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INDEPENDENT REGULATORY  
REVIEW COMMISSION



#2550

August 14, 2008

Mr. Arthur Coccodrilli, Chairman  
Independent Regulatory Review Commission  
333 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

**RE: IRRC Regulation #2550 – Keystone Accountability Standards**

Dear Chairman Coccodrilli:

We are writing on behalf of the Pennsylvania Association of School Administrators and the Pennsylvania Association of School Business Officials to comment on the Keystone Education Accountability standards, as published on July 21, 2008. We wish to raise four concerns.

First, language from the July 1, 2006 proposed regulation was deleted.

As initially published, Chapter 405 described best financial management practice standards in ten areas, as required by the authorizing legislation. Each standard was followed by two or more indicators. The authorizing legislation requires the department “to develop specific indicators for each best practice.” The statute further provides that “indicators will represent the kinds [emphasis added] of activities a district would undertake if the district were using a particular best practice.” 25-2505-A (c). This statutory directive was reflected in the proposed regulations as published on July 1, 2006. In that publication, Section 405.1 (b) provided, in part, “The indicators listed in this chapter are not exclusive, and literal compliance with each is not required to qualify for Keystone certification.”

This language has been eliminated from Section 405.1 and has not been replaced in the regulations. The result is that the “indicators” no longer “represent the kinds of activities a district would undertake if the district were using a particular best practice,” as required by the statute, but become the only activities that a district can use to demonstrate compliance with the standard.

This is a significant shift. As proposed for final adoption, the indicators become prescriptive of district behavior required for certification and not descriptive of the kinds of district behavior that underlie adherence to a best practice. We ask the department to return to the language of its proposed regulation in order to capture the directive of the authorizing statute.

Second, the statute specifically identifies the information to be used in the review process. The statute states: "In completing its review and developing the final report, the review team shall use information available through the existing School Evaluation Service's report." The School Evaluation Service (SES) report was publicly available and widely used in 2003 when the legislation was adopted. It is no longer available. Because this data no longer exists, there is no clear standard against which a district practice can be compared, either for the self-assessment or for the review. The benchmarking called for in the regulations is impossible to perform as envisioned by the statute.

The final-form regulation attempts to resolve this problem with new language in section 405.7 on the "applicable comparisons or benchmarks." This, we think, only highlights the lack of an agreed-upon benchmarking tool absent the SES report, and the impossibility of conducting reviews pursuant to the regulations without it.

Third, there is a new definition of "strategic plan." This may create some confusion with other regulatory requirements. What is the relationship of this plan, if any, to the strategic plan called for in Chapter 4 of the State Board of Education's regulations? Are the references to other plans contained in the regulations separate from similar components of the strategic plan required by Chapter 4, or are they intended to be separate documents?

Finally, we continue to believe that the cost and paperwork estimates for compliance with the regulation, as proposed, substantially understate the cost to both school districts and the Commonwealth. It is unreasonable to assume, as the department's response to the earlier public comments does, that "the cost of conducting a self-assessment and the review process itself should be minimal...." We anticipate substantial staff time will be required to collect, organize and present the evidence required by these regulations to show that a district is in compliance with the best practices as described in the regulation. These costs are independent of any costs districts will incur in developing and implementing plans to meet any deficiencies identified in the reviews.

Thank you for your consideration of these concerns.

Jay Himes  
Executive Director  
PA Assn. of School Business Officials

Stinson Stroup  
Executive Director  
PA Assn. of School Administrators