

Regulatory Analysis Form		This space for use by IRRC RECEIVED 2008 JUL 21 PM 2:53 INDEPENDENT REGULATORY REVIEW COMMISSION IRRC Number: 2550
(1) Agency Department of Education		
(2) I.D. Number (Governor's Office Use) 006-300		
(3) Short Title Keystone Educational Accountability		
(4) PA Code Cite 22 P. Code Chapter 405	(5) Agency Contacts & Telephone Numbers John Godlewski, Director Bureau of Budget and Fiscal Management 717-787-7808	
(6) Type of Rulemaking (check one) <input type="checkbox"/> Proposed Rulemaking <input checked="" type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking Omitted	(7) Is a 120-Day Emergency Certification Attached? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
(8) Briefly explain the regulation in clear and non-technical language. Article XXV-A of the Public School Code of 1949, as added, (24 P.S. §25-2504-A) required the Secretary of Education to develop and promulgate best management practices standards to be used to measure school district practices under the Keystone Educational Accountability (KEA) program. The KEA is an assessment system aimed at improving school district management practices and use of resources, as well as identifying potential cost savings. The assessment system is based upon a series of standards and related indicators covering a broad range of school district administrative and operational areas and school districts will be measured against these standards on a six-year cycle.		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. Section 2504-A(3)(e) of the Public School Code of 1949, as amended, 24 P.S. §25-2504-A(3)(e)		

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(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

Yes, Section 2504-A(3)(e) of the Public School Code of 1949, as amended, 24 P.S. §25-2504-A(3)(e) requires the Secretary of Education to promulgate KEA standards and indicators as regulations.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

The purpose of Keystone Educational Accountability is to put in place an assessment system aimed at improving school district management practices and use of resources by measuring school district activities against a series of standards and related indicators covering a broad range of school district administrative and operational areas. Another goal of the program is to identify potential cost savings and provide for return of those funds to school and classroom level activities. KEA will result in greater public awareness of school district management practices and increased public confidence in and support for school districts that demonstrate efficient use of tax-payer resources; encourage cost savings; and link financial planning and budgeting to district priorities, particularly student performance.

(12) State the public health, safety, environmental or general welfare risks associated with non-regulation.

None.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

School districts that are in compliance with the regulations will be exhibiting sound management and business practices resulting in effective and efficient operations that better utilize local, state and federal taxpayer resources. Taxpayers, parents and students throughout the Commonwealth can have increased confidence that the local school district is managed and operated effectively and efficiently.

Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

Some school districts will need to bring their management practices into compliance with the standards stated in this regulation and those districts will need to expend time and, in some cases, additional resources to attain compliance.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All 501 school districts in the Commonwealth will need to comply.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

Section 2504-A(c) of the KEA statute required the Department of Education to establish an Advisory Committee consisting of nine members from specified areas to assist the Secretary of Education in the implementation of KEA. In addition, working groups were formed under the Advisory Committee to review the standards and indicators developed for each of eleven areas. The membership in these working groups was consistent with the consultation requirements of section 2504-A(d) of the law and included, for example, school district administrators, school business officials, school board members, professional education organizations, taxpayer organizations, and legislative staff. In addition, various committees and individuals from the Pennsylvania Association of School Business Officials (PASBO) participated in the development and review of the standards and indicators.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures that may be required.

The potential costs that may stem from these standards are those that a district incurs to achieve a standard with which it is not in compliance. Estimation of these costs is difficult because the facts in each district will be unique and these facts will not be known until after the district's self-assessment comparing its own management practices to the standards. Areas in which districts are in noncompliance will require varying degrees of time and resources to develop needed policies and procedures or to institute new practices. The costs incurred by individual school districts will vary depending on the current quality of district management and operations. Well-run school districts will require minimal time and resources to comply. There will be no savings because the law requires that savings resulting from improved financial practices be expended on educational programs for the benefits of schools or classes.

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(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures that may be required.

The only local government affected by the standards are school districts and their costs and savings were addressed in the response to item 17.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures that may be required.

None.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year (2004/05)	FY +1 Year (2005/06)	FY +2 Year (2006/07)	FY +3 Year (2007/08)	FY +4 Year (2008/09)	FY +5 Year (2009/10)
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
Total Savings	0	0	0	0	0	0
COSTS:						
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
Total Costs	0	0	0	0	0	0
REVENUE LOSSES:						
Regulated Community	0	0	0	0	0	0
Local Government	0	0	0	0	0	0
State Government	0	0	0	0	0	0
Total Revenue Losses	0	0	0	0	0	0

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(20a) Explain how the cost estimates listed above were derived.

NA, see response to item 17.

Regulatory Analysis Form

(20b) Provide the past three-year expenditure history for programs affected by the regulation.

KEA is a new initiative. Thus, there is no past history.

Program	FY -3	FY -2	FY -1	Current FY
None	---	---	---	---

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

The benefits of this program outweigh the costs because more effective, efficient and productive school management and administration will allow more funds to be spent on instructional activity and equipment at the school and classroom level.

(22) Describe the non-regulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

Non-regulatory alternatives were not considered because the statute required the Secretary of Education to promulgate best management standards as regulations.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No alternative regulatory schemes were considered.

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(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

This is a state law program, thus there is no federal correlative for comparison purposes.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

The KEA legislation was modeled after the Sharpening the Pencil program enacted in Florida in 2001. Initial compliance reviews were conducted in Florida in 2003 but no further reviews have occurred because no additional funds have been provided by the Florida Legislature. The standards and indicators developed in Pennsylvania are substantially less specific and detailed than those that were adopted in Florida to allow for local district flexibility. KEA does not cause Pennsylvania to be at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No. KEA standards and indicators were kept general to provide for flexibility and avoid overlapping with existing regulations.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No formal public hearings or informational meetings are scheduled. The standards and indicators were developed through an Advisory Committee and ten separate working groups consisting of a broad range of members as required by the legislation. Informational presentations have been made to various education-based groups and conferences. The Department will continue to consider requests for presentations as they are received in the future.

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(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports that will be required as a result of implementation, if available.

Additional reporting and paperwork will be required. Each school district will need to document compliance with the standards and indicators and submit to a compliance review on a six-year cycle. If a district is determined to be in noncompliance it will have to prepare an action plan detailing how it will come into compliance in three years and form a local financial management advisory team to implement the plan.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

Not applicable.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

July 1, 2008.

(31) Provide the schedule for continual review of the regulation.

As compliance reviews occur, the Department of Education will use feedback from the process to assess the need to make revisions and improve the regulations.

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INDEPENDENT REGULATORY
 REVIEW COMMISSION

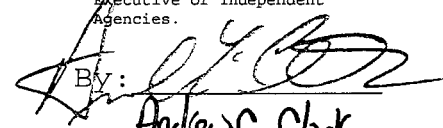
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By: _____
(Deputy Attorney General)

Department of Education
(Agency)

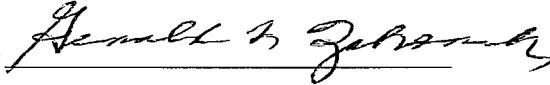
By: 
 Andrew C. Clark

DOCUMENT/FISCAL NOTE NO. #006-300

JUL 17 2008
 DATE OF APPROVAL

DATE OF APPROVAL

DATE OF ADOPTION: _____

BY: 

GERALD L. ZAHORCHAK D.Ed

Deputy General Counsel
~~(Chief Counsel),~~
~~(Independent Agency)~~
 (Strike inapplicable title)

TITLE: Secretary of Education

() Check if applicable
Copy not approved.

() Check if applicable.
No Attorney General approval
Or objection within 30 days
After submission.

FINAL REGULATION
 COMMONWEALTH OF PENNSYLVANIA

22 PA. CODE, CH. 405
 Keystone Educational Accountability Standards and Indications

Preamble

DEPARTMENT OF EDUCATION

[22 PA. CODE CH. 405]

Keystone Educational Accountability Standards and Indicators

The Department of Education (Department) adds Chapter 405 (regarding Standards and Indicators) to read as set forth in Annex A.

Statutory Authority

The Department acts under the authority of Article XXV-A of the Public School Code of 1949, specifically sections 2504-A(e) and 2505-A, 24 P.S. §§ 25-2504-A(e) and 25-2505-A.

Background

Chapter 405 sets forth best management practices standards and indicators to serve as measures of improvement in the operation of school districts. These standards and indicators are necessary components of Keystone Educational Accountability (KEA) and are required to be developed under 24 P.S. § 25-2504-A(e). The purpose of KEA is to put into place an assessment system aimed at improving school district management practices and use of resources. KEA is also intended to identify potential cost savings, by providing for the establishment of a series of standards and related indicators covering a broad range of school district administrative and operational areas that will be reviewed for compliance on a 6-year cycle. Districts that operate consistent with these standards will be certified for 6 years. Those that do not must develop a 3-year action plan to meet the standards in which they were found to be deficient.

Summary of the Final Regulation

Under KEA, each district is required to conduct a self-assessment of its compliance with these regulations and to subsequently be the subject of an external compliance review arranged by Department on a 6-year cycle. During both reviews, the districts' policies and procedures in areas such as management structures, educational service delivery, personnel systems, facilities maintenance and food service operations are measured against the indicators in the regulation so that a determination can be made of whether each of the ten standards is being achieved. If a district is determined to be in non-compliance, it will have to prepare an action plan detailing how it will come into compliance in 3 years and form a local financial management advisory team to implement the plan.

Public Comments and Responses to Proposed Rulemaking

The proposed rulemaking was published at 36 Pa.B. 3253. The Department accepted formal written comments during the 30-day public comment period that began upon publication of the proposed rulemaking.

The Department received comments from the Independent Regulatory Review Commission (IRRC), the Education Law Center, the Pennsylvania State Education Association, the Pennsylvania Association of School Business Officials, the Pennsylvania Association of School Administrators, and the Pennsylvania School Boards Association.

Following is a discussion of each comment received, the Department's response and a description of any regulatory changes made as a result.

Regarding section 405.1, IRRC commented that this section: (1) did not relate to the purpose of the regulations; and (2) failed to establish the processes for self-assessment and external review. IRRC recommended that detail related to how self-assessments and reviews will occur should be placed in the regulation. The Department agreed with these comments. Thus, the last three sentences of subsection 405.1(a) were deleted and a new section, 405.14 – Review and Self-Assessment Process, was added to the final-form rulemaking. This new section describes the self-assessment and external review processes in greater detail. In addition, section 405.1(b) was deleted because it mischaracterized the indicators of best practices standards as recommendations, rather than as being the norms against which district will be measured.

The Pennsylvania Association of School Business Officials and the Pennsylvania School Boards Association also commented regarding the indicators included in Chapter 405, and questioned which indicators carry the most weight and whether certain indicators are required. As noted above, in response to related comments from IRRC, the regulation has been revised to remove ambiguity and describe the processes for self-assessment and external review. In addition, to establish that the indicators under each standard are a list of norms, each of which must be met to attain the standard, the phrase "Indicators of compliance include, but are not limited to, the following:" has been revised throughout the regulations to read as "Indicators of compliance include the following:"

IRRC also commented that various terms and phrases used throughout the regulation were vague and should be replaced with definite terms that establish binding norms. In response to this comment, the identified terms and phrases were either eliminated from the regulation or the language was revised. For example, the use of the term "cost-effective" was used twelve (12) times and a definition was added in section 405.2 - Definitions. Also, the term "energy-efficient" was used two times and was also defined in section 405.2 – Definitions.

The Pennsylvania Association of School Administrators, in contrast, requested that each of the standard sections recognize the indicators included in section 405.1(a) as guidance and not as substantive requirements. For example, it was requested that "may"

be added to each standard (“Indicators of compliance may include, but are not limited to, the following:”). The Pennsylvania School Boards Association commented similarly. However, as noted above, the Department, in conformity with the underlying statute and in response to comments received from IRRC, has determined that the indicators are to be considered norms which must be met to obtain certification.

IRRC also suggested that certain key terms used throughout the regulation should be defined. In response to this comment, section 405.2– Definitions was added. Most, but not all of the terms or phrases IRRC listed are now defined within the regulation. (Because a definition section was added to the regulation, section numbers in the proposed rulemaking differ from section numbers in the final-form rulemaking. All sections numbers referenced hereinafter in this Preamble coincide with section numbers in the final-form rulemaking). Additionally, at the beginning of each standard section, a definition of the specific standard has been added.

IRRC suggested that, in the numerous sections throughout the regulation that reference Federal, State or local requirements, the Department should add these requirements to the text of the regulation or provide citations to the appropriate provisions. Additionally, the Education Law Center requested that references to applicable Federal or State law should be added to all relevant sections within the regulation. In response to these comments, citations were added to sections 405.3(3)(iv); 405.7(2)(i); 405.7(3)(i). In other sections, such as sections 405.10(3)(iv), 405.10(vi), 405.11(1)(ii), 405.11(3)(vii) references to Federal, State, or local requirements, regulations, and/or initiatives were deleted because the reference was either overbroad or unnecessary.

Regarding section 405.7, IRRC expressed concern that provisions of the regulation would conflict with subjects that are part of existing collective bargaining agreements. Regarding sections 405.3, 405.11, 405.5 and 405.7, the Pennsylvania State Education Association urged the Department to clarify that the standards referenced were not intended to suggest that districts seek particular bargaining outcomes. In response to these comments and in order to address this concern, section 405.15 – Collective Bargaining was added to insulate matters collectively bargained for from the effects of the regulation.

Regarding section 405.3, IRRC recommended that the phrase “either in-house or on contract” should be deleted from Paragraph (2)(i). In response to this comment, the phrase either in-house or on contract” was deleted.

Further regarding section 405.3, IRRC questioned how the board, superintendent and staff are to be held accountable under Paragraph (3) of the section 405.3. The Pennsylvania School Boards Association also asked for clarification of the word “accountable” in Paragraph (3). In response to these comments, the regulation now provides that the board will hold the superintendent and staff accountable.

Regarding section 405.4, IRRC recommended that Paragraph (2) and all its subparagraphs include “the public” within its scope. The final-form regulation has been amended accordingly because it was always the Department’s intention to afford the public the ability to participate in evaluating performance accountability.

Regarding section 405.5, IRRC suggested that the final-form regulation should indicate how often a district is required to review its financial operations. This was an oversight and the final-form regulation has been amended accordingly.

Regarding section 405.7, IRRC requested that Paragraph (5)(ii) be amended to clarify what is meant by “applicable comparisons or benchmarks.” The regulation has been amended accordingly to require comparisons to similar districts or standard education industry benchmarks.

Further regarding section 405.7, the Pennsylvania State Education Association has requested that the Department clarify that Paragraph (5)(iii) does not imply that outsourcing is a best practice. Additionally, the Pennsylvania Association of School Business Officials has requested that “outsourcing” be removed from the section. The Department’s intention was not to encourage outsourcing and thus, the word, “outsourcing” has been deleted from the final-form rulemaking.

Regarding sections 405.9 and 405.13, the Pennsylvania State Education Association requested clarification that neither section implied that outsourcing jobs or elimination of jobs is a best practice. The reference to section 405.9 is incomplete. If the intention was to refer to section 405.9 Paragraph (1), that section does not refer to outsourcing. Indicator (ii) as revised reads “School district operated and contracted services are evaluated.” The phrase “and to explore alternatives” which may have been of concern has been eliminated. It is not clear if the reference to section 405.13 Paragraph (5) was intended. The indicator as revised reads “Instructional technology is utilized in the classroom to enhance the curriculum and improve teaching and learning.” This does not relate to the outsourcing of services. Thus, no changes were made in response to this comment.

Regarding section 405.10, IRRC recommended that Paragraph (2) be changed to reflect what transportation data must be submitted and to whom the data must be submitted. Paragraph (2) has been amended accordingly. Also, IRRC sought clarification of how students and drivers were to be held accountable under Paragraph (4). In response to this comment, all references to accountability have been deleted from the regulation.

Regarding section 405.11, the Pennsylvania Association of School Business Officials requested that the word “facilities” be changed to “staff” in Paragraph (1)(iv). This correction to erroneous word usage has been made.

Regarding section 405.12(2)(i), the Education Law Center requested that the requirement regarding “disaggregated” student groups be added to other sections in the

regulation which related to issues of student learning and achievement. The Department has not made these changes because this is the only provision where disaggregated data is legally necessary.

Regarding costs of compliance, the Pennsylvania Association of School Business Officials commented on the fact that the cost of compliance with the review process is not acknowledged in the Preamble to the proposed rulemaking and both the Pennsylvania Association of School Business Officials and the Pennsylvania Association of School Administrators commented that the cost and paperwork estimates substantially understated the cost to both school districts and the Commonwealth. The Pennsylvania Association of School Administrators further asked for clarification on the implementation schedule.

There will be costs required for PDE to implement the review of compliance against the standards and indicators. Thus, the General Assembly will need to allocate resources for the reviews to occur. A school district that already is following best practices should be in general compliance with and have the documentation on hand relating to the regulations. Consequently, the cost of conducting a self-assessment and the review process itself should be minimal in this case. For school districts that currently are not following best practices, there will be a cost of getting up to date. However, this cost should have been incurred by the school district in the past and while being incurred in a current period clearly relates to deficiencies from prior periods. Regarding the implementation schedule, the strategic planning cycle for school districts is established using two three-year cycles for a total of 6 years. The review of school districts for compliance with KEA regulations will be conducted over a 6-year cycle. A minimal number of school districts will be reviewed in year one, as the group will include the largest and larger school districts in the Commonwealth. Combined with the first year implementation of the review process, it is believed that approximately 25 school districts should be reviewed in the first year of the 6-year cycle.

Affected Parties

The final-form rulemaking will apply to and affect all 501 school districts of the Commonwealth.

Cost and Paperwork Estimates

The Keystone Educational Accountability legislation requires that all 501 school districts of the Commonwealth be reviewed for compliance with the standards and indicators on a 6-year cycle. Approximately 25 districts would be reviewed in 2008/09, the first year of the program, and approximately 95 districts would be reviewed each year for the next five fiscal years, starting in 2009/10.

The potential costs that may stem from these standards are those that a district incurs to achieve a standard with which it is not in compliance. Estimation of these costs is difficult because the facts in each district will be unique and these facts will not be

known until after the district's self-assessment comparing its own management practices to the standards. Areas in which districts are in noncompliance will require varying degrees of time and resources to develop needed policies and procedures or to institute new practices. The costs incurred by individual school districts will vary depending on the current quality of district management and operations.

Effective Date

The regulations will become effective upon final publication in the *Pennsylvania Bulletin*.

Sunset Date

The regulations will be subject to sunset review by the Department on December 31, 2013, to determine their effectiveness in implementing the statute.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on June 20, 2006, the Department submitted a copy of this proposed rulemaking and a copy of the Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House and Senate Committees on Education. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections must specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Department, the General Assembly and the Governor of comments, recommendations or objections raised.

Contact Person

The official responsible for information on this final-form rulemaking is Michael Walsh, Deputy Secretary for Administration, Pennsylvania Department of Education, 333 Market Street, Harrisburg, PA 17126-0333, (717) 772-4781.

Findings

The Department finds that:

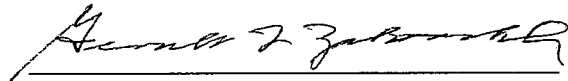
- (1) Public notice of the intention to adopt this final-form rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§ 1201 and 1202), and the regulation promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.

- (2) A public comment period was provided as required by law, and all comments were considered.
- (3) The final-form rulemaking is necessary and appropriate for the administration of the code.

Order

The Department, acting under the authorizing statute, orders that:

- (1) The regulation of the Department appearing at 22 Pa. Code Chapter 405 is added as set forth at 36 Pa.B. 3253 and as further amended in Annex A.
- (2) The Secretary will submit this Order and Annex A to the Office of General Counsel and the Office of Attorney General for review and approval as to legality and form as required by law.
- (3) The Secretary of Education will certify this Order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (4) This Order is effective upon publication in the *Pennsylvania Bulletin*.



Gerald L. Zahorchak
Secretary of Education

ANNEX A

FINAL RULEMAKING

DEPARTMENT OF EDUCATION

TITLE 22. EDUCATION

PART XVI. STANDARDS

**CHAPTER 405. KEYSTONE EDUCATIONAL ACCOUNTABILITY
STANDARDS AND INDICATORS**

Sec.

- 405.1. Purpose.
- 405.2. Definitions.
- 405.3. Management structures standards.
- 405.4. Performance accountability standards.
- 405.5. Cost control systems standards.
- 405.6. Administrative and instructional technology standards.
- 405.7. Personnel systems and benefits standards.
- 405.8. Facilities construction standards.
- 405.9. Facilities maintenance standards.
- 405.10. Transportation standards.
- 405.11. Food service operations standards.
- 405.12. Safety and security standards.
- 405.13. Educational service delivery standards.
- 405.14. Review and self-assessment process.
- 405.15. Collective Bargaining.

§ 405.1. Purpose.

- (a) The chapter establishes best management practices standards for the purposes of assessing Keystone Educational Accountability (KEA), under Article XXV-A of the Public School Code of 1949 (24 P. S. §§ 25-2501-A--25-2511-A). The purpose of KEA is to establish an assessment system aimed at increasing public confidence in and support for school districts that demonstrate efficient use of taxpayer resources; identifying and encouraging cost savings; linking financial planning and budgeting to district priorities, including student performance; and improving school district management and use of resources. [Districts conduct a self assessment and then are

subsequently evaluated by external reviewers every 6 years. Based upon that external review, a district that is deemed to be in compliance with the standards in this chapter will be certified as Keystone Districts by the Secretary. The reviews shall occur under Article XXV-A of the Public School Code of 1949.

- (b) The indicators set forth in each best practices management standard in this chapter are to help assess whether a district is meeting each standard. The indicators represent two kinds of activities a district would be undertaking if the district were using a particular best practice. The indicators listed in this chapter are not exclusive, and literal compliance with each is not required to qualify for Keystone certification.]

§ 405.2. Definitions.

The Keystone Educational Accountability standards and indicators use terms that may not be familiar to the reader or require further definition. The following glossary of terms is provided to help inform the reader.

Benchmark

A benchmark is something that serves as a standard by which others can be measured and compared.

Capital Assets

Capital Assets are assets of a district that are depreciated or “capitalized” over a period of time. This can include such items as buildings, improvements to land and buildings, vehicles, computer systems, personal computers and equipment with a value over a defined level.

Conflict of Interest, Statement of

A statement of conflict of interest establishes the guiding principles of meeting the official responsibilities of an individual in a position of trust, such as a school board member or a school administrator, versus serving the private interests of an individual.

Coordinated Review Effort (CRE)

The Pennsylvania Department of Education conducts a Coordinated Review Effort (CRE) to determine if school districts are in compliance with the regulations and requirements for federally funded reimbursable food programs being offered.

Cost-Effective

Cost-effective is being economical in terms of the tangible benefits produced versus the funds expended.

Cross Training

Cross training is having employees learn at least the basics of how to perform another employee’s duties to act as an immediate back-up because of illness, extended illness, short notice for voluntary or involuntary separation of employment, or other circumstances.

Ethics, Statement of

A statement of ethics establishes the guiding principles of acceptable and expected conduct governing a group, such as a school board, or an individual, such as a school administrator.

Green Building Design

Sustainable or 'green building' design and construction is the opportunity to use resources better while creating healthier and more energy-efficient buildings. The intent is to leave a lighter footprint on the environment through conservation of resources, while at the same time balancing energy-efficient, cost-effective, low-maintenance products used in construction.

Information Made Available

Information is made available if distributed at a public meeting, posted on the district web site, and/or published/notice given in a widely circulated publication.

Internal Controls, System of

A system of internal controls consists of policies and procedures that protect and safeguard the assets of an organization from theft, fraud and misuse by employees and others.

Keystone District

A school district that has been determined, by a formal review conducted or contracted for by the Pennsylvania Department of Education, to be in compliance with the Keystone Educational Accountability Best Management Practices Standards is eligible to be certified by the Pennsylvania Secretary of Education as a Keystone District.

Keystone Certification

The process of designating a school district as a Keystone District.

Professional Development

The continuing education and training of teachers, management and staff of a school district, pursuant to sections 1205.1 through 1205.3 of Public School Code of 1949, 24 P.S. §12-1205.1 – 12-1205.3.

Risk Management

Risk management is managing the potential for loss or injury through policies, procedures and avoidance.

School Board

A school board refers to the body of individuals that are responsible to oversee the operation of a school district. A school board can be represented by a set of members elected by the voters, and other variations of non elected school boards and members as may be established under the Public School Code of 1949.

School District

One of the 501 public educational agencies of Pennsylvania established to provide educational services to pre-Kindergarten through 12th grade students, pursuant to Article II of the Public School Code of 1949.

School Meal Initiative for Healthy Children (SMI)

The School Meal Initiative for Healthy Children (SMI) is an initiative of the U.S. Department of Agriculture that establishes nutritional standards for meals served under the National School Lunch Program and the School Breakfast Program.

Stakeholders

Stakeholders are a broad range of people and/or organizations that have an interest in the operation and results generated by a school district and schools. The term stakeholders can include such people and organizations as, parents, students, teachers, staff, administrators, community members, community organizations, businesses, and taxpayers and taxpayer organizations.

Strategic Plan

Strategic plan means a plan that is developed to guide and focus the school district, its officials and its employees to the successful accomplishment of the defined goals and objectives of the organization.

Succession Planning

Succession planning is advance planning by management for the replacement of key employees due to retirement, illness, voluntary or involuntary separation of employment, or other circumstances.

Superintendent

A superintendent is the individual hired by a school board to manage and oversee the day-to-day academic and administrative operations of a school district, pursuant to Article X of the Public School Code of 1949.

Total Cost of Ownership

A total cost of ownership analysis is looking at all aspects of ownership over time, not just the initial purchase cost. This can include, the costs associated with operation (supplies, utilities, environment), maintenance and replacement.

§ 405.3. Management structures standards.

Management structures are those structures having to do with elected school board, superintendent, senior management, supervisory staff and related policies and procedures. A school district will be deemed in compliance with the standards for management structures if:

(1) The roles and responsibilities of the board and superintendent have been [clearly] delineated, and policies and procedures are in place to ensure that the board and the superintendent can [effectively and efficiently] work together. Indicators of compliance include [, but are not limited to,] the following:

(i) The board has adopted written policies that [clearly] delineate the responsibilities of the board and the superintendent.

(ii) Board members receive orientation and [ongoing] training in board/district operations and school law.

(iii) The board and the superintendent follow established procedures that direct how board members are to access district staff or direct staff to respond to constituent inquiries.

(iv) The board has established a process for self-evaluation, and evaluates its performance under that process annually.

(v) The board [regularly] evaluates the superintendent's performance by using agreed upon criteria, including student achievement data.

(vi) The superintendent [regularly] reviews the dates of major events and actions needed to meet legal requirements and ensures that these matters are placed on the school board agenda [in a timely manner].

(vii) Board meetings are scheduled at a time and place that allows the public to attend.

(viii) The board receives an agenda with [appropriate relevant] supplementary materials in sufficient time prior to board meetings to allow for a thorough review.

(ix) The board [routinely] updates its policies and procedures for relevancy and completeness.

(x) Board policy includes statements on ethics and conflicts of interest.

(xi) The district staff has [reasonable] access to and is able to use policies and procedures in performing their duties.

(2) The district obtains [appropriate] legal services [as necessary]. Indicators of compliance include [, but are not limited to,] the following:

(i) The board has an attorney [(either in-house or on contract)] who is responsible for advising the board, reviewing policy and reducing the risk of lawsuits.

(ii) The district procures legal services using policies and procedures that conform to accepted practices for obtaining the services.

(iii) Procedures exist for the board, superintendent, staff and other stakeholders to obtain information on legal matters [when appropriate].

(iv) The district retains outside counsel (counsel other than the board attorney) when circumstances require [as necessary].

(3) The district's organizational structure has [clearly] defined lines of authority [to deliver services effectively and efficiently]. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has [clearly] defined the responsibilities of each organizational unit within the district and communicated these responsibilities to staff and stakeholders.

(ii) The district annually reviews its organizational structure and operating procedures and implements changes [when appropriate to improve effectiveness and efficiency].

(iii) The district [periodically] assesses staffing levels using [appropriate] measures[,] and stakeholder input [and considering compliance requirements] .

(iv) The board, superintendent and staff adhere to established policies and procedures and [are held] the board holds the superintendent and staff accountable for achieving the educational goals set for the district and its schools consistent with the No Child Left Behind Act of 2001, Pub.L.No. 107-110, 115 Stat.1425 [Federal, State, district and school educational goals].

(4) The district's financial condition and resources are [effectively] overseen. Indicators of compliance include [, but are not limited to,] the following:

(i) Board members receive training in school district budgeting and finance.

(ii) The board is provided a proposed budget in a [clear,] concise and understandable format.

(iii) The board is informed about the short and long-term fiscal implications and impact on fund balance of proposed budgets or budget amendments.

(iv) The board and district management receive, review and make available to the public, monthly and annual financial reports. These reports contain monthly and year-to-date budgeted amounts, as compared to the actual amounts expended. Also included in the reports is other financial information that [effectively] summarizes the district's financial operations and financial condition in a [clear,] concise and understandable format.

(v) The school board is informed [in a timely manner] by district administrators of changes in or concerns about the district's financial condition.

(vi) The board has established policies for spending authority and purchasing practices.

(vii) The district pursues alternative revenue sources such as partnering options and obtaining [private, State and Federal] grants.

(viii) The district takes advantage of opportunities to improve management structures [, increase effectiveness and efficiency] and minimize costs.

(5) The district [actively] informs and seeks the involvement of stakeholders. Indicators of compliance include[, but are not limited to,] the following:

(i) The district uses a variety of [effective and efficient] means of communication to provide [timely] information to stakeholders.

(ii) The district [effectively] communicates with stakeholders in languages other than English [as appropriate].

(iii) Information on school policies and programs is distributed annually to parents in an [clear and] understandable format.

(iv) Information on school policies and programs is distributed [as needed] to students in an [clear and] understandable format.

(v) Information on student performance and measurements of cost versus performance are made available to stakeholders.

(vi) Annual parent/teacher conferences and open houses are conducted.

(vii) The district has [active] parent teacher associations/ parent faculty organizations and other [effective] methods of involving and encouraging parent leadership and participation.

(viii) The district [actively] seeks the involvement of business partners, community organizations and local institutions of higher education to improve educational programs.

(ix) The district has researched the feasibility of establishing a nonprofit supports foundation with a board of directors that reflects a wide variety of interests.

§ 405.4. Performance accountability standards.

Performance accountability is comprised of systems to measure and evaluate the results of the district's efforts to ensure the learning and the development of students, and the responsibility of management, staff, parents and students in achieving those results. A district will be deemed in compliance with the standards for performance accountability if:

(1) The district has a multiyear strategic plan with annual goals and measurable objectives. Indicators of compliance include [, but are not limited to,] the following:

(i) The plan provides vision and direction for the district's efforts and [clearly] delineates the district's goals and objectives, including;

(A) Student performance.

(B) Strategies to be used to reach the goals and objectives.

(C) The performance measures and standards to be used to assess progress toward meeting the goals and objectives.

(D) The areas/staff responsible for implementing the strategies.

(E) The time frames for implementation.

(ii) In developing the plan, the board identifies and adopts a limited number of improvement-focused priorities to guide the district's strategies and major financial and program decisions.

(iii) In the budget and financial planning process, the district focuses its resources on achieving the identified goals and objectives.

(iv) The district reviews the plan annually and assesses the progress made toward achieving its goals and objectives.

(v) The plan is amended [as necessary] to reflect changes in student population, educational priorities, funding, community expectations or school board direction.

(2) The district [formally] evaluates its programs and presents reports on performance and cost-effectiveness to the board and the public [stakeholders]. Indicators of compliance include [,but are not limited to,] the following:

(i) The district compares the performance of its programs to [appropriate] benchmarks as available, including past performance, the performance of comparable districts and business sector standards.

(ii) The district uses the evaluation results and data driven decision-making to improve the performance and cost-effectiveness of its programs.

(iii) The district annually makes available the evaluation results and actions to improve performance and cost-effectiveness to the board in a public meeting and also to stakeholders and the general public.

(iv) The district receives comments from the board, stakeholders and the public in a public meeting [responds appropriately].

§ 405.5. Cost control systems standards.

Cost control systems relate to the generation, management, budgeting, accounting, purchasing, expenditure, financial reporting, analysis and oversight of the assets of the district with the purpose of providing maximum efficiency in the use of resources. A school district will be deemed in compliance with the standards for cost control systems if:

(1) The district, at least once every three years, reviews the structure, staffing and procedures governing its financial operations [to ensure effective and efficient delivery of financial management systems]. Indicators of compliance include [,but are not limited to,] the following:

(i) Financial staff receives [appropriate] training and professional development.

(ii) The district adheres to the *Manual of Accounting and Financial Reporting for Pennsylvania Public Schools*.

(iii) The district has established and [periodically] reviews internal controls.

(2) The district has [adequate] financial information [and subsidy-related data] systems that provide [useful, timely and] accurate information. Indicators of compliance include [,but are not limited to,] the following:

(i) The financial accounting system has integrated financial software components that minimize manual processes.

(ii) District staff analyze financial accounting and reporting procedures to minimize or eliminate duplication of effort.

(iii) The accounting system facilitates accountability for restricted sources of funds [through fund/grant/project accounting].

(iv) The district provides [timely and] accurate data for use in subsidy related calculations.

(v) The district analyzes expenditures for control and reviews unusual fluctuations.

(3) The district develops and adopts an annual budget that supports the strategic plan and provides [useful and] understandable information to stakeholders. Indicators of compliance include [but are not limited to,] the following:

(i) The district uses [appropriate] revenue-estimating practices when developing budget sources for appropriation.

(ii) The district has established a budget planning process and timeline that is [clearly] communicated to all of the involved stakeholders.

(iii) The district has established guidelines for maintaining [appropriate] levels of unreserved fund balance.

(iv) The district has a process for funding activities and projects that meet strategic plan objectives.

(v) The district has established [appropriate] procedures for adopting budget amendments.

(4) The district undergoes an annual external audit and uses the audit to improve its operations [in a timely and appropriate manner]. Indicators of compliance include [, but are not limited to,] the following:

(i) The district ensures that required information is available [in a timely manner] to complete the district's audit.

(ii) The district responds to audit comments [in a timely and appropriate manner].

(5) The district has policies and procedures for cash management and investment activities. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has [appropriate] policies and procedures for cash management, maintains its cash deposits in qualified public depositories, and has cash forecasting processes that ensure adequate liquidity throughout the year.

(ii) The district has [appropriate] policies and procedures for the investment of public funds that in part address risk level versus expected return, and [periodically] reports to the board the results of its investing activities.

(6) The district has policies and procedures for the [effective] management of capital assets. Indicators of compliance include [,but are not limited to,] the following:

(i) The district has implemented procedures to ensure purchases are capitalized in accordance with established capital asset thresholds.

(ii) The district maintains detailed subsidiary records of capital assets.

(iii) The district physically safeguards and [periodically] inventories capital assets.

(7) The district has policies and procedures for [effective] debt management. Indicators of compliance include [, but are not limited to,] the following:

(i) The district tracks debt service requirements and ensures [timely] payment.

(ii) The district complies with debt service financial reporting requirements [in a timely manner].

(iii) The district evaluates debt capacity prior to issuing debt.

(iv) As part of issuing debt, the district adheres to the requirements of the Sarbanes-Oxley Act of 2002, the act of July 30, 2002 (Pub. L. No. 107-204, 116 Stat. 745), if applicable, and maintains compliance.

(v) The district evaluates the advantages and disadvantages of various financing alternatives when acquiring major capital assets.

(8) The district has policies and procedures [to ensure compliance with applicable laws and regulations] concerning [effective] risk management. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has [adequate] insurance coverage and analyzes current insurance plans including deductible amounts, co-insurance levels and types of coverage provided.

(ii) The district has procedures to evaluate and identify [relevant] risk exposures and provides for a comprehensive approach to reducing the potential for loss.

(iii) The district [periodically] analyzes alternatives for providing insurance coverage.

(9) The district has established policies and procedures to take [full] advantage of competitive bidding, volume discounts, and special pricing agreements. Indicators of compliance include [,but are not limited to,] the following:

(i) The district conducts its purchasing program in accordance with established policies.

(ii) The district [periodically] evaluates purchasing practices [to maximize the cost-effectiveness of the purchasing function].

(iii) The district utilizes procedures outlining the preparation and processing of purchases.

(iv) The district utilizes competitive bidding [as required by statutes, regulations and standards].

(v) The district has established a policy to govern the acceptance of gifts and gratuities by staff and school board members.

(10) The district has policies and procedures to provide for the [effective] management of inventories of supplies and equipment. Indicators of compliance include [,but are not limited to,] the following:

(i) The district has a method of monitoring usage of its inventories.

(ii) The district [consistently] monitors usage of its inventories.

(iii) Inventory storage areas are [reasonably] safeguarded to prevent unauthorized access and protect inventory items from physical deterioration.

(iv) The district [periodically] identifies and evaluates the costs to maintain inventories.

§ 405.6. Administrative and instructional technology standards.

Administrative and instructional technology is defined as the development, implementation and maintenance of systems pertaining to computer hardware, software, related equipment

and materials, networks and access to the Internet that are used for the administrative operations of a school district and the teaching and instruction of students. A school district will be deemed in compliance with the standards for administrative and instructional technology if:

(1) The district has a board-approved technology plan that provides direction for making decisions regarding administrative and instructional technology. Indicators of compliance include [,but are not limited to,] the following:

(i) The district[‘s] has a school board approved technology plan [technology plan is compatible with State reporting requirements and aligned with Federal initiatives].

(ii) The objectives in the technology plan are measurable and reflect the desired outcomes for educational and operational programs.

(iii) The district's annual budget provides funds for technology initiatives as reflected in the plan.

(iv) The district takes advantage of opportunities to improve technology operations [, increase effectiveness and efficiency] and reduce costs.

(v) The district has identified any individuals responsible for implementing and updating the technology plan.

(vi) The district collaborates with other educational, governmental, private sector and nonprofit organizations concerning technology and takes advantage of consortium opportunities.

(vii) The district [periodically] assesses the progress it has made toward achieving its technology plan objectives [and reacts appropriately].

(2) The district acquires technology in accordance with its technology plan and in a [cost-effective] manner that will [best] meet its instructional and administrative needs. Indicators of compliance include [, but are not limited to,] the following:

(i) The district bases its technology acquisitions on identified needs in its technology plan.

(ii) The district uses the results of research and evaluations of previous decisions to identify technology that will [best] meet instructional and administrative needs.

(iii) The district has policies for acquiring hardware, software and related instructional materials for administrative and instructional use.

(iv) The district provides procedures for stakeholders to preview, evaluate and recommend acquisition of technology strategies, software and instructional materials.

(v) The district makes decisions regarding major technology acquisitions based on Total Cost of Ownership (TCO) analysis.

(vi) The district has an upgrade policy that establishes a strategy for quantifying the impact of various time frames for technologies to be upgraded.

(vii) The district has a repair and replacement policy that establishes a strategy for quantifying the impact of various time frames for technologies to be repaired and replaced.

(3) The district provides technical support and training that enables educators and district staff to implement technology in the workplace. Indicators of compliance include [, but are not limited to,] the following:

(i) The district budgets for costs associated with the installation and support of its technology.

(ii) The district [appropriately] assigns technical support responsibilities to specific personnel at both the school district and the school level.

(iii) The district establishes service levels and provides [timely] technical support in accordance with its service priorities.

(iv) The district [continuously] evaluates the quality and timeliness of the technical support provided in relation to its service levels.

(v) The district provides [appropriate] professional development to district staff that is based on feedback from stakeholders.

(vi) The district budgets for and [adequately] funds technology training and professional development.

(vii) The district makes efforts to secure funds from available sources for technology training and professional development.

(viii) The district provides a variety of opportunities in terms of time, location and delivery mode for educators and other district staff to obtain technology training and professional development.

(4) The district maintains a [dependable] technological infrastructure based on industry standards that meet its network and Internet access needs. Indicators of compliance include [, but are not limited to,] the following:

(i) The district employs practices that provide an [consistently] available and [fully] operational network that supports [effective] instruction, management and communication.

(ii) The district has network and computer protection software and update procedures in place.

(iii) The district protects systems from unauthorized users by using safeguards such as room locks, passwords, firewalls, and other [needed] means as conditions warrant.

(iv) The district has in place controls and processes that limit access to confidential and sensitive data, prevent the unauthorized release of data and determine the source of any unauthorized release.

(v) The district [effectively] maintains hardware and software systems.

(vi) The district [timely and effectively] repairs hardware and software systems used for operations and educational/curricular requirements.

(vii) The district [timely] addresses network and Internet service outages.

(5) The district uses technology to improve communication. Indicators of compliance include [, but are not limited to,] the use of available technologies [in an effective and efficient manner] to improve and enhance communication with and among staff, teachers, students, parents and other stakeholders.

(6) The district has written policies that apply safe, ethical, legal and [appropriate] use practices. Indicators of compliance include [, but are not limited to,] the following:

(i) The district provides guidelines to staff, teachers, students and parents describing [appropriate and] inappropriate uses of technology.

(ii) The district implements policies and procedures to prevent access to inappropriate material.

(iii) The district provides staff, teachers, students and parents with guidelines describing legal uses of digital materials, both instructional and non-instructional.

(iv) A district that engages a third party to process transactions on its behalf executes [appropriate] agreements with the service provider and establishes [appropriate] control procedures.

§ 405.7. Personnel systems and benefits standards.

Personnel systems and benefits are the systems related to the recruitment; hiring; compensation; employment benefits including health care coverage, retirement plan and compensated time off; professional development, continuing education and training; performance evaluation; certification, compliance and record keeping; and organized labor agreements and relations for employees of the school district. A school district will be deemed in compliance with the standards for personnel systems and benefits if:

(1) The district [effectively and efficiently] recruits, hires and retains qualified personnel. Indicators of compliance include [, but are not limited to,] the following:

(i) The district completes pre-employment background and reference checks for new employees; verifies any required qualifications or certifications, or both; and conducts its employment procedures in a manner that assures equal opportunity [in accordance with applicable statutes].

(ii) The district maintains up-to-date, [clear] concise and [readily] accessible position descriptions that [accurately] identify the duties of each position and the education, experience, knowledge, skills and abilities required.

(iii) The district's recruiting practices are designed to generate qualified applicants to fill vacant positions [in a timely manner, and are effective and efficient in doing so].

(iv) The district takes steps to identify and remedy factors that [adversely] affect the working environment.

(v) The district maintains [clear and effective] channels of communication with its employees.

(2) The district provides a [comprehensive] staff development program. Indicators of compliance include [, but are not limited to,] the following:

(i) The district conducts training, orientation or mentoring programs for new employees, and has a professional development program consistent with 24 P.S. §12-1205.1, 12-1205.2 [that meets the requirements of statutes, regulations and standards].

(ii) Professional development is planned and implemented [in a cost-effective manner] based on an [ongoing] analysis of student and district needs [aligned to statutes, regulations and standards].

(iii) The district provides training and orientation for substitute teachers.

(iv) The district solicits employee feedback on professional development activities and uses this feedback to evaluate the quality [and effectiveness] of the training.

(3) The district has a system for evaluating employee performance. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has established and implemented criteria and procedures to evaluate [on a regular basis] the performance of instructional personnel and non-instructional personnel in accordance with [relevant statutes, regulations and standards and non-instructional personnel in accordance] district policy.

(ii) Employees not meeting the school district's performance criteria are informed in writing and the employee is provided with [clear] direction for improvement.

(iii) The district provides training for supervisors on how to [appropriately] evaluate and document unsatisfactory performance and the procedures and issues associated with working with employees requiring [needing] improvement.

(iv) The district has established and implemented policies regarding drug and alcohol testing [in accordance with statutes, regulations and standards].

(v) The district has procedures with which the administration and board members are familiar for discipline and due process [as necessary].

(4) The district evaluates the cost of [uses cost control practices for its] employee benefit programs. Indicators of compliance include [, but are not limited to,] the following:

[(i) The district reviews and evaluates its employee benefits to ensure it is attaining appropriate value.]

[(ii) (i) The board is informed as to the short and long-term fiscal impact of changes to the district's benefit package [prior to approval of employee contracts].

[(iii) (ii) The district evaluates both the short and long-term fiscal impact of early retirement proposals.

[(iv) (iii) The district reviews and evaluates workers' compensation claims and payments, and uses the results in an effort to reduce the number and cost of claims.

(5) The district's human resource function[s are] is managed [effectively and efficiently] in accordance with defined goals and objectives. Indicators of compliance include [, but are not limited to,] the following:

(i) The goals and objectives for the human resource function are aligned with the district's strategic plan.

(ii) The district's staffing levels are [reasonable] based on [applicable] comparisons to similar districts or standard education industry [or] benchmarks, or both.

(iii) The district considers the use of automation [,] and technology [and outsourcing] to enhance the [effectiveness and efficiency] results of [delivering human resource services] the human resource function.

(iv) The district maintains personnel and confidential records in a secure environment [in accordance with applicable statutes, regulations and standards].

(v) The district provides for cross training and succession planning [as appropriate].

(6) The district maintains an [effective] employment/labor relations program and conducts [effective] labor contract negotiations. Indicators of compliance include [, but are not limited to,] the following:

(i) The district assigns responsibility for employment/labor relations and labor contract negotiations to individuals and groups with [appropriate] experience and knowledge.

(ii) The district has established procedures to deal with employee complaints.

(iii) The district has established labor meet and discuss procedures.

(iv) The district establishes labor contract negotiating teams well in advance of negotiations and [clearly] defines the roles and responsibilities of the team and individual members.

(v) District [L]labor contract negotiating teams have access to an attorney with [appropriate] knowledge and experience.

(vi) Labor contract proposals developed and presented by the district are aligned with the goals and objectives contained in the district's strategic plan.

(vii) The district estimates the short and long-term costs and considers the advantages and disadvantages of each labor contract proposal item that is developed by the district or presented to the district.

§ 405.8. Facilities construction standards.

Facilities construction includes the planning, development, design and budgeting for new building or the expansion or renovation of facilities used for the education of students, educational programming and activities, food service, transportation, or the general administration of the school district. A school district will be deemed in compliance with the standards for facilities construction if:

(1) The district has a[n effective] long-range planning process for construction of new facilities. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has established a long-range facilities work plan that addresses the requirements [needs] of the district, including future expansion, and [generally] covers a period of 3 to 5 years or longer.

(ii) When developing a long-range facilities work plan that includes new construction, the district evaluates alternatives including building reuse to minimize the need for new construction.

(iii) The long-range facilities work plan includes budgetary plans and priorities.

(iv) The district considers [the most effective and] practical sites for current and anticipated requirements [needs] in the context of municipal and county land use policies.

(v) The district has established authority and assigned responsibilities for facilities planning.

(vi) The district evaluates facilities and site requirements [needs] based upon [relevant] demographic data and projections that are [regularly] updated as part of a feasibility analysis.

(vii) The district [routinely] assesses facilities for physical condition, educational suitability and technology readiness.

(viii) The district [effectively] prioritizes construction needs.

(2) The district ensures responsiveness to the community through open communication about construction projects and the long-range planning process. Indicators of compliance include [, but are not limited to,] the following:

(i) The district holds public meetings at which information regarding the long-range plan is provided.

(ii) The district provides information about a construction project in a format that allows for public comment.

(iii) The district has [effective] channels for considering input from stakeholders in determining facilities construction needs.

(3) The district develops construction projects based upon building, site and educational specifications. Indicators of compliance include [, but are not limited to,] the following:

(i) The district maintains a process for selecting and retaining [qualified and experienced] planning, design and construction professionals.

(ii) The architectural design fulfills the building and educational specification requirements as determined by the district.

(iii) The educational specifications address educational program components and include staff input regarding teaching strategies and instructional methods.

(iv) New construction, remodeling and renovations incorporate safety and security features.

(v) Facilities are designed to be adaptable to changes and innovations in education and incorporate the use of technology.

(4) The district minimizes construction, maintenance and operations costs through the use of cost-effective designs and construction practices. Indicators of compliance include [, but are not limited to,] the following:

(i) The district evaluates and compares the costs of construction, maintenance and operation for various designs, including green building designs.

(ii) The district evaluates the advantages and disadvantages of various financing alternatives for construction projects.

(iii) The district uses analysis of costs in making determinations regarding facilities construction.

(5) The district has [effective] management processes for construction projects. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has given the authority and responsibility to keep major facilities construction projects within budget and on schedule to an individual or individuals with [the appropriate credentials and] construction [-related] management qualifications and experience.

(ii) A construction schedule that coordinates and minimizes disruptions of instruction is developed and the district analyzes progress against the schedule and takes [appropriate] action [as necessary].

(iii) The board receives financial updates during the design and construction process.

(iv) The district controls project costs by minimizing changes to project designs after final working drawings are initiated and [properly] substantiates and authorizes change orders.

(v) Construction projects meet [applicable] building code requirements with a final inspection conducted and a certificate of occupancy issued following the completion of construction.

(6) The district follows [generally accepted] standard construction industry contracting procedures. Indicators of compliance include [, but are not limited to,] the following:

(i) The district uses legal counsel to review construction related contracts, including documentation required of the contractor, before execution.

(ii) An authorized official of the district executes construction related contracts.

(iii) The district has a system of internal controls to ensure that [timely] payments are made only after the design professional's approval of the completed work and with the concurrence of the district official in charge of the project.

(7) The district conducts an orientation for staff of completed projects and [regular] facility evaluations to determine the [efficiency and] cost-effectiveness of the construction program. Indicators of compliance include [, but are not limited to,] the following:

(i) The district conducts an [comprehensive] orientation of completed projects for staff and maintenance personnel prior to use.

(ii) The district conducts [regular comprehensive] facility evaluations that assess facility use, operating costs and performance.

(iii) An evaluation of major facility systems and equipment is conducted before the end of the first year of occupancy or prior to end of warranty.

(iv) Evaluation results are used to make changes [as necessary] to the district's construction program for future projects.

§ 405.9. Facilities maintenance standards.

Facilities maintenance includes the maintenance of buildings and properties used by the school district in the education of students, educational programming and activities, food service, transportation, or the general administration of the school district. A school district will be deemed in compliance with the standards for facilities maintenance if:

(1) The facilities operations and maintenance department has defined goals and objectives [and is operated in an effective and efficient manner]. Indicators of compliance include [, but are not limited to,] the following:

(i) The operations and maintenance department uses performance benchmarks and cost [-effectiveness] measures.

(ii) District operated and contracted services are [regularly] evaluated [to determine cost-effectiveness and to explore alternatives].

(iii) Feedback from stakeholders and maintenance staff is used to improve the [effectiveness and efficiency of the] operations and maintenance department.

(iv) Facilities are maintained to create an atmosphere conducive to student learning and work productivity.

(2) The facilities operations and maintenance department has operational procedures and staff performance standards, and provides for [appropriate] training and professional development. Indicators of compliance include [, but are not limited to,] the following:

(i) The operations and maintenance department has procedures that provide for [effective procurement and] use of personnel and resources.

(ii) Operational procedures are up to date and accessible to department staff.

(iii) Operations and maintenance performance standards are [regularly] updated to consider new technology and procedures.

(iv) Facilities maintenance staff is provided with the tools, equipment and training required to accomplish assigned tasks.

(v) Professional development is provided to remain current with maintenance issues, new technology, equipment, materials and procedures.

(3) The district develops an annual facilities maintenance and operations budget and capital expenditures budget. Indicators of compliance include [, but are not limited to,] the following:

(i) The budget for facilities maintenance and operations is developed using historical and benchmark data.

(ii) A preventative maintenance program is budgeted and implemented to reduce long-term facilities maintenance costs and service outages.

(iii) The facilities maintenance and operations budget includes funds to correct deficiencies identified in [periodic] safety or insurance inspections, or both.

(iv) Actual facilities maintenance and operations expenditures are [routinely] evaluated as compared to the costs budgeted for those expenditures.

(v) The district maintains a financial contingency plan for emergency capital repairs.

(4) The facilities maintenance and operations department identifies and implements energy management strategies to contain energy costs. Indicators of compliance include [, but are not limited to,] the following:

(i) The district uses energy efficiency benchmarks and implements actions [to increase cost-efficiency].

(ii) The facilities maintenance and operations department [regularly] monitors energy consumption.

(iii) Plans have been developed to address corrective actions in facilities [where the energy management is inefficient].

(5) A[n efficient] work order system is used to register, acknowledge, prioritize and assign work orders. Indicators of compliance include [, but are not limited to,] the following:

(i) Work order reports are [routinely] produced and analyzed to meet the information and tracking requirements of the district.

(ii) The facilities maintenance and operations department prioritizes maintenance requirements based on prioritization guidelines [developed by the Department of Education] and completes maintenance repairs [accordingly].

§ 405.10. Transportation standards.

Transportation is defined as systems, staffing, equipment and contracted services related to the physical movement of students to and from educational facilities of the school district and educational related travel during or after regular school hours. A school district will be deemed in compliance with the standards for transportation if:

(1) The district coordinates planning and budgeting for student transportation. Indicators of compliance include [, but are not limited to,] the following:

(i) An assessment of the district's transportation requirements and priorities is conducted annually.

(ii) Information on the district's transportation program and related costs is developed as part of the annual budget process and presented to the board.

(iii) A process is in place to provide [sufficient] vehicles and drivers to meet the district's transportation requirements [needs].

(2) The district maintains [accurate] transportation data. Indicators of compliance include [, but are not limited to,] the following:

(i) The district [provides timely submission of required data to multiple agencies of the Commonwealth] submits data and reports relating to the transportation of students as required by the Department of Education in accordance with Department established timelines.

(ii) The district has established a[n effective and efficient] method of collecting and maintaining data related to the district's transportation program.

(3) The district reviews and updates routes, stops and staffing to provide [effective, efficient and safe] transportation services for eligible students. Indicators of compliance include [, but are not limited to,] the following:

(i) The district annually reviews and updates bus routes, bus stops and designated walking routes [to be effective and efficient without compromising safety].

(ii) The district evaluates hazardous walking routes and submits documentation to the Pennsylvania Department of Transportation.

(iii) Bus routes and activity trips are operated in accordance with established guidelines.

(iv) Transportation services are provided in a[n] cost-effective [and efficient] manner for eligible students [, in compliance with statutes, regulations and standards].

(v) Proper vehicle maintenance is performed.

(vi) Drivers are [properly] licensed and certified, and receive training [in compliance with State and Federal requirements].

(vii) The district is responsive to inquiries from parents and other stakeholders pertaining to transportation.

(viii) The district considers input from parents and other stakeholders in evaluating routes, stops and staffing of transportation program.

(4) Acceptable [Appropriate] student behavior is maintained on buses [, with students being held accountable for misbehavior during transportation]. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has established standards and policies related to student behavior on buses [with the goal of promoting safe, effective and efficient transportation to and from schools].

(ii) Parents and students are informed of district policy and procedures involving misbehavior during transportation and the related consequences.

(iii) Drivers follow established policies and procedures to report disciplinary infractions.

[(iv) Drivers are held accountable for failure to comply with the established policies and procedures of the district.]

[(v) Students are held accountable for failure to comply with the established policies and procedures of the district.]

§ 405.11. Food service operations standards.

Food service operations are defined as systems, staffing, equipment and contracted services related to the feeding of students, staff and guests of the school district before, during or after regular school hours. A school district will be deemed in compliance with the standards for food service operations if:

(1) The food services program has an approved operational plan and budget that is [consistent] in line with the district's strategic plan. Indicators of compliance include [, but are not limited to,] the following:

(i) A budget is prepared that is based on the food services program's plan, goals and objectives [, and not limited to, historical, incremental increases].

(ii) The district's food services plan and budget are reviewed annually to reflect changes in [Federal and State law,] food service industry standards and financial and demographic data within the district.

(iii) The district integrates technology, updated equipment and facilities renovation needs into its food services plans and budgets.

(iv) The district solicits and considers input from food service [facilities] staff when designing and planning for new and existing school facilities.

(2) The district has procedures and training programs designed to meet the needs of the food services program. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has developed and keeps current a food services program procedures manual for staff [that is consistent with overall district policy].

(ii) The district assesses the needs of new and existing food services program staff and develops, implements and monitors a [comprehensive] training program [plans].

[(iii) The district has an effective and efficient training program for new food services program staff members.]

[(iv) The district has an effective and efficient plan for training staff on new policies and procedures that are implemented according to the food services program plan.]

[(v) The district monitors training of food services staff on a regular basis.]

[(vi) Staff is held accountable for violations of the food services program's established policies and procedures.]

(3) The district maintains a [n effective and efficient] food services program and [continually] reviews and evaluates its performance. Indicators of compliance include [, but are not limited to,] the following:

(i) The district [adheres to good] uses cash and account management practices and files [State and Federal] reimbursement requests [in a timely manner].

(ii) The district utilizes [an array of] food and supply procurement procedures [, including USDA commodities, to provide quality products in a cost-effective manner].

(iii) The pricing of meals and a la carte items are [periodically] reviewed to determine if the rates are [appropriate and] meeting the budget.

(iv) The program has a reporting system that provides [accurate and timely] information to management.

(v) Program staffing levels are [appropriate] evaluated considering information such as the number of meals served, serving periods[,] and student participation [and other relevant factors].

(vi) The district uses menu costs, trends, production, and wasted food from school sites to evaluate food and labor costs.

(vii) [Periodic] [r]Reviews are conducted to determine that the program is in compliance with [district] policies and procedures [as well as Federal, State and local rules and regulations].

(viii) The district has established a preventive maintenance and long-range equipment replacement program.

(ix) The district identifies barriers to student participation and develops strategies to address.

(x) The district has a[n effective] system that [readily] accepts and [ensures the consideration of] considers suggestions.

(4) The food services program [complies with Federal, State and district policies to meet] meets nutrition requirements. Indicators of compliance include [, but are not limited to,] achieving passing results in the school district's most recent Coordinated Review Effort (CRE) and School Meal Initiative for Healthy Children (SMI) review.

§ 405.12. Safety and security standards.

Safety and security is defined as systems, staffing, equipment and contracted services related to the well being of students, staff and guests of the school district while at facilities of the school district, and when walking or being transported to and from facilities of the school district or facilities of contracted educational services. A school district will be deemed in compliance with the standards for safety and security if:

(1) District policies and procedures provide for the safety and security of students, employees and visitors while under the responsibility of the district. Indicators of compliance include [, but are not limited to,] the following:

(i) The district [periodically] reviews and updates its safety and security policies and procedures [to determine if they are appropriate for the current conditions].

(ii) The district works with and integrates its safety and security program with the local, county and regional [homeland security and] emergency response programs.

(iii) The district completes drills [required by the State], including fire drills and bus evacuations and tests emergency preparation [for other conditions].

(iv) The district has a plan to address school violence.

[(v) Individuals are held accountable when they fail to comply with district policies regarding school violence.]

[(vi)] (v) The district has conduct guidelines for [what is appropriate conduct for] students, teachers and staff.

[(vii)] (vi) District procedures include a plan of how to communicate important information [effectively] to parents and the general public under [all types of] emergency situations, including adverse situations caused by weather, the environment and human events.

[(viii)] (vii) District procedures include a plan to address the care and shelter of students and employees [as necessary] during emergency situations [and under adverse conditions].

(2) District policies and procedures address the health and safety condition of facilities [and the district complies with Federal, State and local requirements for its facilities]. Indicators of compliance include [, but are not limited to,] the following:

(i) The district has [established] health and safety guidelines.

(ii) Evaluations are [made] conducted and documented for the health and safety conditions of district facilities [in accordance with Federal, State and local requirements].

(iii) The district has a [corrective action] plan [for] to address identified facility health and safety deficiencies.

[(iv) The district takes timely corrective action when it identifies health and safety deficiencies in district facilities.]

[(v) The district participates in and documents voluntary efforts regarding facility health and safety conditions.]

[(vi)] (iv) The district has an emergency response plan.

[(vii)] (v) The district [periodically] evaluates [the] physical building security.

§ 405.13. Educational service delivery standards.

Educational service delivery is defined as systems, planning and assessments related to making improvements in the teaching and learning of students. A school district will be deemed in compliance with the standards for educational service delivery if:

(1) The district's strategic plan includes strategies to improve teaching, learning and student performance [in a cost-effective manner]. Indicators of compliance include [, but are not limited to,] the following:

(i) District [monitoring of the] implementation and monitoring of its strategic plan.

(ii) District evaluation of the impact of the strategic plan and initiation of actions to improve teaching, learning and [on] student performance.

(2) The district uses both academic and nonacademic data to guide it in making decisions about improving teaching and learning. Indicators of compliance include [, but are not limited to,] the following:

(i) The district reviews and evaluates student assessment results disaggregated by subgroups to improve teaching and learning.

(ii) The district considers input from stakeholders in making decisions about improving teaching and learning.

(iii) The district considers education industry trends and [effective] policies in similar districts in making decisions about improving teaching and learning.

(iv) The district considers information in current education industry literature in making decisions about improving teaching and learning.

[(v) The district complies with Federal and State standards in making decisions about improving teaching and learning.]

(3) The district provides [effective and efficient] instructional programs for its students. Indicators of compliance include [, but are not limited to,] the following:

(i) The district analyzes the needs of its students in determining instructional programs.

(ii) The district [periodically] evaluates [the effectiveness and efficiency of] its instructional programs.

[(iii) The district complies with Federal and State standards of improvement of teaching and learning.]

(4) The district provides [effective and efficient] instructional programs for students with disabilities, English language learners and at risk students. Indicators of compliance include [, but are not limited to,] the following:

(i) The district reviews and evaluates disaggregated student assessment results and other performance measures [as available] to improve the performance of students with disabilities, English language learners and at-risk students.

(ii) The district provides teachers with [appropriate] support and training to assist them in developing and implementing strategies to improve the performance of students with disabilities, English language learners and at-risk students.

(5) The district allocates [adequate] resources to [properly] support instruction and [promote effective] teaching and learning. Indicators of compliance include [, but are not limited to,] the following:

(i) The district [periodically] evaluates staffing levels at individual schools and between schools to determine optimal utilization and allocation of resources [to meet the educational needs of students in the district].

(ii) Schools have a[n adequate] supply of [up-to-date] instructional materials to accommodate students and teachers [in an effective and efficient manner].

(iii) Instructional technology is utilized in the classroom [as appropriate] to enhance the curriculum and improve teaching and learning.

§ 405.14. Review and Self-Assessment Process.

Each school district of the Commonwealth shall be reviewed for compliance with the standards once every six years, to the extent that funds are provided for this purpose in the general appropriation act each year. School districts to be reviewed in a specific year will be notified in writing by the Department of Education at least 90 days before the start of the review.

(a) Self-Assessment. When a school district is scheduled for a review of compliance with the standards, it shall complete a self-assessment instrument provided to it by the Department of Education. The school district will use the self-assessment instrument to evaluate its compliance with the standards. The school district shall begin the self-assessment process no later than 60 days prior to the commencement of the review. The completed self-assessment and supporting documentation will be submitted to the Department of Education no later than the scheduled start date of the review.

(b) Review Completion. Once started, reviews shall be completed within six months of the start date. A final report shall be issued within 60 days of the completion of the review stating findings related to compliance with the standards, potential cost savings, and suggested recommendations for improvement.

§ 405.14.

§ 405.15. Collective Bargaining.

Nothing contained in this chapter shall be construed to supersede or preempt any provision of a collective bargaining agreement in effect on the effective date of this chapter, and negotiated by a school district and an exclusive representative of the employees in accordance with the act of July 23, 1970 (P.L. 563, No. 195), known as the "Public Employee Relations Act" and section 1111-A of the Public School Code of 1949, added by the act of July 9, 1992 (P.L. 403, No. 88).



COMMONWEALTH OF PENNSYLVANIA
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July 21, 2008

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Kim Kaufman
Executive Director
Independent Regulatory Review Commission
14th Floor, Harristown 2
333 Market Street
Harrisburg, PA 17126

Dear Mr. Kaufman:

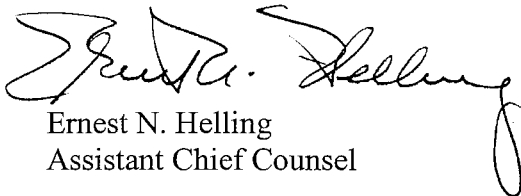
Enclosed is a copy of final-form Department of Education regulation 22 Pa. Code Chapter 405 – Keystone Educational Accountability Standards and Indicators (Regulatory Package #6-300).

The Regulatory Review Act provides that the standing committees shall approve or disapprove the final-form regulations within 20 calendar days of their receipt. If they are not disapproved within 20 days, they will be deemed approved.

The Department of Education will provide your Commission with any assistance you may require to facilitate a thorough review of this final-form regulation.

Thank you for your consideration.

Sincerely,



Ernest N. Helling
Assistant Chief Counsel

cc: Gerald Zahorchak, Secretary of Education
Michael Walsh, Deputy Secretary for Administration

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT

RECEIVED

I.D. NUMBER: 6-300

SUBJECT: KEYSTONE EDUCATIONAL ACCOUNTABILITY STANDARDS
AND INDICATIONS

JUL 21 PM 2: 53

AGENCY: DEPARTMENT OF EDUCATION

INDEPENDENT REGULATORY
REVIEW COMMISSION

TYPE OF REGULATION

Proposed Regulation

X Final Regulation

Final Regulation with Notice of Proposed Rulemaking Omitted

120-day Emergency Certification of the Attorney General

120-day Emergency Certification of the Governor

Delivery of Tolled Regulation

a. With Revisions b. Without Revisions

FILING OF REGULATION

DATE SIGNATURE

DESIGNATION

7/22/08 R.A.M.

HOUSE COMMITTEE ON EDUCATION

7/21/08 Al.

MAJORITY CHAIRMAN James Roebuck

7/21 A.R.

SENATE COMMITTEE ON EDUCATION

7-21 A.R.

MAJORITY CHAIRMAN James Rhoades

7/21/08 J. Belmont

INDEPENDENT REGULATORY REVIEW COMMISSION

ATTORNEY GENERAL (for Final Omitted only)

LEGISLATIVE REFERENCE BUREAU (for Proposed only)

July 17, 2008