

Legislative Alert

7th Edition,
September 1,
2006

Introduction

In the fall session, the state legislature will be discussing and potentially voting on issues that affect higher education in Pennsylvania's public universities and colleges. Please use this guide to review the legislation and contact your legislator with the bills that most concern you.

Please contact Laura Statler at lstatler@apscuf.org or (717) 236-7486 ext 3026 for additional information about these bills, sample letters and/or talking points.

Summary of Legislation on the legislative table for discussion

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1) Provide for transfers of credits between institutions of higher education (Articulation legislation)

The 06-07 budget designated \$400,000 to fund the development and implementation of a transfer credit system between institutions of higher education through House Bill 185.

Pennsylvania students enrolled at community colleges are guaranteed that at least 30 credits earned from taking general education courses will transfer to a state-owned university under the legislation. This "articulation agreement," which applies to the 14 State System of Higher Education universities, and any of the 14 community colleges, is to take effect in a year.

Penn State, Pitt, Temple and Lincoln are not required to participate in this credit-transfer guarantee, although those schools have regional agreements that provide similar assurances. The measure also calls for the development of a Web site to provide information on which college credits will transfer to any of the state's public colleges. Private colleges have the option of participating in this endeavor.

Summary of House Bill 185

Article XX-C: Establishes a Transfer and Articulation Oversight Committee charged with developing a universal system for transferring credits between institutions of higher education. The Committee will be chaired by the Secretary of Education and include representatives of Pennsylvania's community colleges and the State System of Higher (SSHE), who are required to participate in the credit transfer system once it is established. The Committee also will include representatives of state-related universities (Penn State, Pitt, Temple and Lincoln), who will serve as non-voting member unless the state-related institution chooses to participate in the articulation system. Independent colleges and universities that elect to participate in the system also will be represented on the Committee.

The Committee has 180 days to develop equivalency standards for foundation courses and one year to determine course equivalencies for at least 30 hours of foundation courses. (Foundation courses are defined as courses required to be completed by students that provide an academic foundation for the degree, general education or advanced study in a major).

By June 30, 2008, community colleges and SSHE universities must: participate in the development and implementation of equivalency standards; establish and maintain records of credits transferred to and received from other public higher education institutions as directed by PDE; make reasonable changes and modifications to their courses, including strengthening courses, to ensure equivalency among the institutions, as recommended by the Committee; and agree to accept foundation courses for transfer. The law requires a series of interim reports be submitted to PDE outlining actions the institutions have taken or will take to complete these steps.

The law also requires all community colleges, SSHE universities and state-related universities to provide copies of all articulation agreements for publication in an electronic database that will be made publicly accessible to students and parents. Additionally, the law establishes reporting requirements for community colleges, SSHE universities and state-related universities detailing credit transfer activity, beginning with an interim report due in 180 days and subsequent reports due every two years until July 1, 2012.

Section 2020-A: Makes funding for State System of Higher Education program initiatives contingent on all SSHE articulation agreements being made available on the System's web site. Historically, this language has been included in the state budget, but has been transferred to the school code this year.

House Bill 1706, P.N. 2235) (Shapiro): Creates an articulation system among the state's 14 community colleges, 14 state-owned universities and four state-related universities. Students who transfer among those colleges and universities would be assured that their credits would count toward graduation. Shapiro's legislation would benefit more than 400,000 college students - 150,000 community college students, 106,000 students at state universities and more than 150,000 at state-related universities - Penn State, Temple, Lincoln and Pittsburgh. Shapiro's legislation is a central component of Gov. Rendell's work-force development initiatives. The initiatives, including the \$101 million Job Ready Pennsylvania, target the needs of employers and deliver focused training and education to the work force. The goal is to ensure that residents are better prepared, better educated and better able to meet the challenges and opportunities of today's marketplace. Under Shapiro's bill, colleges and universities would have one year to develop a system of credit sharing. If the articulation system was not in place after a year, the state Department of Education would implement the guidelines. In addition to statewide articulation agreements, several other reforms would help accelerate students' progression toward a degree. Among them: a statewide course numbering system, a common calendar and common prerequisites for all bachelor's degree programs. *Referred to Education, June 20, 2005, discussed in public hearing at Senate Education Committee on March 22, 2006*

Senate Bill 1147, P.N. 1614 (Rhoades): Amends the Public School Code providing for transfers of credits between institutions of higher education. The bill states that an independent institution of higher education may elect to become a participating institution through the adoption of the universal credit equivalency system by its governing body. Participating institutions of higher education would develop credit transfer policies and procedures by June 30, 2007. The bill outlines the policies institutions must implement and provides for the duties of department. *Introduced and referred to Senate Education, March 20, 2006*

Senate Education Public Hearing March 29, 2006

Referred to Senate Appropriations June 26, 2006

2) Marriage Amendment

Pennsylvania did not join the 20 states that have put gay marriage bans in their constitutions. The Legislature left session without agreeing on a proposed amendment to pose to voters that would restrict the definition of marriage to a

union between a man and a woman.

By not addressing this issue before the summer break delays it for at least three years since the process of changing the constitution is a lengthy one. It requires the House and Senate to pass an identical bill 90 days before the general election in two separate legislative sessions before it can be placed on the ballot for voters to ratify.

The House had approved one version of an amendment that included wording that would have also banned any legal recognition of any relationships that were like marriage. The Senate rejected that idea and instead favored an amendment that mirrors the state's marriage-protection law that simply states marriage is between a man and a woman.

Conservative lawmakers were looking to bolster the state's position on marriage beyond the state law to prevent a court from ruling it unconstitutional as has occurred in other states. But others said the House-passed version of the amendment could have had far-reaching effects that could have negatively impacted the lives of thousands of unmarried heterosexual couples who live together as well as gay and lesbian couples.

House Bill 2381, P.N. 3754 (Boyd) Joint Resolution proposing an amendment to the PA Constitution by adding that only a marriage between one man and one woman would be valid or recognized as a marriage in PA, and neither the Commonwealth nor any of its political subdivisions would create or recognize a legal status identical or substantially equivalent to that of marriage for unmarried individuals. (Prior Printer Number: 3397) ***Introduced and referred to House State Government, January 24, 2006***

Informational committee meeting on March 28, 2006

Voted out of Appropriations on April 24, 2006

Set on calendar, press conference on June 6, 2006

Senate Bill 1084, P.N. 1502 (Regola) Joint Resolution proposing an amendment to the PA Constitution by adding that only a marriage between one man and one woman would be valid or recognized as a marriage in PA, and neither the Commonwealth nor any of its political subdivisions would create or recognize a legal status identical or substantially equivalent to that of marriage for unmarried individuals. ***Introduced and referred to Senate Judiciary, February 6, 2006***

Press conference on June 5, 2006

Discussed in Senate Judiciary June 13, 2006

3) Teacher Strike Legislation

On August 23, the House Labor Relations Committee held an informational meeting on House Bill 2635 that would prohibit strikes by teachers and other public school employees and institute a binding arbitration process for resolving school employee contract disputes if a contract agreement cannot be reached during the timeframe outlined in the bill. Testifiers of HB 2635 stated that it is unconstitutional because forcing school districts into binding arbitration to settle contract disputes gives unelected arbitrators – who are not accountable to taxpayers – the power to mandate the use of public tax dollars.

Further, PSBA says the bill would “create a public policy that is contradictory” to recently enacted property tax relief legislation which forces school districts to limit school tax increases to an inflationary index and requires voter approval of larger tax increases. Requiring districts to use binding arbitration could lead to arbitrators mandating a solution that requires a tax increase beyond what the school board would voluntarily approve and could force districts to hold a voter referendum to approve a tax increase – placing districts in the position of cutting services to pay for the arbitrators’ chosen contract if the referendum fails.

Rather than replacing the current collective bargaining law with a new system, PSBA says a “logical next step is to impose disincentives on employees and organizations that participate in a strike”, such as docking employees’ pay for each day they participate in a strike, requiring strike votes to be taken by secret ballot, allowing school districts to employ substitute teachers to continue the school year during a strike, and consolidating teacher health care benefits through a statewide plan to remove the contentious health insurance issue from negotiations. The Pennsylvania State Education Association (PSEA), which represents teachers, said any legislation that provides for binding arbitration must preserve employees’ fundamental right to withhold their labor. PSEA also said that binding arbitration decisions should be made on an issue-by-issue basis rather than as an entire package, thus allowing an opportunity for both sides in a dispute to “win” on some issues.

Senate Bill 910, P.N. 1308 (Mellow) The Collective Bargaining Dispute Resolution Act states that the settlement of an impasse in collective bargaining between an employee organization and a public employer would be by collective bargaining dispute resolution pursuant to this act. The bill provides for a collective bargaining timeline, panel selection and costs of resolution. The bill states collective bargaining dispute resolution would be limited to those issues which may be bargained under the Public Employee Relation Act, and which are not agreed to in writing prior to the start of collective bargaining dispute resolution process. The decision of the president judge would be final and binding on the public employer and the employee organization, and no

appeal of a determination would be allowed to any court. The bill also states that no school employee may strike or participate in a strike or similar interruption of government service. Also, no public employer may conduct a lockout or similar interruption of government service. Additionally, any strike, lockout or interruption of government service prohibited by this section would constitute an actionable breach of duty to members of the public. Lastly, Article XI-A of the Public School Code is repealed. ***Introduced and referred to Senate Labor and Industry, November 1, 2005***

Public Hearing on January 9, 2006

Informational hearing held in House Labor August 23, 2006

House Bill 239, P.N. 265 (Wansacz): The Public School Collective Bargaining Act states that the adjustment or settlement of an impasse would be by neutral third-party resolution pursuant to the act. A representative would commence a successor collective bargaining agreement no later than January 5 of the year in which the collective bargaining agreement between the parties would expire. Both parties would submit to mediation by the bureau by February 28 if no collective bargaining agreement is reached between the parties. Mediation would continue for so long as the parties have not reached a collective bargaining agreement. If no collective bargaining agreement is reached by April 30, both parties would submit the impasse to neutral third-party resolution conducted by a three-member panel knowledgeable and qualified in the areas necessary to make a determination. The panel would begin hearings no later than July 5, and by August 31, the panel would make a final determination in writing. The final determination of a majority of the panel would be binding upon the public employer and the employee organization. Also, the legislation states that no school employee may strike or participate in a strike or similar interruption of government service. No public employer may conduct a lockout or similar interruption of government service. Any strike, lockout or interruption of government service prohibited by this section would constitute an actionable breach of duty to members of the public. ***Introduced and referred to House Education February 8, 2005***

Discussed in Senate Democratic Policy Committee on April 27, 2005

House Bill 2635, P.N. 4234 (Steil): Amends the Public School Code deleting provisions relating to collective bargaining and replacing it with new collective bargaining dispute resolution language... ***Introduced and referred to House Labor Relations June 15, 2006***

Discussed in Informational Labor Relations Meeting on August 23, 2006

4) SERS/TIAA-CREF Pension Credit Transfer

APSCUF formed a local retirement committee focused on the efforts on the TIAA-CREF/SERS pension credit transfer legislation, otherwise referred to HB 870 and SB 989. The committee met on August 10, 2006 to review options for

the legislation after the House refused to act on HB 870 because of current unfunded liability. Faculty representatives in the committee are in the process of reviewing the meeting details with members in their university and will be deciding on what option to pursue with the legislature. Currently, data is being gathered to proceed with the retirement legislation.

House Bill 870, P.N. 993 (Herman): Amends Title 71 (State Government) further providing for retention and reinstatement of service credits, election of membership and purchase of prior service. The bill adds provisions for school employees regarding the transfer and purchase of certain pension service credit from the independent retirement program to the Class AA. ***Referred to House State Government Committee on 3/14/2005***

Informational Committee Meeting on December 14, 2005

Letter from State Government Committee Chairman stating, at this time, he would not bring the bill to a vote out of committee

Senate Bill 989, P.N. 1326 (Gordner) Amends Title 71 (State Government) further providing for retention and reinstatement of service credits, election of membership and purchase of prior service. The bill states that any school employee who has elected membership in an independent retirement program would be eligible to elect to terminate membership in the program and elect membership in Class AA of the system. Also, a school employee who is eligible to elect membership in Class AA of the system, who is employed in a tenured or nontenured position must make the election within 180 days of being granted the tenured position. The bill states that any school employee who has elected membership in Class AA of the system would be eligible to obtain retirement credit for prior uncredited service in the independent retirement program, provided that the State does not incur any liability for the funding of the annuities attributable to the prior, uncredited independent retirement program service. The school employee would be entitled to have any prior service in the independent retirement program transferred to the system and deemed to be State service for all purposes under this part. The bill states that in no event would an independent retirement program service be creditable if the school employee has received retirement benefits on account thereof. Lastly, any independent retirement program which interferes or does not cooperate, by its action or inaction, with any school employee's attempt to exercise an election under this subsection may not be approved to serve as an independent retirement program for a period of five years following the determination by the board of such interference or non-cooperation.

Introduced and referred to Senate Finance, November 14, 2005

5) Taxpayer Bill of Rights

One piece of TABOR legislation, House Bill 2082 has been amended. The TABOR language has been removed. It is now a non-binding statewide referendum on the matter of local school property tax elimination through the use of sales and use taxes.

Senate Bill 884 passed the Senate on October 26, 2005 by a vote of 50-0. It received second consideration in the House on May 2, 2006. The bill is in the position to be considered by the full House. House Bill 2067 was reported as amended from House Appropriations on October 24, 2005 and also in the position to be considered by the full House.

House Bill 2082, P.N. 4504 (Allen): Taxpayer Fairness Act provides for a nonbinding statewide referendum on local school property tax elimination. The bill requires the Secretary of the Commonwealth to place on the ballot a nonbinding referendum to determine the will of the electorate with respect to the elimination of local school property tax through the use of sales and use tax revenue. *Re-referred to House Rules as amended on July 1, 2006*

House Bill 2067, P.N. 2917) (Allen): Joint Resolution proposing integrated and distinct amendments to the PA Constitution further providing for legislative power by adding that in any fiscal year, the General Assembly may not increase total General Fund appropriations above the amount of total General Fund appropriations authorized for the preceding calendar year by a percentage which exceeds the average percentage increase over the immediately preceding three fiscal years in the Consumer Price Index for All Urban Consumers of the Bureau of Labor Statistics unless a referendum stating the amount and duration of the increase is approved by a majority of the electors voting on the referendum. This limitation would not apply to any of the following: (1) an appropriation which, as a result of a requirement of Federal law, is made for a new program or service or for an increase in the level of service for an existing program beyond the existing level of service; (2) an appropriation which, as a result of a requirement of a Federal or State court order which has become final, is made for a new program or service or for an increase in the level of service for an existing program beyond the existing level of service; (3) an appropriation providing for the Commonwealth's share of payments for pension obligations as provided by law; (4) an appropriation for the repayment of interest and principal of all debt incurred by or on behalf of the Commonwealth; or (5) An appropriation in response to a Presidential or gubernatorial declaration of an emergency or major disaster in any part of this Commonwealth and which is approved by three-fifths of the members elected to each House of the General Assembly. (Prior Printer Number: 2843)

Set for House calendar on June 6, 2006

Senate Bill 4, P.N. 1263 (Brightbill) The Taxpayer Fairness Act states the total spending by the Commonwealth in any fiscal year may not exceed the appropriation limit as set forth in this act. The bill provides for exceptions, but in no case would the excess spending authorized be included in the computation base of the spending limit for any subsequent fiscal year. The bill states that for any fiscal year in which there is a surplus in the General Fund, 50% of that surplus would be deposited by the end of the next succeeding quarter into the Budget Stabilization Reserve Fund, and 50% of the surplus would be deposited by the end of the next succeeding quarter into the newly created Taxpayer Fairness Fund. Also, for any fiscal year in which the balance in the Budget Stabilization Reserve Fund equals or exceeds 10% of the total of all General Fund appropriations, 100% of the surplus would be deposited into the Taxpayer Fairness Fund. The bill states that money in the Taxpayer Fairness Fund would be distributed to taxpayers who have liability for the Personal Income tax through a temporary reduction in the rate of the tax. The reduction amount would be established by the General Assembly to be effective for January 1 through December 31 of the upcoming calendar year. Lastly, the General Assembly may at any time provide additional amounts as an appropriation to the Budget Stabilization Reserve Fund. (Prior Printer Number: 842) ***Passed in Senate and referred to House Appropriations Oct. 31, 2005***
House Democratic Policy Committee hearing on November 14, 2005

Senate Bill 884, P.N. 1264 (Brightbill) Joint Resolution proposing an amendment to the PA Constitution providing for spending limitations on the State and for disposition of surplus funds by adding that all General Fund appropriations made by the General Assembly in any fiscal year may not exceed the appropriation limit. The appropriation limit would be the total of all General Fund appropriations during the fiscal year prior to the budget year under consideration, adjusted by the lesser of: the average percentage change in personal income in PA for the three preceding calendar years or the average percentage change in inflation for the three preceding calendar years plus the average percentage change in State population for the three preceding years as reported by the annual Federal census estimates. The appropriation limit may be exceeded in any fiscal year for the following: (1) to respond to Presidential declaration of emergency if the General Assembly approves by an affirmative vote of a majority of the members elected to each house of the General Assembly; (2) to respond to a gubernatorial declaration of emergency if the Governor so requests and the General Assembly approves by an affirmative vote of three-fifths of the members elected to each house of the General Assembly; or (3) in other situations if the Governor so requests and the General Assembly approves by an affirmative vote of two-thirds of the members elected to each house of the General Assembly. The bill also states that for any fiscal year in which the Governor certifies that a surplus exists in the General Fund, 50% of that surplus would be deposited into a Budget Stabilization Reserve Fund; and 50% of that surplus would be deposited into a separate fund

for tax relief purposes. Lastly, for any fiscal year in which the balance in the Budget Stabilization Reserve Fund equals or exceeds 10% of the total of all General Fund appropriations, 100% of the surplus would be deposited into the fund for tax relief purposes. (Prior Printer Number: 1169) ***Passed in Senate and referred to House Appropriations October 31, 2005***

House Democratic Policy Committee hearing on November 14, 2005

Set on House Floor-June 6, 2006

6) Academic Freedom

The House Select Committee on Academic Freedom met on June 20, 2006 to discuss the next steps for the committee. Chairman Tom Stevenson requested that the committee review the testimony over the summer and submit recommendations. Staff will begin writing the report over the summer to be ready by November 30, 2006 extension. Chairman Stevenson commented that he didn't think there would be more than two recommendations and that the hearings didn't produce findings. Instead, he noted that the hearings showed that the public institutions are doing a good job.

House Resolution 177, P.N. 1280 (Armstrong): Resolution establishing a select committee to examine the academic atmosphere and the degree to which faculty have the opportunity to instruct and students have the opportunity to learn in an environment conducive to the pursuit of knowledge and truth at State-related and State-owned colleges and universities and community colleges in this Commonwealth. ***Adopted, July 5, 2005 (111-87)***

Informational meeting held in House Education on September 19, 2005

Hearing at Pitt Univ. on November 9-10, 2005

Hearing at Temple Univ. on January 9-10, 2006

Hearing at Millersville Univ on March 22-23, 2006

Hearing at HACC on May 31-June 1, 2006

Public meeting held June 20, 2006 to discuss committee report

Final report due by November 30, 2006 (Report will begin Summer of 2006)

7) Teacher Assessment Report Card

House Bill 1537, P.N. 4230 (O'Neill): The Teacher Assessment Report Card Act requires each institution of higher education to complete a report card, which would contain information to assist teachers, students and the general public in assessing, evaluating and comparing the quality of education being provided to higher education students in approved teacher education programs.

Information on the card would include the number of students enrolled in approved postsecondary teacher education programs in an academic year, the number who applied or were accepted to take the teacher assessment test for initial certification in that academic year, the number who passed the teacher assessment test for initial certification after the first attempt, the number who

passed the teacher assessment test for initial certification after multiple attempts, the average number of attempts taken in order to pass the teacher assessment test for initial certification, and a report of the teacher assessment test for initial certification results by the individual licensure area. The Department of Education would be required to compile a statewide report on the information provided. (Prior Printer Number: 1892)

Introduced and referred to House Education on May 5, 2005

Voted out of Committee June 14, 2006

Referred to House Rules June 14, 2006

8) Master Plan of Higher Education

House Bill 2642, P.N. 3996 (Roebuck): Amends the Public School Code further providing for powers and duties of the board by adding that the master plan for higher education must: (1) describe the current higher education landscape in PA; (2) identify unmet needs and gaps with regard to career fields, geographic and financial access; (3) identify emerging higher education issues and recommend strategies and options designed to address the issues; (4) identify gaps and opportunities for collaboration with basic education, workforce development programs, economic development and other related systems; and (5) outline a plan for action by the board to revise or update its higher education regulations. The bill completely removes the current Master Plan criteria. By law, the State Board of Education is charged with adopting a Master Plan for Higher Education every five years. ***Introduced and referred to House Education April 27, 2006***

Re-referred to House Rules June 28, 2006

9) Older Pennsylvanian Higher Education

House Bill 2297, P.N. 3221 (Reed): The Older Pennsylvanian Higher Education Program Act establishes the Older Pennsylvanian Higher Education Program to authorize institutions of higher education to develop a program for older adults to enroll in higher education courses tuition free. Each institution of higher education that chooses to participate in the program would promulgate specific guidelines regarding procedures and administration of the program, including, but not limited to, the following: (1) admitting participating older adults; (2) determining the availability of higher education courses; (3) determining if the program will be for credit, noncredit, certification, degree or enrichment; (4) disseminating to the local area agency on aging (AAA) a complete program description and technical assistance that explains the process of admission and availability of enrolling in higher education courses offered by the higher education institution; (5) coordinating with the local AAA to publicize and advertise the program; and (6) outlining course rules and responsibilities for participating older adults. Allows institutions of higher

education to waive tuition fees for Pennsylvanians over age 60 to enroll in courses on a space-available basis. Participation in the program by higher education institutions is voluntary. Some colleges and universities already implement similar policies. HB 2297 has been re-committed to the House Rules Committee. ***Introduced and referred to House Education December 6, 2005***
Re-referred to House Rules June 28, 2006

10) Retirement Legislation

The Legislative Budget and Finance Committee (LBFC) released an analysis of the potential costs and impacts of legislation pertaining to early retirement incentives and cost-of-living (COLA) adjustments for state and public school employees (House Bills 130 and 131), as directed by House Resolution 299 of 2005. The LBFC hired Milliman Consultants and Actuaries to conduct the analysis.

The study looked at: the costs and assets required to fund these initiatives now and over the next ten years; the past impact of early retirement incentives on budget and workforce needs; the actual value of past cost-of-living increases for retirees; the value of early retirement programs in providing employment for younger workers; the potential impact of the mix of critical skills and experience within Commonwealth agencies and school districts and alternatives to maintaining or ensuring adequate staffing in the context of retirement enhancements; likely impacts on the state's General Fund and various types of school districts according to size, aid ratio and other factors; and the health and welfare of retirees.

Under HB 130, eligible members of the State Employee's Retirement System (SERS) and Public School Employee's Retirement System (PSERS) could retire without penalty after 30 years of service or if the member's age plus years of service totals 80 or more. Based on the cost-benefit analysis, the consultant recommends that if an early retirement incentive is offered, school districts should be allowed to "opt-out" of the incentive to avoid the loss of too many employees with critical skills or experience.

HB 131 would provide annual COLAs to annuitants based on the Consumer Price Index. For various reasons cited in the report, the consultant did not believe the COLA provisions to be feasible at this time. If the legislature does enact an automatic COLA, the consultant suggested that the COLA should be limited (such as, no more than 3% per year) and it should be provided only after an annuitant attained superannuation age and after they have been retired 12 months or more.

The LBFC report, "Potential Costs and Impacts of HB 130 (Early Retirement Incentives) and HB 131 (Cost-of-Living Increases)" is available at http://lbfc.legis.state.pa.us/factsheets/2006/382_EarlyRetirement.pdf.

Summary of Legislation Passed

Alcohol Policies

House Bill 2375, P.N. 4054 (Raymond): The Higher Education Alcohol Policy Act requires institutions of higher education to implement a written alcohol policy and distribute the policy to each student at the time of enrollment and once during each academic year thereafter. The bill provides for institution of higher education policy requirements and duties. A written summary of the Commonwealth's alcohol-related offenses would annually be made available to each institution of higher education by the State Police. The bill requires that each institution of higher education distribute the written summary of the alcohol-related offenses to each student upon enrollment and once during each academic year thereafter. An institution of higher education that does not comply with this act would be ineligible for grants from the LCB's Alcohol Education Bureau. ***Introduced and referred to House Liquor Control January 24, 2006***

Re-referred to House Appropriations March 8, 2006

Press Conference April 26, 2006

Passed House on May 3, 2006, 166 to 32

Referred to Senate Education Committee June 26, 2006

Increase in Employer Contribution Rate for School Employees Retirement Fund

House Bill 2562, P.N. 3805 (Nickol): Amends Titles 24 (Education) Titles 24 (Education) and 71 (State Government) further providing for the employer contribution rates on behalf of active members. The bill amends Title 24 further providing for the employer contribution rates on behalf of active members by revising the total contribution rate so that it cannot be less than 4% plus the premium assistance contribution rate for fiscal year beginning July 1, 2004, 7% plus the premium assistance contribution rate for the fiscal year beginning July 1, 2007; and the employer normal contribution rate plus the premium assistance contribution rate for the fiscal year beginning July 1, 2008, and every year thereafter. Title 71 is amended to provide for the Commonwealth and other employer contribution rates on behalf of active members by revising the total contribution rate so that it will not be less than 5% for the fiscal year beginning July 1, 2007, 6% for the fiscal year beginning July 1, 2008 and the employer normal contribution rate for the fiscal year beginning July 1, 2009, and every year thereafter. ***Introduced and referred to House State Government April 3, 2006.***

Reported out of committee on May 23, 2006

*Set on table for consideration June 6, 2006
Passed House on June 21, 2006, 195 to 0*

529 Tuition Accounts

House Bill 529, P.N. 4033 (Flick): Amends the Tax Reform Code by adding that any income attributable to a distribution from a qualified tuition plan would not be included as income for purposes of this act if the distribution consists of providing a benefit to the distributee which, if paid for by the distributee, would constitute payment of a qualified higher education expense. If any distribution exceeds qualified higher education expenses it would be included as income. Also, any portion of a distribution which is transferred and does not meet the requirements of this section would be included as income for the purposes of this act. House Bill 2096 would exempt contributions made to TAP 529 plans from state income tax (up to \$10,000 per child annually).

Introduced and referred to House Finance April 26, 2005

Re-referred to House Appropriations June 7, 2006

Passed House on June 14, 2006, 202 to 0

Referred to Senate Finance Committee June 22, 2006

House Bill 2096, P.N. 2642 (Turzai): Amends the Tax Reform Code further providing for classes of income by stating that an amount paid as a contribution into a qualified tuition plan is exempt from taxation and would be deductible from taxable income on the annual personal income tax return. The amount paid as a contribution to a qualified tuition plan allowable as a deduction would be limited to \$10,000 annually per designated beneficiary. The department would treat all qualified tuition programs of which an individual is a designated beneficiary as one program and all contributions during a taxable year would be treated as one contribution. ***Introduced and referred to House Finance October 21, 2005***

Re-referred to House Appropriations June 7, 2006

Passed House on June 13, 2006, 198 to 0

Referred to Senate Finance Committee June 22, 2006

PHEAA Grants

House Bill 2397, P.N. 4351 (Herman): Amends the Higher Education Scholarship Law further providing for the length of scholarships by stating that each State scholarship would be renewable until for a period not to exceed an additional three academic years beyond the first year of the award. Beginning in the 2006-2007 fiscal year and each fiscal year thereafter, to the extent funds are specifically appropriated for the purpose of providing grant eligibility for a fourth academic year beyond the first year of the award for students in four-year degree programs, PHEAA shall provide grants to eligible students. Further provides as part of its annual budget request to the General Assembly, the PHEAA shall request funds for the purpose of carrying out this provision. Also

the scholarship shall be terminated if the student receives his degree in a shorter period of time. Currently, scholarships are renewable only for three years (for students in four-year degree programs). To qualify for a fifth year of study under HB 2397, a student must be in good academic standing, make normal progress toward degree completion, and continue to be eligible for state grants as determined by PHEAA. ***Introduced and referred to House Education January 26, 2006***

Re-referred to House Appropriations May 2, 2006

Passed House on June 26, 2006, 193 to 3

Referred to Senate Education Committee June 30, 2006

Summary of Legislation Signed into Law

House Bill 509, P.N. 4505 (Solobay): Amends the Public School Code by stating that the board of trustees at each institution would have the power and duty to authorize campus police who have completed firearms training to carry firearms in the course of duty if the campus police are authorized to carry firearms. The authority to carry firearms would remain in effect unless the council by resolution dissolves that authority. A Council must adopt a resolution granting such authority; vice versa, a Council is authorized to adopt a resolution in the future withdrawing such authority. ***Signed into law July 7, 2006***

Increase in the Minimum Wage

Rendell signed minimum wage legislation (Senate Bill 1090) that increases the state's minimum wage to \$6.25 an hour by Jan. 1, 2007, and to \$7.15 an hour by July 1, 2007, while providing for certain exemptions from the wage hike. The new law allows small employers, with the equivalent of 10 full-time employees or less, to pay workers slightly lower wages. In the first six months of 2007, those employers would have to pay at least \$5.65 an hour, and after that, \$6.65 an hour. By July 2008, all employers would have to pay an hourly minimum wage of \$7.15 under the legislation. The signing made possible the first increase to the state's minimum wage since 1988. ***Signed into law July 9, 2006***

2006-07 Fiscal Budget

For the 2006-07 fiscal budget (House Bill 2499), PA SSHE received a 5 percent increase. Community Colleges and State-Related institutions received a 4.5 percent increase. Funding for the grants awarded by the Pennsylvania Higher Education Assistance Agency (PHEAA) was increased by \$18 million to \$386 million, while scholarships awarded to students who pursue careers in science and technology were augmented by more than 119% to \$6.8 million, bringing overall funding for the Agency to \$452 million (an overall 5.3% increase). The

appropriation for the state's share of contributions to the School Employees Retirement System increased to \$368.7 million, an increase of \$114.2 million or more than 44%. *Signed into law July 1, 2006*

News and Reports

Current State of Higher Ed in Pennsylvania

The Education Policy and Leadership Center (EPLC) and The Learning Alliance for Higher Education at the University of Pennsylvania (TLA) announced a new report “**A Rising Tide: The Current State of Higher Education in the Commonwealth of Pennsylvania**”. The report shows that, overall, Pennsylvanians enjoy increasing access to higher education. However, a marked gap between educational attainment in majority and minority populations remains, young adults in rural communities remain at significant disadvantage, and the state's shortage of technically proficient workers likely is a result of inadequate secondary education – particularly in science and math. The report is available online at www.eplc.org/ARisingTide.pdf.

“*A Rising Tide: The Current State of Higher Education in the Commonwealth of Pennsylvania*” provides the following key findings:

- In general, Pennsylvanians enjoy increasing access to higher education. More start college, earn a baccalaureate degree, and continue their higher educations through graduate and professional study;
- Little progress has been made to close the persistent gap between majority and minority educational attainment, and also the gap between the higher education prospects of young people schooled in rural as opposed to urban and suburban communities;
- Young adults in rural communities remain at significant disadvantage, in part because they are more likely to attend a poorly performing school and college attendance is not as strong a tradition in the communities;
- Most young adults in Pennsylvania found their higher education options to be expensive, but affordable;
- The shortage of technically proficient workers in Pennsylvania probably has more to do with the quality of secondary education, particularly in science and math, than it does with the absence of opportunities to pursue a baccalaureate degree in those subjects at a Pennsylvania college or university.

The report in part draws on data from a survey of 519 high school graduates, ages 18 to 34, conducted by Berwood Yost and G. Terry Madonna of the Floyd Institute's Center for Politics and Public Affairs at Franklin and Marshall College. In addition, the report's authors tracked educational attainment rates

in Pennsylvania from 1990 onwards using information from a number of national databases.

2006 Fall Session

2006 HOUSE Fall Session Schedule

Sept 25, 26, 27

Oct 3, 4, 16, 17, 18, 23, 24

Nov 13, 14, 15, 20, 21, 22, 27 (non-voting)

2006 SENATE Fall Session Schedule

Sept 19, 20, 25, 26, 27

Oct 3, 4, 16, 17, 18

Post election Senate schedule has not been announced

Session Ends on November 30



2006 Election Information



- 17 incumbents lost bids for re-election in the 2006 primary. Coupled with 32 legislators who either retired or were ruled ineligible to run in the primary, a minimum of 49 new members will be joining the General Assembly come January. Republican voters across the state rejected 13 incumbents (2 Senators and 11 House members), while Democrats failed to election 4 incumbent House members.

A number of the incumbents who lost on Tuesday hold positions important to state education policy: Rep. Patrick Fleagle (Member of the House Education Committee and Vice Chair of the House Appropriations Committee), Rep. Tom Stevenson (Chair of the House Subcommittee on Higher Education), Rep. Peter Zug (Chair of the House Appropriations Subcommittee on Education) and Rep. Dennis Leh (Chair of the House Finance Committee).

The following incumbents lost bids for their party's nomination to the individuals below:

Senator Robert Jubelirer (R-30) – John Eichelberger
Senator David Brightbill (R-48) – Mike Folmer
Rep. Dennis Leh (R-130) – Billy Reed
Rep. Bob Allen (R-125) – Gary Hornberger
Rep. Susan Cornell (R-152) – Thomas Murt

Rep. Peter Zug (R-102) - Rosemarie Swanger
Rep. Roy Baldwin (R-97) - John Bear
Rep. Tom Stevenson (R-42) - Mark Harris
Rep. Steven Maitland (R-91) - Dan Moul
Rep. Patrick Fleagle (R-90) - Todd Rock
Rep. Gibson Armstrong (R-100) - Bryan Cutler
Rep. Paul Semmel (R-187) - Carl Mantz
Rep. Teresa Forcier (R-6) - Brad Roae
Rep. Kenneth Ruffing (D-38) - Bill Kortz
Rep. Frank Pistella (D-21) - Lisa Bennington
Rep. Fred Belardi (D-112) - Ken Smith
Rep. Frank LaGrotta (D-10) - Jaret Gibbons

- Democrats gained a seat in the Senate in what had been a Republican stronghold in Chester County. APSCUF's own Andrew Dinniman (D) defeated Carol Aichele (R) in a special election to fill the remainder of the term of the late Republican Senator Robert Thompson.