriously and we take seriously.

3 I'm just going to read it because we all  
4 know it, but it's critical. It is Article 3  
5 Section 14. The public school system. The  
6 General Assembly shall -- the obligation is ours  
7 -- provide for the maintenance and support of a  
8 thorough and efficient system of public education  
9 to serve the needs of the Commonwealth.

10 So really in this conversation we are  
11 testing, are we doing that; whether we are talking  
12 dollars or programs, and it's exciting to see some  
13 of the new dollars that the Governor proposes. I  
14 thought the place I would start because I'm very  
15 interested in it. I'm a grandmother too. I have a  
16 little two-year-old granddaughter.

17 ACTING SECRETARY DUMARESQ: I'm jealous.

18 REPRESENTATIVE DEAN: It's wonderful. Is  
19 the PreK Counts program. I'm happy to see new  
20 investment in the PreK Counts program. And also,  
21 you know, the launch of PreK for PA public private  
22 partnership to do more of that kind of work.

23 Can you detail for us what the PreK Counts  
24 program will do? Who's in it? How many are in  
25 it? Those kinds of things.

1           ACTING SECRETARY DUMARESQ: Well, let me  
2 talk first about the -- it's a ten-million-dollar  
3 increase in that line item. We determine that it  
4 will be about 1670 more spots. It services three  
5 to four year olds. I believe that it's 100  
6 percent of the poverty rate that makes you  
7 eligible for those, and it's really focused at  
8 students at risk for being on age-appropriate  
9 levels as they come into public schools or K-12  
10 institutions. It's focused at closing that gap  
11 for those children.

12           REPRESENTATIVE DEAN: And is it only based  
13 on poverty? I know our other programs, for  
14 example, the Head Start has to do with economic  
15 advantage or disadvantage. Is this also the same  
16 for PreK?

17           ACTING SECRETARY DUMARESQ: I think the  
18 eligibility is different in Head Start. I think  
19 it's 300 percent of the poverty level, but, yes,  
20 it's focused at children most at risk.

21           REPRESENTATIVE DEAN: And some of these  
22 slots will be for full day and some will be for  
23 half day. Do we have an idea of how that's going  
24 to break down?

25           ACTING SECRETARY DUMARESQ: No, but I can

1 get you that information.

2 REPRESENTATIVE DEAN: And I guess it's  
3 wonderful to hear 1670 kids will get this. What  
4 is the eligible population? Who are we not  
5 including in this program? Because we all know  
6 and our neighboring states are investing in it  
7 very, very heavily. Smart states know that a  
8 dollar invested in birth to five years of age at  
9 that very important cognitive development level,  
10 save something like \$7 down the road, and they're  
11 seven sadder dollars in dropouts or incarceration  
12 or not living up to your economic potential with  
13 good jobs, good paying family-sustaining jobs.

14 So do we have any sense of how many kids  
15 are not going to be served by this additional  
16 funding?

17 ACTING SECRETARY DUMARESQ: Well, I think  
18 that at some point we stop with the waiting list  
19 when, in fact, all the funded spots are open. So,  
20 I'm not sure I could give you that information  
21 because they don't keep that.

22 REPRESENTATIVE DEAN: If it's something  
23 that we could find out.

24 ACTING SECRETARY DUMARESQ: I can find out  
25 estimates for you. I can do that. But we have --

1 over the course of the last few years, we've  
2 increased that line item by 24 percent. So we  
3 made in Pennsylvania I think a significant  
4 investment in early learning.

5 REPRESENTATIVE DEAN: I think it is  
6 important, and I think we are going to find that  
7 it's only going to enrich us more and more. Our  
8 neighboring State of New Jersey, I think, invests  
9 about four fold what we're talking about in  
10 Pennsylvania. So I think it's very worthwhile.  
11 I just want to encourage us to do more.

12 To follow-up on something Representative  
13 Santarsiero asked us about, which was the circular  
14 lease, I wanted to ask specifically about the one  
15 school that the Auditor General found the  
16 inappropriate -- more than a million dollars worth  
17 of inappropriate lease payments, which was Chester  
18 Community Charter.

19 As a result of that finding, what does the  
20 Department of Education do to go back and talk to  
21 that charter school?

22 ACTING SECRETARY DUMARESQ: As I said  
23 before, we first have to decide what is an  
24 inappropriate relationship, and that is what we  
25 are sitting down with the Auditor General about to

1 say those lease reimbursements were approved in  
2 previous administrations, so how do we define a  
3 bright line between an appropriate relationship  
4 between the non-profit and then the owner of the  
5 building, if you will. And that we still need to  
6 develop those guidelines. Once we develop those  
7 guidelines, then we need to communicate clearly  
8 going forward because some people have taken  
9 mortgages or they have debt on the buildings that  
10 they are now renting. So we need to make sure  
11 that we are very clear on how we go forward when  
12 we find that, perhaps, there is an inappropriate  
13 relationship. But we are working very hard on  
14 that.

15 REPRESENTATIVE DEAN: So the Department  
16 and others may have some ability to look back, but  
17 the Department has no ability to look back and  
18 survey and say, wait a second, we made  
19 inappropriate payments?

20 ACTING SECRETARY DUMARESQ: I believe that  
21 the definition of inappropriate payments is yet to  
22 be defined. If, in fact, people were approved  
23 under guidelines that currently exist then --

24 REPRESENTATIVE DEAN: I'm referring to the  
25 Auditor General's report. In his report, he very

1 firmly -- he doesn't hedge.

2 ACTING SECRETARY DUMARESQ: I know he is  
3 very direct. He has been very direct with me.

4 REPRESENTATIVE DEAN: And then I think the  
5 last thing I would really like to speak about is  
6 just to respectfully ask that the Administration  
7 be a little more transparent in terms of actual  
8 dollars to education.

9 We can talk about whether or not pensions  
10 are costs or an expense of education. Surely they  
11 are. And we can talk about how much -- what  
12 percentage of our pension obligation right now is  
13 really old debt that we failed to meet when we  
14 should have met it, but if you really look at what  
15 we are spending on education, and I'm now talking  
16 through 12. I'm not talking higher ed.

17 Under the proposed budget of the Governor,  
18 it will be 9.283 million actual dollars -- excuse  
19 me, billion, losing a whole set of zeros. And if  
20 you look back at 2008-2009 actual dollars, it was  
21 9.361. We will be under by several hundred  
22 thousand dollars, the actual dollars spent. I'm  
23 not talking pension dollars whatsoever.

24 So my question is -- Back to my threshold  
25 question, are we meeting our constitutional

1 obligation? If all these years later there is no  
2 increase in real dollars going toward the  
3 classroom, going toward the children? With the  
4 exception of understanding pension is part an  
5 obligation earned by the people who are teaching  
6 our children, are we really meeting our  
7 constitutional obligation?

8           ACTING SECRETARY DUMARESQ: Well, I  
9 believe we are. I think that, again, when we talk  
10 about what is sufficient and what is needed,  
11 that's a conversation that, again, I would go back  
12 and look at the basic instructional subsidy. It's  
13 one thing to say what are the components that  
14 should be in there. It's another thing to say  
15 what would the factor per student be that you put  
16 in there. What is a sufficient factor per  
17 student? And I think that's, again, a  
18 conversation we need to have as we sit down  
19 together, both Republicans and Democrats and the  
20 Administration and say what is sufficient, and  
21 that's a conversation we need to have.

22           I do want to go back and say that --  
23 because I don't want you to think that by not  
24 responding to what was in the State System of  
25 Support for Public Education that the Governor was



1 not being transparent. One of the things that I  
2 try to do as an old math teacher, statistics  
3 teacher, is to make sure that when I look at  
4 comparisons that I'm comparing apples to apples.

5 And what I see is back in the previous  
6 administration, what they defined as state system  
7 of support and the line items that they used, I  
8 used the same line items to look at that. And,  
9 again, I see a difference and more money in those  
10 line items.

11 Again, we can do different charts and we  
12 can look at different does it count or doesn't it  
13 count? But I think in order for me to be an  
14 honest broker of the data, I need to go back and  
15 what the previous administration called state  
16 system support, and I think there is a different  
17 story in there.

18 It doesn't get to your question about  
19 sufficiency, and I think that's a question we need  
20 to have going forward.

21 REPRESENTATIVE DEAN: And I would argue it  
22 is not a sufficiency. I think the accrued  
23 pensions is part of the picture, but if we want to  
24 talk and pull out that portion of it, we have  
25 something else to compare. There are other places

1 we can look to for revenues. And is it  
2 sufficient? In light of some of what our  
3 colleagues have talked about, and we've only  
4 touched the surface of some of the struggling  
5 school districts. The districts that are going to  
6 be broke in a matter of a couple of years, and the  
7 fact that a child in this zip code gets a very  
8 good education and a child in this zip code is  
9 failing, and we'll never capture those years  
10 again.

11 So are we meeting our constitutional  
12 obligation? I think we're not. Let me say that  
13 respectfully to say, I admire your work, and I  
14 admire the work of the Department; but I think we  
15 have an obligation to make sure we not only do a  
16 thorough and efficient system, we do an excellent  
17 system for our children.

18 ACTING SECRETARY DUMARESQ: Thank you for  
19 that. I think one of the things that I take very  
20 seriously is that when we look at things that are  
21 sufficient, and we look at the things that are  
22 important for student achievement, it's not just  
23 about money. I know that's important. As a  
24 superintendent, I thought that was really  
25 important, too, but it's also about the quality of

1 the educator that we put in front of our  
2 children. We've worked very hard to give  
3 districts the tools that they need to ensure that  
4 quality, and we have some wonderful teachers in  
5 the classroom, and we have teachers that need  
6 support. So I think that is part of making sure  
7 that you've got a thorough and efficient  
8 educational system. We need transparency so  
9 school districts and the school report card gives  
10 us that.

11 Where is it that you can improve in  
12 looking at the educational performance of the  
13 student or of that building? So I think  
14 altogether between those increased rigors and  
15 accountability which provide efficiency, the staff  
16 development that we deliver for our teachers and  
17 the classroom and principals and then sufficient  
18 funding and reforms to put money back into the  
19 system. It's all part of that conversation, and I  
20 welcome that conversation and that work.

21 REPRESENTATIVE DEAN: I think your point  
22 is absolutely the truth. It's the teachers, too.  
23 And that's what's exciting about the preK  
24 program. It's not just day care. It's to put  
25 educated educators in front of our very young

1 children.

2 ACTING SECRETARY DUMARESQ: Absolutely.

3 REPRESENTATIVE DEAN: Thank you.

4 MAJORITY CHAIRMAN ADOLPH: Thank you. Did  
5 anybody ever receive a text from someone and then  
6 you just text back to them good-bye. Every once  
7 in a while --

8 ACTING SECRETARY DUMARESQ: Are you  
9 telling me good-bye?

10 MAJORITY CHAIRMAN ADOLPH: Every  
11 conversation has to end sometime. I just didn't  
12 know when that conversation was ever going to  
13 end.

14 ACTING SECRETARY DUMARESQ: I'm sorry. I  
15 was having fun talking about important stuff.

16 MAJORITY CHAIRMAN ADOLPH: Thank you. I  
17 thought we came to an agreement about ten minutes  
18 ago.

19 ACTING SECRETARY DUMARESQ: Oh, I'm sorry.

20 MAJORITY CHAIRMAN ADOLPH: Representative  
21 Grove.

22 ACTING SECRETARY DUMARESQ: I'm sorry. I  
23 don't know the rules. I'm sorry. I told you, do  
24 this for me.

25 MAJORITY CHAIRMAN ADOLPH: And please just

1 refer to yourself as an experienced math teacher.

2 ACTING SECRETARY DUMARESQ: Not an old  
3 one.

4 MAJORITY CHAIRMAN ADOLPH: Not an old one  
5 by no means.

6 ACTING SECRETARY DUMARESQ: Thank you.

7 REPRESENTATIVE GROVE: Thank you,  
8 Mr. Chairman.

9 Thank you, Madam Secretary, for coming. I  
10 was going to wear my common core tinfoil hat  
11 today, but I lost it.

12 ACTING SECRETARY DUMARESQ: And you're  
13 orange shirt.

14 REPRESENTATIVE GROVE: We got rid of it.  
15 So I don't need it anymore. I sent it to my other  
16 friends in other states who egregiously screwed up  
17 their standards.

18 I appreciate you coming here. I want to  
19 drive down our PlanCon a little bit. Obviously  
20 the current line item 30 rentals and seeking fund  
21 requirements has been flat lined for this upcoming  
22 budget. I assume the Administration is planning  
23 another moratorium moving forward?

24 ACTING SECRETARY DUMARESQ: Yes. And,  
25 again, because there's 300 some in the pipeline I

1 think we need to move those forward.

2 REPRESENTATIVE GROVE: To date, since the  
3 start of the moratorium, how many projects has the  
4 Department held at Part G and how many projects  
5 have moved on to Part H for reimbursement?

6 ACTING SECRETARY DUMARESQ: I'd have to go  
7 back and get that information. Okay. She's  
8 pointing at something that maybe I can tell you  
9 right away. Here we go. There are 203 projects  
10 that are being held in G, if you will.

11 REPRESENTATIVE GROVE: Do you know how  
12 many we've moved out since the moratorium on the  
13 age for reimbursement?

14 DEPUTY SECRETARY DUFFY: We haven't moved  
15 any out since the moratorium began.

16 REPRESENTATIVE GROVE: None. Okay. How  
17 many school districts have received the extra  
18 requirements, like, for LED, lead building,  
19 prototypical school construction design in the  
20 past decade or whenever those reimbursements  
21 started?

22 DEPUTY SECRETARY DUFFY: We've had about  
23 25 schools with the lead, and for prototypical we  
24 know of about two.

25 REPRESENTATIVE GROVE: Two. And how much

1 is a reimbursement on those? Do you know off the  
2 top of your head?

3 DEPUTY SECRETARY DUFFY: I don't know off  
4 the top of my head. And it would depend probably  
5 on the different factors and the formula would be  
6 different.

7 REPRESENTATIVE GROVE: Okay. And do you  
8 know how many schools would do the LED requirement  
9 without even doing the reimbursement? Because I  
10 know it's a pretty hot topic to get LED to do cost  
11 savings anyway on the environmental. Have you  
12 gone back to school districts and asked?

13 DEPUTY SECRETARY DUFFY: We haven't, but I  
14 believe that is part of the questioning that we'll  
15 be looking at when we are surveying the schools,  
16 dealing with energy efficiency and other topics.

17 REPRESENTATIVE GROVE: Good. If we were  
18 to allocate additional 25 million, 50 million, 75  
19 million or a hundred million dollars to the  
20 authority rentals fund line item. How many  
21 projects could the department approve and start  
22 reimbursing?

23 DEPUTY SECRETARY DUFFY: So we can't  
24 really answer that question, and the reason is  
25 when we approve a project -- so if I approve a

1 project right now, the initial approval would  
2 include also all the back payments that are owed  
3 on that project. So I could approve a project  
4 today, and it could be a four-million-dollar  
5 project, but going toward maybe only 250,000  
6 annually. Then I could have another project that  
7 the initial approval could be \$500,000, and since  
8 we've been kind of stuck without funding, and once  
9 funding is available -- once we start reviewing  
10 the agents we will have a better idea about that.  
11 Typically when money is available, you approve the  
12 projects you can until there is no more money  
13 available.

14 REPRESENTATIVE GROVE: Can you give the  
15 committee a breakdown for 25, 50, 75, 100? Can  
16 you go back and try to analyze that?

17 DEPUTY SECRETARY DUFFY: I don't know if  
18 we could do that. We would have to go through all  
19 the Hs that are there and keep going back. I  
20 mean, once we start --

21 REPRESENTATIVE GROVE: Is it normally  
22 done, first in first out?

23 DEPUTY SECRETARY DUFFY: Yes. So the  
24 process is a first in first out. So there's  
25 really no way to change the order of projects.



1 The one exception would be that if a project would  
2 be first in and we would contact the district to  
3 get more information or you have to turn in more  
4 paperwork and it would be a significant delay, the  
5 school district, there could be a possibility of  
6 someone moving ahead of them. They would not bump  
7 to the end. They would just bump out until they  
8 then would comply with the requirements.

9 REPRESENTATIVE GROVE: But you know the  
10 projects in line, though, correct? So you know  
11 the amount. So you could go back and say with 25  
12 million we could drop down this list?

13 DEPUTY SECRETARY DUFFY: You would have to  
14 go back and do the reviews. So we haven't done  
15 the reviews since they haven't had G approval or H  
16 approval. When you actually complete the H  
17 approval, that's what tells you how much it costs  
18 because, I know this starts to get a little  
19 difficult, a project stops being a project in G  
20 and it becomes leases. So that one project could  
21 have five bond issues that support that one  
22 lease. So that project then turns into leases.  
23 So a school might have a project, and if they only  
24 send out two of the bond issuances and they are  
25 waiting to do two more.

1           So they could actually be in H three  
2 different times for the same project, which makes  
3 that answer very difficult.

4           REPRESENTATIVE GROVE: Could you try to do  
5 your best?

6           DEPUTY SECRETARY DUFFY: We can try to do  
7 our best, Representative.

8           REPRESENTATIVE GROVE: I'd appreciate it.  
9 Does the Administration support overhauling the  
10 PlanCon process to reduce mandates on school  
11 districts, simplify the process, and reduce the  
12 Commonwealth's obligations moving forward?

13           ACTING SECRETARY DUMARESQ: Yes, we do.  
14 That is part of the study.

15           REPRESENTATIVE GROVE: Good. Thank you.  
16 Appreciate it.

17           Thank you, Mr. Chairman.

18           MAJORITY CHAIRMAN ADOLPH: Thank you.

19           Representative Jake Wheatley.

20           REPRESENTATIVE WHEATLEY: Thank you,  
21 Mr. Chairman.

22           And good afternoon, Madam Secretary.

23           ACTING SECRETARY DUMARESQ: Good  
24 afternoon.

25           REPRESENTATIVE WHEATLEY: One question --

1 well, more than one, but the first question is did  
2 we receive Race to the Top money?

3 ACTING SECRETARY DUMARESQ: We received  
4 three Race to the Top grants. The first one was  
5 the literacy that we received and the second one  
6 was -- I think they were in 2010 was the Race to  
7 the Top that help to fund a basic ed one that  
8 funded a lot of the teacher and principal  
9 evaluation work that we were doing and a lot of  
10 the training. And then we just received the most  
11 recent one, which is the Early Learning grant that  
12 we have.

13 REPRESENTATIVE WHEATLEY: And what's the  
14 total or what is the amount?

15 ACTING SECRETARY DUMARESQ: I know I have  
16 a piece of paper here that I can -- the Striving  
17 Readers grant, which was the first one was 190  
18 million over five years. That was back in  
19 September of 2011. The Race to the Top 41 million  
20 in that December, and that was over a course of  
21 five years, and in fact, and it would as I said,  
22 support teacher and principal evaluation  
23 implementation. The last one, which was the Early  
24 Learning Challenge, which was just this past  
25 December, was 51.7 million.

1           REPRESENTATIVE WHEATLEY: And where is  
2 that reflected in our budget, this early  
3 learning. Is that part of the amount that we're  
4 using to expand preK?

5           ACTING SECRETARY DUMARESQ: No. The  
6 funding agent for that Early Learning is DPW, so  
7 it would show up in their budget, but it will fund  
8 activities that will increase opportunities for  
9 children, staff development for those early  
10 learning teachers, community collaborations, but  
11 the funding agent is the Department of Welfare.

12           REPRESENTATIVE WHEATLEY: So these other  
13 two grants, are they in your budget or somewhere  
14 else?

15           ACTING SECRETARY DUMARESQ: They're in  
16 our -- the first two are in the Department's  
17 budget.

18           REPRESENTATIVE WHEATLEY: So this literacy  
19 grant from 2011 the 190 over five years, that's in  
20 what line item in your budget? What is that  
21 supporting?

22           ACTING SECRETARY DUMARESQ: That has  
23 been -- Being a fiscal agent is one of our  
24 intermediate units, so that would show up in their  
25 budget. The Race to the Top grant would show up

1 in the Department's budget. The in training  
2 it's --

3 REPRESENTATIVE WHEATLEY: Okay. I'm  
4 sorry.

5 ACTING SECRETARY DUMARESQ: It's a federal  
6 line item in our budget.

7 REPRESENTATIVE WHEATLEY: So the 2011  
8 literacy grant is a federal line item in your  
9 budget?

10 ACTING SECRETARY DUMARESQ: Yes. All of  
11 those are federal line items.

12 REPRESENTATIVE WHEATLEY: In your budget?

13 ACTING SECRETARY DUMARESQ: Yes. We can  
14 point that out to you.

15 REPRESENTATIVE WHEATLEY: Yeah, I just  
16 want to make sure because I know before there was  
17 a lot of conversation around one-time budget fixes  
18 from DC that we used as stimulus money. It seems  
19 to me like these grants -- I just want to make  
20 sure that these grants are showing up as if they  
21 are long-term solutions, but that they are, in  
22 fact, one time or a little bit over five-year time  
23 supports for things.

24 ACTING SECRETARY DUMARESQ: The Striving  
25 Readers grant was for the development of

1 curriculum and training. So again, one-time  
2 costs. The Race to the Top grant that helped fund  
3 the teacher and principal evaluation system was  
4 for help to develop the training that we've done  
5 to get ready for this year and the  
6 implementation. It helped to pay for courses that  
7 we purchased that are now ours on the Standards  
8 Aligned System that I mentioned about supporting  
9 Danielson, the 22 component courses. We now own  
10 them. We paid for the development of those so  
11 that we can use them for free.

12 It's paid for training for the principals,  
13 but it's training money and staff development  
14 money, one-time costs.

15 REPRESENTATIVE WHEATLEY: And so, can you  
16 also tell me how many districts we currently have  
17 that are listed as distressed districts? And how  
18 do you define distressed districts? Are they in  
19 correlation with no child left behind and not  
20 meeting those requirements, or do we have separate  
21 determinations for what is a distressed district?

22 ACTING SECRETARY DUMARESQ: We followed  
23 the law that was passed on how to identify  
24 distressed school districts. There are currently  
25 four, and it was the criteria that was in the law

1 that would name severely distressed or moderately  
2 distressed.

3 REPRESENTATIVE WHEATLEY: So those  
4 districts that are near distressed but haven't met  
5 the determination of the law distressed, but the  
6 academic performance is underperforming and/or  
7 they're financially at that point where they are  
8 going to fall off a cliff. What do we do as the  
9 planning process for them?

10 ACTING SECRETARY DUMARESQ: We have  
11 there's -- separate out the two issues. There's a  
12 fiscal watch for when districts are fiscally  
13 starting to demonstrate or when they call and say,  
14 we need some help. We send out folks from the  
15 Department, contractors to go out and look at is  
16 there a different way to refinance a bond issue?  
17 Is there a different staffing pattern that you  
18 could look at? Have you missed applying for your  
19 federal monies that you're due? So there are --  
20 we send folks out to help in the business offices  
21 for those fiscal watch districts, and we have  
22 monthly phone calls with those folks.

23 For academically distressed school  
24 buildings, we have -- we call them focus schools,  
25 and then priority schools. We have folks that

1 were called our academic recovery liaisons that  
2 are part of the federal Title 1 monies that we get  
3 that go out to, in fact, support writing to the  
4 buildings, working with the principals for the  
5 lowest performing buildings in the Commonwealth.  
6 There is an academic recovering liaison. And they  
7 network resources that are in our Standards  
8 Aligned System. They help train the principal and  
9 the faculty to look at the school performance  
10 profile.

11 What can we do to move student achievement  
12 here? They make sure that teacher training and  
13 those types of things. So it's a partnership  
14 between the Department and the school building.

15 REPRESENTATIVE WHEATLEY: And I don't want  
16 to cut you off, but I want to try to get some real  
17 quick ones in.

18 ACTING SECRETARY DUMARESQ: Okay.

19 REPRESENTATIVE WHEATLEY: So how much --  
20 where in your budget can I find the allocation  
21 that supports the fiscal watch and the academic --  
22 the focus -- I forget what you called it again.

23 ACTING SECRETARY DUMARESQ: Fiscal watch.

24 REPRESENTATIVE WHEATLEY: Fiscal watch.  
25 And the other was the academic --



1           ACTING SECRETARY DUMARESQ: Recovery  
2 liaison.

3           REPRESENTATIVE WHEATLEY: -- recovery  
4 liaison. How much do you allocate for those  
5 tasks? And are you planning, or do you have a  
6 plan in place that if it requires a state  
7 takeover --

8           Before I go there, how many of your  
9 schools that were on that verge have you prevented  
10 and turned around from going off the edge, or are  
11 they still teetering on the edge?

12          ACTING SECRETARY DUMARESQ: Well, the four  
13 that we have --

14          REPRESENTATIVE WHEATLEY: Not the ones  
15 that we already identify as distressed, but those  
16 that you are trying to support to not go over.

17          DEPUTY SECRETARY DUFFY: I can answer the  
18 financial issue. What the legislature passed in  
19 last session was the ability for the Department to  
20 use \$4.5 million of unencumbered funds to be used  
21 towards these school districts, and so those would  
22 be the monies that are allocated towards the  
23 Department for helping the districts.

24          In addition, there is a loan account and  
25 what is put in that loan account, per the school

1 code last year, was about \$10 million. There were  
2 monies that were in the basic education subsidy  
3 that were appropriated. The basic education  
4 subsidy was appropriated a little bit higher than  
5 the need for the allocations. So extra money was  
6 then in the school code put into the loan account.

7 The loan account monies go out to school  
8 districts that are declared in fiscal recovery,  
9 and those districts have to account for the loan  
10 in their approved plans, that they submit to the  
11 Department or to the court depending on what stage  
12 of recovery they are in. So those are the monies  
13 that are used for that program.

14 REPRESENTATIVE WHEATLEY: So they would  
15 have to take out a loan and then pay it back?

16 DEPUTY SECRETARY DUFFY: Well, it's an  
17 interest-free loan from the Department, and  
18 they're in their plan, they restructure how they  
19 would pay that back. So the length of payment  
20 terms and things like that could be easily  
21 stretched out or shortened. It helps schools so  
22 that they don't have to go and borrow with  
23 interest if they were going to do that as well.

24 REPRESENTATIVE WHEATLEY: My final  
25 question is essentially -- it is my belief, at

1 least in the west I've been told that out of the  
2 41 school districts maybe nine possibly ten now  
3 are on the verge of either academically falling  
4 off the cliff or financially falling off the  
5 cliff, and I'm sure across the Commonwealth there  
6 are probably numerous others. I'm really hoping  
7 that you have a plan when we have four districts  
8 that you say are distressed. Are you including  
9 Philadelphia?

10 ACTING SECRETARY DUMARESQ: No.

11 REPRESENTATIVE WHEATLEY: Philadelphia is  
12 already taken over, right?

13 ACTING SECRETARY DUMARESQ: Yes.

14 REPRESENTATIVE WHEATLEY: The state is  
15 already really a state district? Philadelphia is  
16 now a state district; is that correct?

17 ACTING SECRETARY DUMARESQ: It's under the  
18 SRC, yes.

19 REPRESENTATIVE WHEATLEY: So the state  
20 controls Philadelphia School District. Duquesne  
21 has been partially taken over. What are the other  
22 four that you consider distressed?

23 ACTING SECRETARY DUMARESQ: Three.  
24 There's York, Harrisburg, and Chester Upper.

25 REPRESENTATIVE WHEATLEY: And so as these

1 school districts that are under our control and  
2 others start to fall, what is the plan, the  
3 academic and fiscal plan to maintain these  
4 districts?

5 ACTING SECRETARY DUMARESQ: For the four  
6 that we have, we have what we call chief recovery  
7 officers or receiver depending on the nature of  
8 the board approval of the plan that actually goes  
9 in and works with, again, resources that we bring  
10 into the district to take a look at the budget and  
11 say, what is it that we can do to restructure  
12 debt, to look at right sizing the district, and  
13 how does that impact the education program, and  
14 what resources do we need to bring in to stabilize  
15 the education program. So that there are two  
16 different initiatives that come in to develop the  
17 plan for those schools.

18 I can say that in a number of cases that  
19 we've been working, the fiscal house has been  
20 stabilized, in the academic -- well, we'll see  
21 again this year when we get the test results come  
22 out, whether, in fact, we are continuing to move  
23 academically in those four schools that we're in.

24 REPRESENTATIVE WHEATLEY: Thank you,  
25 Mr. Chairman. Thank you, Madam Secretary.

1 MAJORITY CHAIRMAN ADOLPH: Thank you. I  
2 would like to acknowledge the presence of  
3 Representative Scott Conklin who's joined us. And  
4 the next question will be by Representative Scott  
5 Petri.

6 REPRESENTATIVE PETRI: Thank you,  
7 Mr. Chairman.

8 And thank you, Madam Secretary.

9 First question I want to ask comes from  
10 one of my superintendents who has been in the snow  
11 belt, and he's wondering is there going to be any  
12 flexibility for meeting the 180-day requirement,  
13 and can he do something by way of hours to make up  
14 the time so the kids aren't in through all of  
15 June?

16 ACTING SECRETARY DUMARESQ: All of June.  
17 Right. In fact, there was -- I believe it's going  
18 out this afternoon -- guidance within the  
19 parameters of control of the Secretary of  
20 Education, which is we can't waive 180 days, but  
21 we can offer an alternative. Only the legislature  
22 can waive 180 days. But, in fact, we can offer  
23 the alternative of going 900 hours for elementary  
24 and 990. They are called act 80 days. I think  
25 what most superintendents thought is that you had

1 to come in at the beginning of the school year to  
2 ask for that trade off.

3 In fact, the regulation says you have  
4 until the end of July of the school year to, in  
5 fact, ask for an Act 80 day. So we're reminding  
6 them of the flexibility, offering to open up again  
7 to see if they want to trade off 180 days for the  
8 hours.

9 REPRESENTATIVE PETRI: That's good. The  
10 sooner you get that word out the better so that  
11 they can make plans particularly with regard to  
12 parents and the like.

13 ACTING SECRETARY DUMARESQ: Right.

14 REPRESENTATIVE PETRI: Next question I  
15 had, you know, one of the gentleman that spoke  
16 earlier, my esteemed colleague from Montgomery  
17 County was very, very concerned, as I am, with  
18 regard to the pension circumstance and the fact  
19 that it's been delayed and we keep kicking it down  
20 the can. And we have been hearing it all day  
21 today.

22 Isn't it true that we don't pay, and we  
23 have no fund for retiree health? Aren't we just  
24 kicking the can down the road? We don't have a  
25 fund or a place to pay that. In fact, that's paid

1 by -- you know, if you have a retired teacher here  
2 in the room somewhere, their fund will be paid by  
3 a current employee effectively it's allocated to  
4 the current employee; is that correct?

5 ACTING SECRETARY DUMARESQ: Well, the  
6 health care is, in fact, a fringe benefit that is  
7 bargained at the local level. And the level of  
8 support whether employees pay a copay or whether  
9 they pay a premium share is bargained locally.  
10 And whether, in fact, there is retiree health care  
11 is bargained locally. The State does not fund  
12 health care.

13 REPRESENTATIVE PETRI: Well, exactly.  
14 And, you know, that, of course, just brings to  
15 light one of the problems that we are faced with  
16 as a legislature in that we are not the ones  
17 creating the bargaining rights and the benefits.  
18 But often times, we are the ones that have to come  
19 in and somehow pick up the pieces and pay for it  
20 whether it's directly through the front door or  
21 indirectly through the back door. So that's why I  
22 raised that issue that if we really are paying for  
23 things as we go, we ought to be paying for them as  
24 we go. But that's not how it's ever worked.

25 Last question I want to ask about is

1 audits and audit findings. There are audits of  
2 every school district every year, and often times  
3 there are serious findings. If you as a  
4 Department receive a number of audits with the  
5 same serious financial or other finding, what  
6 authority and power do you have as the Department  
7 to demand remedies? And do you think you have  
8 enough remedies available to you to effectuate a  
9 sound business program?

10 And obviously that question is asked  
11 because in most of the school districts, it's the  
12 local school board that controls and decides  
13 whether to follow those audit findings.

14 ACTING SECRETARY DUMARESQ: Exactly. We  
15 do have a very rigorous review process inside the  
16 Department, which is headed by the Deputy for  
17 Administration, so I want to ask her to respond to  
18 that.

19 REPRESENTATIVE PETRI: Sure.

20 DEPUTY SECRETARY DUFFY: We do review all  
21 the findings that come into the Department, but as  
22 you point out, there are little to no remedies  
23 given to the Department as far as authority and  
24 the school code to look especially at financial  
25 situations. What we would do is, especially with



1 the development of the financial watch system, we  
2 would take any recurring financial findings or  
3 anything that we would find maybe alarming and  
4 alert the people in the Department who also work  
5 in that area and kind of maybe send out feelers to  
6 those school districts, or make a further review  
7 of their financial information. But beyond that,  
8 depending on the specificity of the finding, we  
9 have limited, you know, ability to do anything  
10 according to law.

11 REPRESENTATIVE PETRI: So, for instance,  
12 if you had a school district that reported it sold  
13 the building three successive years, spent the  
14 money, but never sold the building, you know, that  
15 would obviously be a serious finding and yet that  
16 may be in three audit reports and nothing  
17 happened. She can't remove the school board under  
18 current law?

19 DEPUTY SECRETARY DUFFY: Not to my  
20 knowledge.

21 ACTING SECRETARY DUMARESQ: No.

22 REPRESENTATIVE PETRI: Do you think that  
23 you should have that authority?

24 ACTING SECRETARY DUMARESQ: No. I think  
25 the school boards, again, in Pennsylvania -- I

1 would like more authority to implement some  
2 penalties, but I think school boards are functions  
3 of local taxpayers, and local taxpayers need to  
4 decide who is going to represent them. It's not a  
5 perfect system, but it's a system we have.

6 REPRESENTATIVE PETRI: Well, I'm going to  
7 work on a bill. I'll offer it for some  
8 suggestion. The idea occurred to me the Chairman  
9 held a meeting at Chester Upland, and when I  
10 raised some of the issues about whether, with  
11 Secretary Tomalis, whether he thought that there  
12 may have been criminal activity and it should have  
13 been turned over, and obviously he couldn't  
14 comment on whether it had been turned over, hadn't  
15 been turned over, but one of the parents in the  
16 gallery followed me out crying and said, we have  
17 been asking the same questions and we get no  
18 answers, and finally we are getting answers as to  
19 what happened. And that really is a very, very  
20 unfortunate situation.

21 I think you need more authority. I think  
22 you need the ability to demand the school board  
23 put up a specific vote on what remedies they are  
24 going to do and if they don't follow through or  
25 they don't do so, then I think there has to be

1 some sort of recall or removal. Thank you.

2 MAJORITY CHAIRMAN ADOLPH: Thank you.

3 Representative Glenn Grell.

4 REPRESENTATIVE GRELL: Thank you,  
5 Mr. Chairman.

6 Thank you, Madam secretary, for your  
7 testimony. I wanted to try to get a little better  
8 understanding of the allocation of dollars under  
9 the PreK Counts Program.

10 I think it's admirable that the Governor's  
11 budget proposal proposes to take that line from 87  
12 million to 97 million, I believe, and I've  
13 supported funding for that in previous years, but  
14 I was a little disappointed last year to see how  
15 that money actually got pushed out.

16 I'm from Cumberland County. We have kids  
17 who are under 300 percent of the poverty level,  
18 and I was just surprised to see how little of that  
19 money actually went to facilities in Cumberland  
20 County.

21 So my question is, what is the criteria  
22 for determining how that money gets allocated? I  
23 believe facilities have to apply for it, but I  
24 just need a better understanding of how those  
25 decisions are made and whether there is a plan to

1 try to reach more of those kids and families who  
2 are eligible within that 300 percent of poverty  
3 level.

4 ACTING SECRETARY DUMARESQ: I think the --  
5 as I understand it, there are criteria for use for  
6 PreK Counts, and then it's done through an RFP  
7 that comes out and people respond and then the  
8 RFPs are judged, and if there are specific  
9 providers that you need information on, I'd be  
10 happy to show you.

11 REPRESENTATIVE GRELL: Okay. Could you at  
12 least share with us the criteria that is used in  
13 evaluating the RFPs, or is that something --

14 ACTING SECRETARY DUMARESQ: I can. Not  
15 right now, but I can absolutely.

16 REPRESENTATIVE GRELL: Yeah, but if you  
17 can supply that to the committee chairman and he  
18 can share it with the rest of the committee. Then  
19 if I have further questions, I'll follow-up with  
20 that.

21 ACTING SECRETARY DUMARESQ: Absolutely.

22 REPRESENTATIVE GRELL: Thanks very much.

23 MAJORITY CHAIRMAN ADOLPH: Thank you.

24 Representative Donna Oberlander.

25 REPRESENTATIVE OBERLANDER: Thank you,

1 Chairman.

2 Good afternoon, Madam Secretary. I'm  
3 going to change gears a little bit. I've been  
4 impressed with the First Lady Susan Corbett's  
5 interest in preventing dropouts. And in line with  
6 that concern I see that the adult and family  
7 literacy program has taken a cut, and these  
8 programs serve those who have dropped out, helping  
9 them to get more education, and hopefully their  
10 GEDs. My concern is that with that reduction,  
11 will we be able to meet those needs?

12 ACTING SECRETARY DUMARESQ: I think what  
13 was removed was a legislative addition that went  
14 in last year, and that will be for you to decide.  
15 The Department was level funded.

16 REPRESENTATIVE OBERLANDER: I have been  
17 told that there is a waiting list for those  
18 services. Are you aware of that?

19 ACTING SECRETARY DUMARESQ: I've been  
20 briefed by the providers, some of the providers,  
21 especially in the Philadelphia area that there is  
22 a waiting list. And, again, additional revenues  
23 will absorb more of the waiting list.

24 REPRESENTATIVE OBERLANDER: Okay. Thank  
25 you very much.

1 MAJORITY CHAIRMAN ADOLPH: Okay. Thank  
2 you. That's the end of the first round. Stand  
3 up. Take some deep breaths. We have four  
4 altogether that would like to ask questions on the  
5 second round. We have ten minutes left of this  
6 hearing. I would ask that each member to ask the  
7 question, please consider the others that are  
8 waiting to ask the second round, and if the  
9 Secretary, if it's going to be a question that is  
10 going to take some time, you can get back to us on  
11 the answer. Okay?

12 ACTING SECRETARY DUMARESQ: I hear what  
13 you're saying.

14 MAJORITY CHAIRMAN ADOLPH: We have the  
15 Labor and Industry coming in, in a couple of  
16 minutes. Okay. One just disappeared. Okay.  
17 That's good. Okay. Representative Matt Bradford.

18 REPRESENTATIVE BRADFORD: Real quick. You  
19 had mentioned the SRC in Philadelphia. I just  
20 wanted to get your opinion, is it working, the SRC  
21 system in Philly, the chief recovery officer in  
22 Chester? It seems like we never really talk about  
23 are these -- is any of this working?

24 ACTING SECRETARY DUMARESQ: I think the --  
25 I have been intimately involved in four of them;

1 Chester, York, Harrisburg, and Duquesne, and I  
2 think in various ways they have been working.  
3 They've stabilized the schools. And we are  
4 working on increasing the academic programs. So I  
5 think the outside intervention sometimes can move  
6 the board to do things that they may not have  
7 wanted to do on their own. It opens up other  
8 opportunities for funding.

9 So I think in some respects, yes. It's,  
10 again, one of those issues of how much authority  
11 does the Department have within that law to force  
12 certain changes, and it's more of a cooperative  
13 dance than it is a direction from the Department.  
14 I'll leave it at that.

15 REPRESENTATIVE BRADFORD: All right.  
16 Thank you, Secretary.

17 MAJORITY CHAIRMAN ADOLPH: Thank you.  
18 Representative Jim Christiana.

19 REPRESENTATIVE CHRISTIANA: Thank you,  
20 Mr. Chairman.

21 Madam Secretary, just one question about  
22 the community college capital line item. While  
23 that line item hadn't been a focus of the previous  
24 administration, this administration has been in  
25 tough budget times willing to work with the

1 legislature. I know that the Republican Chairman,  
2 myself, Representative Jim Marshall and Senator  
3 Vogel have worked to see that increase because we  
4 are at a time when we have new industries coming  
5 to Pennsylvania. We have displaced workers that  
6 the community college is the best setting for them  
7 to get up to speed. That line item is really  
8 important and just if you had any initial comments  
9 about the reduction in that line.

10 ACTING SECRETARY DUMARESQ: Again, what  
11 some of the projects that we have, have sunsetted,  
12 so at least on our initial look, there will be no  
13 impact on that, as I understand it.

14 REPRESENTATIVE CHRISTIANA: Well, I look  
15 forward to working with you over the next few  
16 weeks to make sure if there is need there, we can  
17 revisit that line because as new industries come  
18 in, the economy struggles, displaced workers.  
19 That has been a great link between our trades and  
20 our community colleges, and I would like to see  
21 that we maximize that.

22 Thank you, Mr. Chairman.

23 MAJORITY CHAIRMAN ADOLPH: Thank you,  
24 Representative.

25 Representative Jake Wheatley.



1           REPRESENTATIVE WHEATLEY: Thank you,  
2 Mr. Chairman.

3           Madam Secretary, a really specific  
4 question. Pittsburgh had the waiver for the  
5 teachers' effectiveness. I know that there are  
6 some questions about if it will be continued, and  
7 I'm specifically asking about the student  
8 performance -- I mean the student evaluation  
9 observation as part of their total mix.

10           Do you know when your department will  
11 respond to them? And can you give us a sense if,  
12 in fact, they will be allowed to continue as that  
13 as part of their matrix?

14           ACTING SECRETARY DUMARESQ: We haven't  
15 gotten a request for a waiver for next year. So  
16 I'm not sure what Pittsburgh will be sending us,  
17 and we'll respond there. We'll provide the  
18 maximum flexibility that we can within the law;  
19 that we have, and I know they have been working  
20 very hard and Dr. Lane is a great superintendent  
21 so we would be as supportive as we can.

22           REPRESENTATIVE WHEATLEY: Thank you.

23           MAJORITY CHAIRMAN ADOLPH: Okay. Thank  
24 you, Madam Secretary. Thank you, members, for the  
25 way you handled yourself professionally, the

1 courtesy that you showed the Secretary. We  
2 certainly appreciate your professionalism. I can  
3 see why you were a successful math teacher,  
4 superintendent, and we are certainly very  
5 fortunate to have you as our Secretary of  
6 Education at this present time, in these tough  
7 economic times.

8 ACTING SECRETARY DUMARESQ: Thank you.

9 MAJORITY CHAIRMAN ADOLPH: And I'm looking  
10 forward to working with you and your staff between  
11 now and June 30th so we can put together the best  
12 possible budget for the children of Pennsylvania.

13 ACTING SECRETARY DUMARESQ: Thank you so  
14 much, and thank you for your kind attention.

15 MAJORITY CHAIRMAN ADOLPH: We'll reconvene  
16 right around 4:00 for the Labor and Industry.  
17 Thank you.

18 (The hearing concluded at 3:52 p.m.)

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REPORTER'S CERTIFICATE

I HEREBY CERTIFY that I was present upon the hearing of the above-entitled matter and there reported stenographically the proceedings had and the testimony produced; and I further certify that the foregoing is a true and correct transcript of my said stenographic notes.

In testimony whereof, I have hereunto subscribed my hand this 15th day of March 2014.

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Amy J. Spangler

Court Reporter