

**Legislative Budget and Finance Committee**

**A Study Pursuant to Act 55 of 2017: School District Furlough Procedures**

**Report Comments by Stephen Fickes, Project Manager**  
**December 20, 2022**

Good morning. Mr. Vice Chairman and members of the Committee, it is a pleasure to be here today to discuss the results of our study pursuant to Act 55 of 2017. Act 55 requires the Legislative Budget and Finance Committee to conduct a study of the "effectiveness" of certain provisions that were added to the Public School Code pertaining to professional staff suspensions. Although the term suspension is used in the Act, we interpret it to refer to the process of furloughing or laying off teachers and administrators. Our report focuses solely on these operational-based furloughs, as opposed to suspensions for disciplinary reasons.

The Act required the study to be conducted following the 2021-2022 school year and was to include a review of the effectiveness of new provisions in the Act, and how those provisions have been used "effectively" by school districts to improve school efficiency. Because this requirement is broadly written, and further because access to measurable data is at issue, our report discusses the topic at a summary level, while providing extensive detail about the furlough process school districts must follow, if taking action to furlough professional staff.

For example, prior to the Act, there were only four reasons by which a school board could furlough professional employees. These reasons included the following:

1. A substantial decrease in pupil enrollment in the school district;
2. The curtailment or alteration of educational programs;
3. The consolidation of schools; and lastly
4. When new school districts are established as the result of reorganization of school districts.

However, Act 55 added a fifth basis for the furlough of professional staff, which is simply stated as "economic reasons that require a reduction in professional employees."

This fifth basis is obviously more open-ended. As a result, the Act further established procedural requirements when a school board cites "economic reasons" as a basis for furloughing staff. The process begins with a public vote to approve the furloughs, along with additional information that must be contained within an adopted resolution of intent. However, the adoption of the resolution only means the board intends to start the process of furloughing and may not result in actual furloughs. We were informed that many districts ultimately do not furlough professional staff as other actions to reduce costs are explored.

Under the new provisions, professional employees must be furloughed based on their two most recent performance evaluations. Before Act 55, these decisions were based on seniority within the district. As a result, more senior staff could “bump” more junior employees, regardless of performance, assuming they held the required certification.

At a high level, the new process requires the district to create four groups of professional staff, based on certification areas and the respective staff evaluations within the impacted certification. In effect, administrators create four “buckets” of professional staff arranged from worst to better performing based on each staff member’s most recent performance ratings. Then, within each of these performance-based buckets, furlough decisions are based on seniority in the certification area in which the professional staff are currently working. The reverse order of the buckets also determines which staff may be reinstated at the district, although seniority is also factored.

In conducting research for this report, we found there is no central data source for information on school district furloughs. As a result, we surveyed all 500 Pennsylvania school district superintendents about furloughs that occurred during our review period. Our primary effort was to obtain baseline information on school district furloughs. We had a good response rate – about 60 percent – with 42 school districts indicating they

had furloughed staff. Nearly half of these districts (49.2 percent) furloughed staff based on declining pupil enrollment. Curtailment of education programs and economic reasons as the basis for furloughs each were cited 14 times or 22 percent. Given the newness of “economic reasons,” and the requirement for additional actions to be taken by a school board, we expected fewer districts would have pursued this option. We also sent follow-up questionnaires to a random selection of superintendents; however, our response rate was too low to provide meaningful analysis or insight.

In conclusion, the addition of “economic reasons” as a reason by which a school board can furlough professional staff offers a school board more options if staff furloughs are necessary. We believe the additional process requirements provide a reasonable control to school boards authority to furlough staff without justification. Further, the new furlough procedures, which place more emphasis on how professional staff perform in educating students, make sense. Stated simply, when rating systems are uniform, better performing teachers should be retained over poorer performing teachers.

Beyond these cursory inferences, we are unable to conclude whether the addition of Act 55’s provisions have been efficient or effective. There are at least five interconnected circumstances that brought us to this final conclusion:

First, data on school district furloughs is not tracked. There is no single source of data to objectively measure the effectiveness of a board's decision-making process to furlough staff. However, even if such data existed, these decisions are made at the local level and involve decision-making dynamics that cannot be extrapolated to all districts. Each school board is unique and must make decisions that are responsive to the needs of that district and are accountable to the citizens of that district.

Second, the lack of data on this issue is not a concern at this point as actual school district furloughs are relatively uncommon. As a result, we do not see a need to begin tracking data for something that is an uncommon occurrence.

Third, Pennsylvania has a teacher shortage; thus, Pennsylvania's focus is on teacher recruitment and retention, not furloughs. PDE has undertaken a three-year phased workforce strategy to address this issue in its 2022-2025 Pennsylvania Educator Workforce Strategy. We expect data that will be used from this initiative will be helpful in future analysis of teacher employment trends, including furloughs.

Fourth, Act 13 of 2020 significantly changed Pennsylvania's teacher evaluation system. While the furlough process remains the same under Act 55, the ratings used in determining which teachers are to be furloughed have changed. It is too early to tell if

the change in evaluation criteria impacted the ability of school districts to “effectively improve school district efficiency,” as outlined under the requirements of Act 55.

However, because furloughs are an uncommon occurrence, the point may be inconsequential.

And finally, Act 55 passed prior to the COVID-19 pandemic. Undoubtedly, COVID-19 brought about significant changes to education delivery in Pennsylvania school districts, and it would be difficult to make meaningful comparisons on the effectiveness of the provisions in the Act, especially as districts are just moving out of COVID’s impact.

In closing, I thank the staff from the Pennsylvania Department of Education for its assistance in distributing our survey, and the Pennsylvania School Boards Association and the Pennsylvania State Education Association for their collective input on the report.

At this time, I would be happy to answer any questions you may have. Thank you.