

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 80

Session of 2003

INTRODUCED BY MOWERY, GREENLEAF, WOZNIAK, THOMPSON, CORMAN, KITCHEN, SCHWARTZ, WAUGH, EARLL, M. WHITE, C. WILLIAMS, RHOADES, D. WHITE, KASUNIC AND ORIE, JANUARY 27, 2003

SENATE AMENDMENTS TO HOUSE AMENDMENTS, DECEMBER 19, 2003

AN ACT

1 ~~Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An~~ <—  
2 ~~act relating to the public school system, including certain~~  
3 ~~provisions applicable as well to private and parochial~~  
4 ~~schools; amending, revising, consolidating and changing the~~  
5 ~~laws relating thereto," further providing for residence and~~  
6 ~~right to free school privileges; adding definitions;~~  
7 ~~providing for State System of Higher Education campus police~~  
8 ~~powers and duties; and making a repeal.~~

9 AMENDING THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), ENTITLED "AN <—  
10 ACT RELATING TO THE PUBLIC SCHOOL SYSTEM, INCLUDING CERTAIN  
11 PROVISIONS APPLICABLE AS WELL TO PRIVATE AND PAROCHIAL  
12 SCHOOLS; AMENDING, REVISING, CONSOLIDATING AND CHANGING THE  
13 LAWS RELATING THERETO," ADDING DEFINITIONS; FURTHER PROVIDING  
14 FOR BACKGROUND CHECKS OF PROSPECTIVE EMPLOYEES AND CONVICTION  
15 OF EMPLOYEES OF CERTAIN OFFENSES, FOR FISCAL YEAR, FOR TAX  
16 LEVY AND LIMITATIONS, AND FOR PER CAPITA TAXES; AUTHORIZING  
17 SCHOOL DISTRICTS TO REOPEN THEIR 2003-2004 BUDGETS; IMPOSING  
18 LIMITATIONS ON CERTAIN UNRESERVED FUND BALANCES; REPEALING  
19 PROVISIONS RELATING TO PROFESSIONAL TEACHER ASSESSMENT;  
20 FURTHER PROVIDING FOR RESIDENCE AND RIGHT TO FREE SCHOOL  
21 PRIVILEGES, FOR COST OF TUITION AND MAINTENANCE OF CERTAIN  
22 EXCEPTIONAL CHILDREN IN APPROVED INSTITUTIONS AND FOR ACTUAL  
23 COST OF TUITION AND MAINTENANCE OF CERTAIN EXCEPTIONAL  
24 CHILDREN IN THE FOUR CHARTERED SCHOOLS FOR EDUCATION OF THE  
25 DEAF AND THE BLIND; PROVIDING FOR FIREFIGHTER AND EMERGENCY  
26 SERVICE TRAINING; AMENDING PROVISIONS RELATING TO THE  
27 EDUCATION SUPPORT SERVICES PROGRAM; PROVIDING FOR THE  
28 EDUCATIONAL ASSISTANCE PROGRAM AND THE HEAD START  
29 SUPPLEMENTAL ASSISTANCE PROGRAM; DEFINING "HISTORY OF  
30 FINANCIAL DISTRESS"; FURTHER PROVIDING FOR EDUCATION  
31 EMPOWERMENT LIST, FOR IMPLEMENTATION OF SCHOOL DISTRICT  
32 IMPROVEMENT PLAN BY BOARD OF SCHOOL DIRECTORS, FOR EDUCATION  
33 EMPOWERMENT DISTRICTS, FOR SCHOOL IMPROVEMENT GRANTS, FOR

1 MANDATE WAIVER PROGRAM AND FOR DEFINITIONS; PROVIDING FOR  
2 STATE SYSTEM OF HIGHER EDUCATION CAMPUS POLICE POWERS AND  
3 DUTIES; IMPOSING CERTAIN LIMITATIONS ON PROVISIONS RELATING  
4 TO EDUCATION EMPOWERMENT; AMENDING PROVISIONS RELATING TO  
5 EDUCATIONAL IMPROVEMENT TAX CREDIT; FURTHER PROVIDING FOR  
6 SMALL DISTRICT ASSISTANCE AND FOR TEMPORARY SPECIAL AID TO  
7 SCHOOL DISTRICTS SUFFERING LOSS OF TAX REVENUE DUE TO  
8 REDUCTION IN ASSESSED VALUATION OF TAXABLE PROPERTY;  
9 PROVIDING FOR BASIC EDUCATION FUNDING FOR 2002-2003 SCHOOL  
10 YEAR AND FOR REIMBURSEMENT OF ADDITIONAL EXPENSES RELATED TO  
11 BASIC EDUCATION; FURTHER PROVIDING FOR PAYMENTS TO  
12 INTERMEDIATE UNITS, FOR SPECIAL EDUCATION PAYMENTS TO SCHOOL  
13 DISTRICTS, FOR EXTRAORDINARY SPECIAL EDUCATION PROGRAM  
14 EXPENSES AND FOR COMMONWEALTH REIMBURSEMENTS FOR CHARTER  
15 SCHOOLS AND CYBER CHARTER SCHOOLS; PROVIDING FOR PENNSYLVANIA  
16 ACCOUNTABILITY GRANTS AND KEYSTONE EDUCATIONAL  
17 ACCOUNTABILITY; FURTHER PROVIDING FOR POWERS AND DUTIES OF  
18 THE STATE BOARD OF EDUCATION; PROVIDING FOR TEACHER  
19 RECRUITMENT ASSISTANCE; AND MAKING A RELATED REPEAL.

20 The General Assembly of the Commonwealth of Pennsylvania  
21 hereby enacts as follows:

22 ~~Section 1. Section 1302 of the act of March 10, 1949~~ <—  
23 ~~(P.L.30, No.14), known as the Public School Code of 1949,~~  
24 ~~amended June 22, 2001 (P.L.530, No.35), is amended to read:~~

25 ~~Section 1302. Residence and Right to Free School~~  
26 ~~Privileges. (a) A child shall be considered a resident of the~~  
27 ~~school district in which his parents or the guardian of his~~  
28 ~~person resides. Federal installations are considered a part of~~  
29 ~~the school district or districts in which they are situate and~~  
30 ~~the children residing on such installations shall be counted as~~  
31 ~~resident pupils of the school district. When a resident of any~~  
32 ~~school district keeps in his home a child of school age, not his~~  
33 ~~own, supporting the child gratis as if it were his own, such~~  
34 ~~child shall be entitled to all free school privileges accorded~~  
35 ~~to resident school children of the district, including the right~~  
36 ~~to attend the public high school maintained in such district or~~  
37 ~~in other districts in the same manner as though such child were~~  
38 ~~in fact a resident school child of the district, and shall be~~  
39 ~~subject to all the requirements placed upon resident school~~

1 children of the district. Before such child may be accepted as a  
2 pupil, such resident shall file with the secretary of the board:

3 (1) appropriate legal documentation to show dependency or  
4 guardianship; or

5 (2) a sworn statement that he is a resident of the district,  
6 that he is supporting the child gratis, that he will assume all  
7 personal obligations for the child relative to school  
8 requirements, and that he intends to so keep and support the  
9 child continuously and not merely through the school term. The  
10 school board, pursuant to guidelines issued by the Department of  
11 Education, may require other reasonable information to be  
12 submitted by the resident to substantiate the sworn statement.  
13 The form containing the sworn statement shall include notice in  
14 large print of the penalty for providing false information in  
15 the sworn statement.

16 (b) If it is found that information contained in the sworn  
17 statement is false, the child must be removed from the school  
18 after notice of an opportunity to appeal the removal pursuant to  
19 the appropriate grievance policy of the school district.

20 (c) A person who knowingly provides false information in the  
21 sworn statement for the purpose of enrolling a child in a school  
22 district for which the child is not eligible commits a  
23 misdemeanor of the third degree and shall, upon conviction,  
24 notwithstanding any other provision of law, be sentenced to pay  
25 a fine of no more than three hundred dollars (\$300) for the  
26 benefit of the school district in which the person resides and  
27 court costs, and in default of payment thereof, may be sentenced  
28 to a term of imprisonment for not more than thirty (30) days. In  
29 addition, the person shall be liable to the school district for  
30 an amount equal to the cost to the district of educating the

1 ~~child during the period of enrollment.~~

2 Section 2. ~~Section 2001 A of the act is amended by adding~~  
3 ~~clauses to read:~~

4 Section 2001 A. ~~Definitions. The following words and~~  
5 ~~phrases when used in this article shall, for the purpose of this~~  
6 ~~article, have the following meanings, respectively, except in~~  
7 ~~those instances where the context clearly indicates a different~~  
8 ~~meaning:~~

9 \* \* \*

10 ~~(20) "Campus police" shall mean all law enforcement~~  
11 ~~personnel employed by the system who have successfully completed~~  
12 ~~a campus police course of training approved under 53 Pa.C.S. Ch.~~  
13 ~~21 Subch. D (relating to municipal police education and~~  
14 ~~training).~~

15 ~~(21) "Grounds" shall mean all lands and buildings owned,~~  
16 ~~controlled, leased or managed by the system.~~

17 Section 3. ~~The act is amended by adding a section to read:~~

18 ~~Section 2019 A. Campus Police Powers and Duties. (a)~~  
19 ~~Campus police of an institution shall have the power and their~~  
20 ~~duty shall be:~~

21 ~~(1) to enforce good order on the grounds and in the~~  
22 ~~buildings of the institution;~~

23 ~~(2) to protect the grounds and buildings of the institution;~~

24 ~~(3) to exclude all disorderly persons from the grounds and~~  
25 ~~buildings of the institution;~~

26 ~~(4) to adopt means necessary for the performance of their~~  
27 ~~duties;~~

28 ~~(5) to exercise the same powers as are now or may hereafter~~  
29 ~~be exercised under authority of law or ordinance by the police~~  
30 ~~of the municipalities wherein the institution is located,~~

1 ~~including, but not limited to, those powers conferred pursuant~~  
2 ~~to 42 Pa.C.S. Ch. 89 Subch. D (relating to municipal police~~  
3 ~~jurisdiction);~~

4 ~~(6) to prevent crime, investigate criminal acts, apprehend,~~  
5 ~~arrest and charge criminal offenders and issue summary citations~~  
6 ~~for acts committed on the grounds of the institution and carry~~  
7 ~~the criminal offenders before the proper district justice and~~  
8 ~~prefer charges against them under the laws of this Commonwealth.~~  
9 ~~Except when acting pursuant to 42 Pa.C.S. Ch. 89 Subch. D,~~  
10 ~~campus police shall exercise these powers and perform these~~  
11 ~~duties only on the grounds of the institution. For the purposes~~  
12 ~~of applying the provisions of 42 Pa.C.S. Ch. 89 Subch. D, the~~  
13 ~~grounds of the institution shall constitute the primary~~  
14 ~~jurisdiction of the campus police.~~

15 ~~(7) to order off the grounds and out of the buildings of the~~  
16 ~~institution all trespassers and persons under the influence of~~  
17 ~~alcohol or controlled substances and, if necessary, remove them~~  
18 ~~by force and, in case of resistance, carry them before a~~  
19 ~~district justice; and~~

20 ~~(8) to arrest any person who damages, mutilates or destroys~~  
21 ~~the property of the institution or commits any other offense,~~  
22 ~~including threats or acts of terrorism, on the grounds and in~~  
23 ~~the buildings of the institution and carry that person before~~  
24 ~~the proper district justice and prefer charges against that~~  
25 ~~person under the laws of this Commonwealth.~~

26 ~~(b) An institution is authorized to enter into an agreement~~  
27 ~~with the municipalities overlain by or abutting its campus to~~  
28 ~~exercise concurrently those powers and to perform those duties~~  
29 ~~conferred pursuant to a cooperative police service agreement in~~  
30 ~~accordance with 42 Pa.C.S. § 8953 (relating to Statewide~~

1 ~~municipal police jurisdiction). When so acting, the campus~~  
2 ~~police of the institution shall have the same powers, immunities~~  
3 ~~and benefits granted to police officers in 42 Pa.C.S. Ch. 89~~  
4 ~~Subch. D. All such agreements shall be consistent with the~~  
5 ~~mission and purpose of the system.~~

6 ~~(c) When acting within the scope of the authority of this~~  
7 ~~section, campus police are at all times employes of the~~  
8 ~~institution and shall be entitled to all of the rights accruing~~  
9 ~~therefrom.~~

10 ~~Section 4. Section 2416 of the act of April 9, 1929~~  
11 ~~(P.L.177, No.175), known as The Administrative Code of 1929, is~~  
12 ~~repealed insofar as it is inconsistent with this act.~~

13 ~~Section 5. This act shall take effect in 30 days.~~

14 SECTION 1. SECTION 102 OF THE ACT OF MARCH 10, 1949 (P.L.30, ←  
15 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, AMENDED JANUARY  
16 14, 1970 (1969 P.L.468, NO.192), MAY 11, 1982 (P.L.396, NO.115),  
17 DECEMBER 21, 1998 (P.L.1194, NO.154) AND JUNE 29, 2002 (P.L.524,  
18 NO.88), IS AMENDED TO READ:

19 SECTION 102. DEFINITIONS.--WHEN USED IN THIS ACT THE  
20 FOLLOWING WORDS AND PHRASES SHALL HAVE THE FOLLOWING MEANINGS:

21 [(1) "BOARD OF SCHOOL DIRECTORS" SHALL INCLUDE THE BOARD OF  
22 PUBLIC EDUCATION IN SCHOOL DISTRICTS OF THE FIRST CLASS, EXCEPT  
23 WHERE SPECIFICALLY LIMITED TO SCHOOL DISTRICTS OF OTHER CLASSES.

24 (2) "SCHOOL DISTRICT" SHALL INCLUDE SCHOOL DISTRICTS OF ALL  
25 CLASSES, EXCEPT WHERE SPECIFICALLY LIMITED TO DISTRICTS OF A  
26 PARTICULAR CLASS OR CLASSES.

27 (3) "SCHOOL TERM" SHALL MEAN THE PERIOD OF TIME ELAPSING  
28 BETWEEN THE OPENING OF THE PUBLIC SCHOOLS IN THE FALL OF ONE  
29 YEAR AND THE CLOSING OF THE PUBLIC SCHOOLS IN THE SPRING OF THE  
30 FOLLOWING YEAR.

1 (4) "SCHOOL YEAR" SHALL MEAN THE PERIOD OF TIME ELAPSING IN  
2 SCHOOL DISTRICTS OF THE FIRST CLASS BETWEEN THE FIRST DAY OF  
3 JANUARY AND THE THIRTY-FIRST DAY OF DECEMBER OF ANY YEAR, AND IN  
4 SCHOOL DISTRICTS OF ALL OTHER CLASSES BETWEEN THE FIRST DAY OF  
5 JULY OF ONE YEAR AND THE THIRTIETH DAY OF JUNE OF THE FOLLOWING  
6 YEAR. EFFECTIVE JULY 1, 1997, FOR THE 1997-1998 SCHOOL YEAR AND  
7 EACH SCHOOL YEAR THEREAFTER, SCHOOL DISTRICTS WITH A YEAR-ROUND  
8 EDUCATION PROGRAM MAY SUBMIT A REQUEST TO THE SECRETARY OF  
9 EDUCATION FOR APPROVAL OR DISAPPROVAL TO EXTEND THE SCHOOL YEAR  
10 UNTIL AUGUST 15 FOR THE PURPOSE OF DETERMINING AVERAGE DAILY  
11 MEMBERSHIPS FOR STUDENTS WHOSE ONE HUNDRED EIGHTY (180) DAYS OF  
12 INSTRUCTION CONTINUE INTO THE SUMMER MONTHS.

13 (5) "OFFICIAL VISITOR" SHALL INCLUDE THE GOVERNOR,  
14 LIEUTENANT GOVERNOR, MEMBERS OF THE SENATE AND THE HOUSE OF  
15 REPRESENTATIVES, THE SECRETARY OF EDUCATION AND MEMBERS OF THE  
16 STATE BOARD OF EDUCATION.

17 (6) "PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST" OR "PSSA  
18 TEST" SHALL MEAN A TEST DEVELOPED AND IMPLEMENTED BY THE  
19 DEPARTMENT OF EDUCATION TO DETERMINE ONLY ACADEMIC ACHIEVEMENT  
20 RELATING TO OBJECTIVE ACADEMIC STANDARDS IN THE AREAS OF  
21 READING, WRITING, MATHEMATICS AND SCIENCE. THE PSSA TEST SHALL  
22 BE DEVELOPED AND IMPLEMENTED AS NECESSARY TO COMPLY WITH FEDERAL  
23 LAW.]

24 "ACADEMIC PERFORMANCE TARGET." A PERCENTAGE OF STUDENTS IN A  
25 SCHOOL OR SCHOOL DISTRICT REQUIRED TO SCORE AT A LEVEL EQUAL TO  
26 OR ABOVE PROFICIENT IN THOSE SUBJECT AREAS ASSESSED THROUGH A  
27 PSSA TEST AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF  
28 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) IN ORDER TO ACHIEVE  
29 ADEQUATE YEARLY PROGRESS PURSUANT TO 22 PA. CODE § 403.3  
30 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

1       "ADEQUATE YEARLY PROGRESS" OR "AYP." ADEQUATE YEARLY  
2 PROGRESS AS DEFINED BY SECTION 1111(B)(2)(C) OF THE NO CHILD  
3 LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) AND  
4 IN 22 PA. CODE §§ 403.2 (RELATING TO DEFINITIONS) AND 403.3  
5 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

6       "BOARD OF SCHOOL DIRECTORS." INCLUDES THE BOARD OF PUBLIC  
7 EDUCATION IN SCHOOL DISTRICTS OF THE FIRST CLASS, EXCEPT WHERE  
8 SPECIFICALLY LIMITED TO SCHOOL DISTRICTS OF OTHER CLASSES.

9       "CORRECTIVE ACTION." CLASSIFICATION AS PROVIDED IN 22 PA.  
10 CODE § 403.3 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM)  
11 INDICATING THAT A SCHOOL OR SCHOOL DISTRICT FAILED TO MEET  
12 ADEQUATE YEARLY PROGRESS FOR FOUR OR MORE CONSECUTIVE YEARS AND  
13 REQUIRING DEVELOPMENT OF A CORRECTIVE ACTION PLAN.

14       "NO CHILD LEFT BEHIND ACT OF 2001." THE NO CHILD LEFT BEHIND  
15 ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425).

16       "OFFICIAL VISITOR." INCLUDES THE GOVERNOR, LIEUTENANT  
17 GOVERNOR, MEMBERS OF THE SENATE AND THE HOUSE OF  
18 REPRESENTATIVES, THE SECRETARY OF EDUCATION AND MEMBERS OF THE  
19 STATE BOARD OF EDUCATION.

20       "PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST" OR "PSSA  
21 TEST." A TEST DEVELOPED AND IMPLEMENTED BY THE DEPARTMENT OF  
22 EDUCATION TO DETERMINE ONLY ACADEMIC ACHIEVEMENT RELATING TO  
23 OBJECTIVE ACADEMIC STANDARDS IN THE AREAS OF READING, WRITING,  
24 MATHEMATICS AND SCIENCE AND WHICH TEST IS SO DEVELOPED AND  
25 IMPLEMENTED AS NECESSARY TO COMPLY WITH FEDERAL LAW.

26       "PROFICIENT." THE ATTAINMENT OF PERFORMANCE LEVELS IN THOSE  
27 SUBJECT AREAS ASSESSED THROUGH THE PENNSYLVANIA SYSTEM OF SCHOOL  
28 ASSESSMENT TEST AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT  
29 OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) THAT HAVE BEEN  
30 APPROVED BY THE STATE BOARD OF EDUCATION TO REFLECT SATISFACTORY

1 ACADEMIC PERFORMANCE.

2 "SCHOOL DISTRICT." INCLUDES SCHOOL DISTRICTS OF ALL CLASSES,  
3 EXCEPT WHERE SPECIFICALLY LIMITED TO DISTRICTS OF A PARTICULAR  
4 CLASS OR CLASSES.

5 "SCHOOL IMPROVEMENT." CLASSIFICATION AS PROVIDED IN 22 PA.  
6 CODE § 403.3 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM)  
7 INDICATING A SCHOOL OR SCHOOL DISTRICT HAS FAILED TO MAKE  
8 ADEQUATE YEARLY PROGRESS FOR TWO CONSECUTIVE YEARS AND NEEDS  
9 IMPROVEMENT.

10 "SCHOOL TERM." THE PERIOD OF TIME ELAPSING BETWEEN THE  
11 OPENING OF THE PUBLIC SCHOOLS IN THE FALL OF ONE YEAR AND THE  
12 CLOSING OF THE PUBLIC SCHOOLS IN THE SPRING OF THE FOLLOWING  
13 YEAR.

14 "SCHOOL YEAR." THE PERIOD OF TIME ELAPSING IN SCHOOL  
15 DISTRICTS OF THE FIRST CLASS BETWEEN THE FIRST DAY OF JANUARY  
16 AND THE 31ST DAY OF DECEMBER OF ANY YEAR, AND IN SCHOOL  
17 DISTRICTS OF ALL OTHER CLASSES BETWEEN THE FIRST DAY OF JULY OF  
18 ONE YEAR AND THE 30TH DAY OF JUNE OF THE FOLLOWING YEAR.  
19 EFFECTIVE JULY 1, 1997, FOR THE 1997-1998 SCHOOL YEAR AND EACH  
20 SCHOOL YEAR THEREAFTER, SCHOOL DISTRICTS WITH A YEAR-ROUND  
21 EDUCATION PROGRAM MAY SUBMIT A REQUEST TO THE SECRETARY OF  
22 EDUCATION FOR APPROVAL OR DISAPPROVAL TO EXTEND THE SCHOOL YEAR  
23 UNTIL AUGUST 15 FOR THE PURPOSE OF DETERMINING AVERAGE DAILY  
24 MEMBERSHIPS FOR STUDENTS WHOSE 180 DAYS OF INSTRUCTION CONTINUE  
25 INTO THE SUMMER MONTHS.

26 "WARNING." CLASSIFICATION AS PROVIDED IN 22 PA. CODE § 403.3  
27 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM) INDICATING THAT A  
28 SCHOOL OR SCHOOL DISTRICT HAS FAILED TO MAKE ITS ACADEMIC  
29 PERFORMANCE TARGETS FOR ONE YEAR.

30 SECTION 2. SECTION 111(E) OF THE ACT, AMENDED JUNE 29, 1997

1 (P.L.297, NO.30), IS AMENDED TO READ:

2 SECTION 111. BACKGROUND CHECKS OF PROSPECTIVE EMPLOYES;  
3 CONVICTION OF EMPLOYES OF CERTAIN OFFENSES.--\* \* \*

4 (E) NO PERSON SUBJECT TO THIS ACT SHALL BE EMPLOYED IN A  
5 PUBLIC OR PRIVATE SCHOOL, INTERMEDIATE UNIT OR AREA VOCATIONAL-  
6 TECHNICAL SCHOOL WHERE THE REPORT OF CRIMINAL HISTORY RECORD  
7 INFORMATION INDICATES THE APPLICANT HAS BEEN CONVICTED, WITHIN  
8 FIVE (5) YEARS IMMEDIATELY PRECEDING THE DATE OF THE REPORT, OF  
9 ANY OF THE FOLLOWING OFFENSES:

10 (1) AN OFFENSE UNDER ONE OR MORE OF THE FOLLOWING PROVISIONS  
11 OF TITLE 18 OF THE PENNSYLVANIA CONSOLIDATED STATUTES:

12 CHAPTER 25 (RELATING TO CRIMINAL HOMICIDE).

13 SECTION 2702 (RELATING TO AGGRAVATED ASSAULT).

14 [SECTION 2709 (RELATING TO HARASSMENT AND STALKING).]

15 FORMER SECTION 2709(B) (RELATING TO STALKING).

16 SECTION 2709.1 (RELATING TO STALKING).

17 SECTION 2901 (RELATING TO KIDNAPPING).

18 SECTION 2902 (RELATING TO UNLAWFUL RESTRAINT).

19 SECTION 3121 (RELATING TO RAPE).

20 SECTION 3122.1 (RELATING TO STATUTORY SEXUAL ASSAULT).

21 SECTION 3123 (RELATING TO INVOLUNTARY DEVIATE SEXUAL  
22 INTERCOURSE).

23 SECTION 3124.1 (RELATING TO SEXUAL ASSAULT).

24 SECTION 3125 (RELATING TO AGGRAVATED INDECENT ASSAULT).

25 SECTION 3126 (RELATING TO INDECENT ASSAULT).

26 SECTION 3127 (RELATING TO INDECENT EXPOSURE).

27 SECTION 4302 (RELATING TO INCEST).

28 SECTION 4303 (RELATING TO CONCEALING DEATH OF CHILD).

29 SECTION 4304 (RELATING TO ENDANGERING WELFARE OF  
30 CHILDREN).

1 SECTION 4305 (RELATING TO DEALING IN INFANT CHILDREN).

2 A FELONY OFFENSE UNDER SECTION 5902(B) (RELATING TO  
3 PROSTITUTION AND RELATED OFFENSES).

4 SECTION 5903(C) OR (D) (RELATING TO OBSCENE AND OTHER  
5 SEXUAL MATERIALS AND PERFORMANCES).

6 SECTION 6301 (RELATING TO CORRUPTION OF MINORS).

7 SECTION 6312 (RELATING TO SEXUAL ABUSE OF CHILDREN).

8 (2) AN OFFENSE DESIGNATED AS A FELONY UNDER THE ACT OF APRIL  
9 14, 1972 (P.L.233, NO.64), KNOWN AS "THE CONTROLLED SUBSTANCE,  
10 DRUG, DEVICE AND COSMETIC ACT."

11 (3) AN OUT-OF-STATE OR FEDERAL OFFENSE SIMILAR IN NATURE TO  
12 THOSE CRIMES LISTED IN CLAUSES (1) AND (2).

13 \* \* \*

14 SECTION 3. SECTION 220(C) OF THE ACT, ADDED DECEMBER 9, 2002  
15 (P.L.1317, NO.153), IS AMENDED TO READ:

16 SECTION 220. STATE REPORT CARD.--\* \* \*

17 (C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
18 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
19 SUBSECTION:

20 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE  
21 COMMONWEALTH.

22 "LOCAL EDUCATION AGENCY." A SCHOOL DISTRICT, CYBER CHARTER  
23 SCHOOL, CHARTER SCHOOL, AREA VOCATIONAL-TECHNICAL SCHOOL OR  
24 INTERMEDIATE UNIT.

25 ["NO CHILD LEFT BEHIND ACT OF 2001." THE NO CHILD LEFT  
26 BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425).]

27 \* \* \*

28 SECTION 4. SECTION 671 OF THE ACT OF MARCH 10, 1949 (P.L.30,  
29 NO.14), AMENDED JULY 31, 1963 (P.L.389, NO.206), IS AMENDED TO  
30 READ:

1 SECTION 671. FISCAL YEAR.--(A) IN ALL SCHOOL DISTRICTS OF  
2 THE SECOND, THIRD, AND FOURTH CLASS, THE FISCAL YEAR SHALL BEGIN  
3 ON THE FIRST DAY OF JULY IN EACH YEAR: PROVIDED, THAT THE BOARD  
4 OF SCHOOL DIRECTORS OF ANY DISTRICT OF THE SECOND CLASS MAY, BY  
5 RESOLUTION ADOPTED BY TWO-THIRDS VOTE OF THE MEMBERS THEREOF AT  
6 A MEETING OF THE BOARD AFTER NOT LESS THAN TEN DAYS' NOTICE OF  
7 THE FACT THAT SUCH RESOLUTION WOULD BE PRESENTED FOR ACTION AT  
8 SUCH MEETING, FIX THE FISCAL YEAR OF SUCH SCHOOL DISTRICT SO AS  
9 TO BEGIN ON THE FIRST DAY OF JANUARY IN EACH YEAR INSTEAD OF ON  
10 THE FIRST DAY OF JULY AS HEREINABOVE PROVIDED.

11 (B) (1) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2004, A  
12 SCHOOL DISTRICT OF THE SECOND, THIRD OR FOURTH CLASS MAY DELAY  
13 THE ADOPTION OF ITS ANNUAL BUDGET BEYOND THE LAST DAY IN JUNE  
14 WHERE LEGISLATION PROVIDING THE APPROPRIATION FOR BASIC  
15 EDUCATION FUNDING TO BE PAID AS A REIMBURSEMENT FOR THE  
16 PRECEDING SCHOOL YEAR IS NOT ENACTED BY JUNE 15.

17 (2) A SCHOOL DISTRICT THAT DELAYS THE ADOPTION OF ITS ANNUAL  
18 BUDGET UNDER PARAGRAPH (1) SHALL ADOPT AN ANNUAL BUDGET NO LATER  
19 THAN FIFTEEN DAYS SUBSEQUENT TO THE ENACTMENT OF LEGISLATION  
20 PROVIDING THE APPROPRIATION FOR BASIC EDUCATION FUNDING TO BE  
21 PAID AS A REIMBURSEMENT FOR THE PRECEDING YEAR.

22 (3) THE PROVISIONS OF SECTION 687 REQUIRING TEN DAYS' PUBLIC  
23 NOTICE PRIOR TO FINAL ACTION SHALL APPLY IN CASES WHEN THE  
24 ADOPTION OF A SCHOOL DISTRICT'S BUDGET IS DELAYED UNDER THIS  
25 SUBSECTION.

26 SECTION 5. SECTION 672(A) OF THE ACT, AMENDED JUNE 16, 1972  
27 (P.L.449, NO.138), IS AMENDED TO READ:

28 SECTION 672. TAX LEVY; LIMITATIONS.--(A) IN ALL SCHOOL  
29 DISTRICTS OF THE SECOND, THIRD, AND FOURTH CLASS, ALL SCHOOL  
30 TAXES SHALL BE LEVIED AND ASSESSED BY THE BOARD OF SCHOOL

1 DIRECTORS THEREIN, DURING THE MONTH OF FEBRUARY OR MARCH OR  
2 APRIL OR MAY OR JUNE EACH YEAR, OR NO LATER THAN TWENTY DAYS  
3 FOLLOWING THE ENACTMENT OF LEGISLATION PROVIDING THE  
4 APPROPRIATION FOR BASIC EDUCATION FUNDING TO BE PAID AS A  
5 REIMBURSEMENT FOR THE PRECEDING SCHOOL YEAR, FOR THE ENSUING  
6 FISCAL YEAR, EXCEPT IN DISTRICTS OF THE SECOND CLASS WHERE THE  
7 FISCAL YEAR BEGINS ON THE FIRST DAY OF JANUARY, IN WHICH THE  
8 SCHOOL TAXES SHALL BE LEVIED AND ASSESSED DURING THE MONTH OF  
9 OCTOBER OR NOVEMBER OF EACH YEAR. IN SUCH SCHOOL DISTRICTS THE  
10 TAX RATE SHALL NOT EXCEED TWENTY-FIVE MILLS ON THE DOLLAR, ON  
11 THE TOTAL AMOUNT OF THE ASSESSED VALUATION OF ALL PROPERTY  
12 TAXABLE FOR SCHOOL PURPOSES THEREIN. EACH SCHOOL DISTRICT OF THE  
13 SECOND, THIRD OR FOURTH CLASS MAY ALSO COLLECT A PER CAPITA TAX  
14 ON EACH RESIDENT OR INHABITANT OF SUCH DISTRICT OVER EIGHTEEN  
15 YEARS OF AGE, AS HEREIN PROVIDED.

16 \* \* \*

17 SECTION 6. SECTION 679 OF THE ACT, AMENDED NOVEMBER 26, 1982  
18 (P.L.760, NO.215), IS AMENDED TO READ:

19 SECTION 679. PER CAPITA TAXES.--EACH RESIDENT OR INHABITANT,  
20 OVER EIGHTEEN YEARS OF AGE, IN EVERY SCHOOL DISTRICT OF THE  
21 SECOND, THIRD, AND FOURTH CLASS, WHICH SHALL LEVY SUCH TAX,  
22 SHALL ANNUALLY PAY, FOR THE USE OF THE SCHOOL DISTRICT IN WHICH  
23 HE OR SHE IS A RESIDENT OR INHABITANT, A PER CAPITA TAX OF NOT  
24 LESS THAN ONE DOLLAR NOR MORE THAN FIVE DOLLARS, AS MAY BE  
25 ASSESSED BY THE LOCAL SCHOOL DISTRICT. THE TAX COLLECTOR SHALL  
26 NOT PROCEED AGAINST A SPOUSE OR HIS EMPLOYER UNTIL HE HAS  
27 PURSUED REMEDIES AGAINST THE DELINQUENT TAXPAYER AND THE  
28 TAXPAYER'S EMPLOYER UNDER THIS SECTION.

29 EACH SCHOOL DISTRICT MAY EXEMPT ANY PERSON WHOSE TOTAL INCOME  
30 FROM ALL SOURCES IS LESS THAN [FIVE THOUSAND DOLLARS] TEN

1 THOUSAND DOLLARS PER ANNUM FROM ITS PER CAPITA TAX OR ANY  
2 PORTION THEREOF. THE SCHOOL DISTRICT MAY ADOPT AND EMPLOY  
3 REGULATIONS FOR THE PROCESSING OF CLAIMS FOR THE EXEMPTION.

4 SECTION 7. SECTION 687 OF THE ACT IS AMENDED BY ADDING A  
5 SUBSECTION TO READ:

6 SECTION 687. ANNUAL BUDGET; ADDITIONAL OR INCREASED  
7 APPROPRIATIONS; TRANSFER OF FUNDS.--\* \* \*

8 (J) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, THE  
9 BOARD OF SCHOOL DIRECTORS OF EACH SCHOOL DISTRICT MAY REOPEN ITS  
10 2003-2004 BUDGET TO REFLECT ANY STATE ALLOCATIONS FOR FISCAL  
11 YEAR 2003-2004 PROVIDED BY THE GENERAL ASSEMBLY THROUGH THIS  
12 ACT.

13 SECTION 8. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

14 SECTION 688. LIMITATIONS ON CERTAIN UNRESERVED FUND  
15 BALANCES.--(A) FOR THE 2005-2006 SCHOOL YEAR AND EACH SCHOOL  
16 YEAR THEREAFTER, NO SCHOOL DISTRICT SHALL APPROVE AN INCREASE IN  
17 REAL PROPERTY TAXES UNLESS IT HAS ADOPTED A BUDGET THAT INCLUDES  
18 AN ESTIMATED ENDING UNRESERVED UNDESIGNATED FUND BALANCE LESS  
19 THAN THE PERCENTAGES SET FORTH AS FOLLOWS:

<u>SCHOOL DISTRICT</u>	<u>ESTIMATED, ENDING UNRESERVED UNDESIGNATED</u>
<u>TOTAL BUDGETED</u>	<u>FUND BALANCE AS PERCENTAGE OF</u>
<u>EXPENDITURES</u>	<u>TOTAL BUDGETED EXPENDITURES</u>
<u>LESS THAN OR EQUAL TO \$11,999,999</u>	<u>12%</u>
<u>BETWEEN \$12,000,000 AND \$12,999,999</u>	<u>11.5%</u>
<u>BETWEEN \$13,000,000 AND \$13,999,999</u>	<u>11%</u>
<u>BETWEEN \$14,000,000 AND \$14,999,999</u>	<u>10.5%</u>
<u>BETWEEN \$15,000,000 AND \$15,999,999</u>	<u>10%</u>
<u>BETWEEN \$16,000,000 AND \$16,999,999</u>	<u>9.5%</u>
<u>BETWEEN \$17,000,000 AND \$17,999,999</u>	<u>9%</u>
<u>BETWEEN \$18,000,000 AND \$18,999,999</u>	<u>8.5%</u>

1 GREATER THAN OR EQUAL TO \$19,000,000 8%

2 (B) BY AUGUST 15, 2005, AND AUGUST 15 OF EACH YEAR

3 THEREAFTER, EACH SCHOOL DISTRICT THAT APPROVES AN INCREASE IN

4 REAL PROPERTY TAXES SHALL PROVIDE THE DEPARTMENT OF EDUCATION

5 WITH INFORMATION CERTIFYING COMPLIANCE WITH THIS SECTION. SUCH

6 INFORMATION SHALL BE PROVIDED IN A FORM AND MANNER PRESCRIBED BY

7 THE DEPARTMENT OF EDUCATION AND SHALL INCLUDE INFORMATION ON THE

8 SCHOOL DISTRICT'S ESTIMATED, ENDING UNRESERVED UNDESIGNATED FUND

9 BALANCE EXPRESSED AS A DOLLAR AMOUNT AND AS A PERCENTAGE OF THE

10 SCHOOL DISTRICT'S TOTAL BUDGETED EXPENDITURES FOR THAT SCHOOL

11 YEAR.

12 (C) AS USED IN THIS SECTION, "ESTIMATED, ENDING UNRESERVED

13 UNDESIGNATED FUND BALANCE" SHALL MEAN THAT PORTION OF THE FUND

14 BALANCE, WHICH IS APPROPRIABLE FOR EXPENDITURE OR NOT LEGALLY OR

15 OTHERWISE SEGREGATED FOR A SPECIFIC OR TENTATIVE FUTURE USE,

16 PROJECTED FOR THE CLOSE OF THE SCHOOL YEAR FOR WHICH A SCHOOL

17 DISTRICT'S BUDGET WAS ADOPTED AND HELD IN THE GENERAL FUND

18 ACCOUNTS OF THE SCHOOL DISTRICT.

19 SECTION 9. ARTICLE XII-A OF THE ACT IS REPEALED.

20 SECTION 10. SECTION 1302 OF THE ACT, AMENDED JUNE 22, 2001

21 (P.L.530, NO.35), IS AMENDED TO READ:

22 SECTION 1302. RESIDENCE AND RIGHT TO FREE SCHOOL

23 PRIVILEGES.--(A) A CHILD SHALL BE CONSIDERED A RESIDENT OF THE

24 SCHOOL DISTRICT IN WHICH HIS PARENTS OR THE GUARDIAN OF HIS

25 PERSON RESIDES. FEDERAL INSTALLATIONS ARE CONSIDERED A PART OF

26 THE SCHOOL DISTRICT OR DISTRICTS IN WHICH THEY ARE SITUATE AND

27 THE CHILDREN RESIDING ON SUCH INSTALLATIONS SHALL BE COUNTED AS

28 RESIDENT PUPILS OF THE SCHOOL DISTRICT. WHEN A RESIDENT OF ANY

29 SCHOOL DISTRICT KEEPS IN HIS HOME A CHILD OF SCHOOL AGE, NOT HIS

30 OWN, SUPPORTING THE CHILD GRATIS AS IF IT WERE HIS OWN, SUCH

1 CHILD SHALL BE ENTITLED TO ALL FREE SCHOOL PRIVILEGES ACCORDED  
2 TO RESIDENT SCHOOL CHILDREN OF THE DISTRICT, INCLUDING THE RIGHT  
3 TO ATTEND THE PUBLIC HIGH SCHOOL MAINTAINED IN SUCH DISTRICT OR  
4 IN OTHER DISTRICTS IN THE SAME MANNER AS THOUGH SUCH CHILD WERE  
5 IN FACT A RESIDENT SCHOOL CHILD OF THE DISTRICT, AND SHALL BE  
6 SUBJECT TO ALL THE REQUIREMENTS PLACED UPON RESIDENT SCHOOL  
7 CHILDREN OF THE DISTRICT. BEFORE SUCH CHILD MAY BE ACCEPTED AS A  
8 PUPIL, SUCH RESIDENT SHALL FILE WITH THE SECRETARY OF THE BOARD:

9 (1) APPROPRIATE LEGAL DOCUMENTATION TO SHOW DEPENDENCY OR  
10 GUARDIANSHIP; OR

11 (2) A SWORN STATEMENT THAT HE IS A RESIDENT OF THE DISTRICT,  
12 THAT HE IS SUPPORTING THE CHILD GRATIS, THAT HE WILL ASSUME ALL  
13 PERSONAL OBLIGATIONS FOR THE CHILD RELATIVE TO SCHOOL  
14 REQUIREMENTS, AND THAT HE INTENDS TO SO KEEP AND SUPPORT THE  
15 CHILD CONTINUOUSLY AND NOT MERELY THROUGH THE SCHOOL TERM. THE  
16 SCHOOL BOARD, PURSUANT TO GUIDELINES ISSUED BY THE DEPARTMENT OF  
17 EDUCATION, MAY REQUIRE OTHER REASONABLE INFORMATION TO BE  
18 SUBMITTED BY THE RESIDENT TO SUBSTANTIATE THE SWORN STATEMENT.  
19 THE FORM CONTAINING THE SWORN STATEMENT SHALL INCLUDE NOTICE IN  
20 LARGE PRINT OF THE PENALTY FOR PROVIDING FALSE INFORMATION IN  
21 THE SWORN STATEMENT.

22 (B) IF IT IS FOUND THAT INFORMATION CONTAINED IN THE SWORN  
23 STATEMENT IS FALSE, THE CHILD MUST BE REMOVED FROM THE SCHOOL  
24 AFTER NOTICE OF AN OPPORTUNITY TO APPEAL THE REMOVAL PURSUANT TO  
25 THE APPROPRIATE GRIEVANCE POLICY OF THE SCHOOL DISTRICT.

26 (C) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE  
27 CONTRARY, A PERSON WHO KNOWINGLY PROVIDES FALSE INFORMATION IN  
28 THE SWORN STATEMENT FOR THE PURPOSE OF ENROLLING A CHILD IN A  
29 SCHOOL DISTRICT FOR WHICH THE CHILD IS NOT ELIGIBLE COMMITS A  
30 SUMMARY OFFENSE AND SHALL, UPON CONVICTION FOR SUCH VIOLATION,

1 BE SENTENCED TO PAY A FINE OF NO MORE THAN THREE HUNDRED DOLLARS  
2 (\$300) FOR THE BENEFIT OF THE SCHOOL DISTRICT IN WHICH THE  
3 PERSON RESIDES, OR TO PERFORM UP TO TWO HUNDRED FORTY (240)  
4 HOURS OF COMMUNITY SERVICE, OR BOTH. IN ADDITION, THE PERSON  
5 SHALL PAY ALL COURT COSTS AND SHALL BE LIABLE TO THE SCHOOL  
6 DISTRICT FOR AN AMOUNT EQUAL TO THE COST OF TUITION CALCULATED  
7 IN ACCORDANCE WITH SECTION 2561 DURING THE PERIOD OF ENROLLMENT.

8 SECTION 11. SECTION 1376 OF THE ACT, AMENDED JUNE 7, 1993  
9 (P.L.49, NO.16), JUNE 30, 1995 (P.L.220, NO.26) AND JUNE 22,  
10 2001 (P.L.530, NO.35), IS AMENDED TO READ:

11 SECTION 1376. COST OF TUITION AND MAINTENANCE OF CERTAIN  
12 EXCEPTIONAL CHILDREN IN APPROVED INSTITUTIONS.--(A) WHEN ANY  
13 CHILD BETWEEN SCHOOL ENTRY AGE AND TWENTY-ONE (21) YEARS OF AGE  
14 AND RESIDENT IN THIS COMMONWEALTH, WHO IS BLIND OR DEAF, OR HAS  
15 CEREBRAL PALSY AND/OR NEUROLOGICAL IMPAIRMENT AND/OR MUSCULAR  
16 DYSTROPHY AND/OR IS MENTALLY RETARDED AND/OR HAS A SERIOUS  
17 EMOTIONAL DISTURBANCE AND/OR HAS AUTISM/PERVASIVE DEVELOPMENTAL  
18 DISORDER AND IS ENROLLED, WITH THE APPROVAL OF THE DEPARTMENT OF  
19 EDUCATION, AS A PUPIL IN AN APPROVED PRIVATE SCHOOL APPROVED BY  
20 THE DEPARTMENT OF EDUCATION, IN ACCORDANCE WITH STANDARDS AND  
21 REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION, THE  
22 SCHOOL DISTRICT IN WHICH SUCH CHILD IS RESIDENT OR, FOR STUDENTS  
23 PLACED BY A CHARTER SCHOOL, THE CHARTER SCHOOL IN WHICH THE  
24 STUDENT WAS ENROLLED SHALL PAY THE GREATER OF EITHER TWENTY PER  
25 CENTUM (20%) OF THE ACTUAL AUDITED COST OF TUITION AND  
26 MAINTENANCE OF SUCH CHILD IN SUCH SCHOOL, AS DETERMINED BY THE  
27 DEPARTMENT OF EDUCATION, OR ITS "TUITION CHARGE PER ELEMENTARY  
28 PUPIL" OR ITS "TUITION CHARGE PER HIGH SCHOOL PUPIL," AS  
29 CALCULATED PURSUANT TO SECTION 2561, AND THE COMMONWEALTH SHALL  
30 PAY, OUT OF FUNDS APPROPRIATED TO THE DEPARTMENT FOR SPECIAL

1 EDUCATION, THE BALANCE DUE FOR THE COSTS OF SUCH CHILD'S TUITION  
2 AND MAINTENANCE, AS DETERMINED BY THE DEPARTMENT. FOR THE SCHOOL  
3 YEARS 1989-1990, 1990-1991 AND 1991-1992, THE SCHOOL DISTRICT  
4 PAYMENT SHALL BE NO GREATER THAN FORTY PERCENT (40%) OF THE  
5 ACTUAL AUDITED COSTS OF TUITION AND MAINTENANCE OF SUCH CHILD IN  
6 SUCH SCHOOL. FOR THE 1992-1993 SCHOOL YEAR AND EACH SCHOOL YEAR  
7 THEREAFTER, THE SCHOOL DISTRICT OR CHARTER SCHOOL PAYMENT SHALL  
8 BE THE GREATER OF FORTY PERCENT (40%) OF THE ACTUAL AUDITED  
9 COSTS OF TUITION AND MAINTENANCE OF SUCH CHILD IN SUCH SCHOOL,  
10 AS DETERMINED BY THE DEPARTMENT OF EDUCATION, OR ITS "TUITION  
11 CHARGE PER ELEMENTARY PUPIL" OR ITS "TUITION CHARGE PER HIGH  
12 SCHOOL PUPIL," AS CALCULATED PURSUANT TO SECTION 2561, AND THE  
13 COMMONWEALTH SHALL PAY, OUT OF FUNDS APPROPRIATED TO THE  
14 DEPARTMENT FOR APPROVED PRIVATE SCHOOLS, THE BALANCE DUE FOR THE  
15 COSTS OF SUCH CHILD'S TUITION AND MAINTENANCE, AS DETERMINED BY  
16 THE DEPARTMENT. THE DEPARTMENT WILL CREDIT THE DISTRICT OF  
17 RESIDENCE WITH AVERAGE DAILY MEMBERSHIP FOR SUCH CHILD  
18 CONSISTENT WITH THE RULES OF PROCEDURE DEVELOPED IN ACCORDANCE  
19 WITH SECTION 2501. IF THE RESIDENCE OF SUCH CHILD IN A  
20 PARTICULAR SCHOOL DISTRICT CANNOT BE DETERMINED, THE  
21 COMMONWEALTH SHALL PAY, OUT OF MONEYS APPROPRIATED TO THE  
22 DEPARTMENT FOR SPECIAL EDUCATION, THE WHOLE COST OF TUITION AND  
23 MAINTENANCE OF SUCH CHILD. [THE DEPARTMENT OF EDUCATION SHALL BE  
24 PROVIDED WITH SUCH FINANCIAL DATA FROM APPROVED PRIVATE SCHOOLS  
25 AS MAY BE NECESSARY TO DETERMINE THE REASONABLENESS OF COSTS FOR  
26 TUITION AND ROOM AND BOARD CONCERNING PENNSYLVANIA RESIDENT  
27 APPROVED REIMBURSED STUDENTS. THE DEPARTMENT OF EDUCATION SHALL  
28 EVALUATE SUCH DATA AND SHALL DISALLOW ANY COST DEEMED  
29 UNREASONABLE. ANY COSTS DEEMED UNREASONABLE BY THE DEPARTMENT OF  
30 EDUCATION FOR DISALLOWANCE SHALL BE CONSIDERED AN ADJUDICATION

1 WITHIN THE MEANING OF TITLE 2 OF THE PA.C.S. (RELATING TO  
2 ADMINISTRATIVE LAW AND PROCEDURE) AND REGULATIONS PROMULGATED  
3 THEREUNDER.]

4 (B) WHEN ANY PERSON LESS THAN SCHOOL ENTRY AGE OR MORE THAN  
5 TWENTY-ONE (21) YEARS OF AGE AND RESIDENT IN THIS COMMONWEALTH,  
6 WHO IS BLIND OR DEAF, OR HAS CEREBRAL PALSY AND/OR HAS  
7 NEUROLOGICAL IMPAIRMENT AND/OR HAS MUSCULAR DYSTROPHY, OR HAS  
8 AUTISM/PERVASIVE DEVELOPMENTAL DELAY, AND IS ENROLLED, WITH THE  
9 APPROVAL OF THE DEPARTMENT OF EDUCATION, AS A PUPIL IN AN  
10 APPROVED PRIVATE SCHOOL APPROVED BY THE DEPARTMENT OF EDUCATION,  
11 THE COMMONWEALTH SHALL PAY TO SUCH SCHOOL, OUT OF MONEYS  
12 APPROPRIATED TO THE DEPARTMENT FOR SPECIAL EDUCATION, THE ACTUAL  
13 AUDITED COST OF TUITION AND MAINTENANCE OF SUCH PERSON, AS  
14 DETERMINED BY THE DEPARTMENT OF EDUCATION, SUBJECT TO REVIEW AND  
15 APPROVAL IN ACCORDANCE WITH STANDARDS AND REGULATIONS  
16 PROMULGATED BY THE STATE BOARD OF EDUCATION IN ACCORDANCE WITH  
17 SUBSECTION (B.1), AND IN ADDITION, IN THE CASE OF ANY CHILD LESS  
18 THAN SCHOOL ENTRY AGE, WHO IS BLIND, THE COST, AS DETERMINED BY  
19 THE DEPARTMENT OF EDUCATION OF INSTRUCTING THE PARENT OF SUCH  
20 BLIND CHILD IN CARING FOR SUCH CHILD.

21 (B.1) FOR THE 2004-2005 SCHOOL YEAR AND EACH SCHOOL YEAR  
22 THEREAFTER, AN APPROVED PRIVATE SCHOOL SHALL SUBMIT TO THE  
23 DEPARTMENT OF EDUCATION SUCH INFORMATION AS THE DEPARTMENT MAY  
24 REASONABLY REQUIRE TO DETERMINE ITS BUDGETED COSTS FOR THE  
25 UPCOMING SCHOOL YEAR. BASED UPON THIS INFORMATION AND THE MOST  
26 RECENT SETTLED AUDIT, THE DEPARTMENT OF EDUCATION SHALL DEVELOP  
27 AN INTERIM REIMBURSEMENT RATE FOR THE APPROVED PRIVATE SCHOOL.  
28 THE DEPARTMENT OF EDUCATION SHALL PROVIDE THE APPROVED PRIVATE  
29 SCHOOL WITH MONTHLY PAYMENTS IN ADVANCE OF THE FINAL COST  
30 SETTLEMENT AS PROVIDED FOR IN SUBSECTION (C.2). THE DEPARTMENT

1 OF EDUCATION SHALL ADOPT FINAL REIMBURSEMENT RATES BASED ON THE  
2 FINAL COST SETTLEMENT. THE DEPARTMENT OF EDUCATION MAY WITHHOLD  
3 A PORTION OF SUCH PAYMENTS NOT EXCEEDING FIVE PERCENT (5%) OF  
4 SUCH PAYMENTS, PENDING FINAL COST SETTLEMENT. IN NO EVENT SHALL  
5 EITHER THE PAYMENTS MADE IN ADVANCE OF THE FINAL COST SETTLEMENT  
6 OR FINAL REIMBURSEMENTS BASED ON THE FINAL COST SETTLEMENT MADE  
7 BY THE DEPARTMENT OF EDUCATION EXCEED THE APPROPRIATION  
8 AVAILABLE FOR APPROVED PRIVATE SCHOOLS.

9 [(C) EACH APPROVED PRIVATE SCHOOL, PRIOR TO THE START OF THE  
10 SCHOOL YEAR, SHALL SUBMIT TO THE DEPARTMENT SUCH INFORMATION AS  
11 THE DEPARTMENT MAY REQUIRE IN ORDER TO ESTABLISH AN ESTIMATE OF  
12 REIMBURSABLE COSTS. BASED UPON THIS INFORMATION, ANY OTHER DATA  
13 DEEMED NECESSARY BY THE DEPARTMENT AND IN ACCORDANCE WITH  
14 DEPARTMENT STANDARDS, THE DEPARTMENT SHALL DEVELOP FOR EACH  
15 APPROVED PRIVATE SCHOOL AN ESTIMATE OF REIMBURSABLE COSTS. BASED  
16 UPON SUCH ESTIMATE, THE DEPARTMENT SHALL PROVIDE EACH APPROVED  
17 PRIVATE SCHOOL WITH MONTHLY PAYMENTS IN ADVANCE OF DEPARTMENT  
18 AUDIT. THE DEPARTMENT MAY WITHHOLD A PORTION OF SUCH PAYMENTS  
19 NOT EXCEEDING FIVE PERCENT (5%) OF SUCH PAYMENT, PENDING FINAL  
20 AUDIT. IN NO EVENT SHALL EITHER THE ADVANCE PAYMENTS OR FINAL  
21 REIMBURSEMENT MADE BY THE DEPARTMENT FOLLOWING AUDIT EXCEED THE  
22 APPROPRIATION AVAILABLE FOR APPROVED PRIVATE SCHOOLS.]

23 (C.1) ANY FUNDS REMAINING FROM THE APPROPRIATION LINE ITEMS  
24 "FOR SPECIAL EDUCATION - APPROVED PRIVATE SCHOOLS" OR FOR  
25 PENNSYLVANIA CHARTER SCHOOLS FOR THE DEAF AND BLIND FROM THE  
26 GENERAL APPROPRIATIONS ACTS FOR FISCAL YEARS 1978-1979 AND EACH  
27 FISCAL YEAR THEREAFTER SHALL BE TRANSFERRED BY THE STATE  
28 TREASURER INTO A RESTRICTED ACCOUNT (CONTINUING APPROPRIATION)  
29 FOR AUDIT RESOLUTION WHICH IS HEREBY ESTABLISHED. THE DEPARTMENT  
30 OF EDUCATION SHALL ALSO DEPOSIT INTO THIS RESTRICTED ACCOUNT ANY

1 FUNDS RETURNED TO OR RECOVERED BY THE DEPARTMENT FROM APPROVED  
2 PRIVATE SCHOOLS OR CHARTERED SCHOOLS FOR OVERPAYMENTS DURING  
3 FISCAL YEARS 1978-1979 AND EACH FISCAL YEAR THEREAFTER. THE  
4 FUNDS IN THE RESTRICTED ACCOUNT ARE HEREBY APPROPRIATED UPON  
5 APPROVAL OF THE GOVERNOR TO THE DEPARTMENT OF EDUCATION FOR  
6 PAYMENTS TO APPROVED PRIVATE SCHOOLS FOR AUDIT RESOLUTIONS FOR  
7 FISCAL YEARS 1978-1979 AND EACH FISCAL YEAR THEREAFTER. FUNDS IN  
8 THIS RESTRICTED ACCOUNT SHALL NOT BE SUBJECT TO THE LIMITATIONS  
9 IN SUBSECTION [(C)] (B.1) WHICH PROHIBIT ADVANCE PAYMENTS AND  
10 FINAL REIMBURSEMENT FROM EXCEEDING THE APPROPRIATION AVAILABLE  
11 FOR APPROVED PRIVATE SCHOOLS. DURING THE 1995-1996 FISCAL YEAR  
12 AND DURING EACH FISCAL YEAR THEREAFTER, THE DEPARTMENT OF  
13 EDUCATION SHALL REVIEW THE ACTIVITY IN THE RESTRICTED ACCOUNT  
14 AND MAY RECOMMEND THAT THE GOVERNOR AUTHORIZE THE LAPSING INTO  
15 THE GENERAL FUND OF ANY FUNDS THAT ARE ESTIMATED NOT TO BE  
16 NEEDED FOR AUDIT RESOLUTION.

17 (C.2) BEGINNING WITH THE 2004-2005 SCHOOL YEAR AND EACH  
18 SCHOOL YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL  
19 ESTABLISH PROCEDURES AND AUDIT STANDARDS TO GOVERN THE SCOPE OF  
20 REPORTABLE COSTS AND THE METHODS USED TO EXAMINE AND DETERMINE  
21 ALLOWABILITY OF COSTS. COST REPORTS SHALL BE PREPARED IN  
22 ACCORDANCE WITH THE ESTABLISHED PROCEDURES AND AUDIT STANDARDS  
23 AND SUBMITTED BY THE APPROVED PRIVATE SCHOOL TO THE DEPARTMENT  
24 OF EDUCATION AFTER THE CONCLUSION OF THE SCHOOL YEAR. THE  
25 DEPARTMENT OF EDUCATION SHALL PROCESS THESE COST REPORTS AND  
26 SETTLE ANY OUTSTANDING PAYMENTS DUE TO OR FROM THE APPROVED  
27 PRIVATE SCHOOL WITHIN ONE (1) YEAR OF THE COST REPORT  
28 SUBMISSION. IF THE COST REPORTS ARE SUBJECT TO ANY APPEALS OR  
29 POSTSETTLEMENT RESOLUTION, THE DEPARTMENT OF EDUCATION SHALL  
30 HAVE AN ADDITIONAL THREE (3) MONTHS TO SETTLE. AUDITS OF COST

1 REPORTS SUBMITTED FOR SCHOOL YEARS PRIOR TO THE 2004-2005 SCHOOL  
2 YEAR SHALL BE COMPLETED IN A MANNER CONSISTENT WITH PRIOR AUDIT  
3 PRACTICES. AN APPROVED PRIVATE SCHOOL MAY SUBMIT AN AUDIT  
4 PREPARED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT PROVIDED  
5 THE FOLLOWING HAVE OCCURRED:

6 (1) THE DEPARTMENT OF EDUCATION HAS FAILED TO PROCESS AND  
7 SETTLE THE COST REPORTS WITHIN TWELVE (12) MONTHS FROM  
8 SUBMISSION BY THE APPROVED PRIVATE SCHOOL.

9 (2) THE DEPARTMENT OF EDUCATION HAS FAILED TO SETTLE ANY  
10 APPEALS OR POSTSETTLEMENT RESOLUTION WITHIN FIFTEEN (15) MONTHS  
11 FROM SUBMISSION BY THE APPROVED PRIVATE SCHOOL.

12 (3) THE APPROVED PRIVATE SCHOOL HAS RESPONDED TO REASONABLE  
13 REQUESTS FOR INFORMATION AND DOCUMENTS BY THE DEPARTMENT OF  
14 EDUCATION.

15 UPON RECEIPT OF THE INDEPENDENT AUDIT, THE DEPARTMENT OF  
16 EDUCATION SHALL HAVE THREE (3) MONTHS TO REVIEW THE AUDIT AND  
17 SETTLE ANY OUTSTANDING PAYMENTS DUE TO OR FROM THE APPROVED  
18 PRIVATE SCHOOL.

19 (D) NO PRIVATE INSTITUTION RECEIVING PAYMENT IN ACCORDANCE  
20 WITH THIS SECTION SHALL IMPOSE ANY CHARGE ON THE STUDENT AND/OR  
21 PARENTS WHO ARE PENNSYLVANIA APPROVED REIMBURSABLE RESIDENTS FOR  
22 A PROGRAM OF INDIVIDUALIZED INSTRUCTION AND MAINTENANCE  
23 APPROPRIATE TO THE CHILD'S NEEDS; EXCEPT THAT CHARGES FOR  
24 SERVICES NOT PART OF SUCH PROGRAM MAY BE MADE IF AGREED TO BY  
25 THE PARENTS.

26 [(E) (1) THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE  
27 OF REPRESENTATIVES ARE DIRECTED TO JOINTLY EXAMINE THE ISSUES OF  
28 THE FUNDING OF APPROVED PRIVATE SCHOOLS AND SPECIAL EDUCATION  
29 STUDENTS' ACCESS TO APPROVED PRIVATE SCHOOLS AS PART OF THE FULL  
30 CONTINUUM OF SPECIAL EDUCATION PLACEMENTS. THE COMMITTEES'

1 EXAMINATION SHOULD ADDRESS, AT A MINIMUM, THE FOLLOWING ISSUES:

2 (I) THE FUNDING METHODOLOGY WHICH SUPPORTS THE SCHOOL  
3 DISTRICT'S RESPONSIBILITY FOR INDIVIDUALIZED, APPROPRIATE  
4 EDUCATIONAL SERVICES TO SPECIAL EDUCATION STUDENTS THROUGH  
5 ACCESS TO THE MOST COMPREHENSIVE CONTINUUM OF EDUCATIONAL  
6 OPTIONS AND SETTINGS.

7 (II) THE ROLE OF THE APPROVED PRIVATE SCHOOL IN THE MANDATED  
8 CONTINUUM OF SPECIAL EDUCATION SERVICES AVAILABLE TO STUDENTS IN  
9 PENNSYLVANIA.

10 (III) THE RELATIVE ROLES OF THE DEPARTMENT OF EDUCATION AND  
11 SCHOOL DISTRICTS TO ENSURE FREE APPROPRIATE PUBLIC EDUCATION  
12 (FAPE) THROUGH ADEQUATE FUNDING AND APPROPRIATE DISTRIBUTION OF  
13 COMPREHENSIVE SERVICES.

14 (IV) THE PROVISIONS OF THE INDIVIDUALS WITH DISABILITIES  
15 EDUCATION ACT (IDEA) (P.L.101-476), THE CORDERO COURT ORDERS,  
16 THIS ACT AND 22 PA. CODE CHS. 14 AND 342 AS THEY RELATE TO THE  
17 PROVISION OF PROGRAMS AND SERVICES TO SPECIAL EDUCATION STUDENTS  
18 SHOULD BE CAREFULLY REVIEWED AS THEY PERTAIN TO APPROVED PRIVATE  
19 SCHOOLS, CONTINUUM OF PLACEMENT OPTIONS, FUNDING, FAPE AND OTHER  
20 PERTINENT ISSUES.

21 (2) THE COMMITTEES SHALL REPORT BACK TO THE GENERAL ASSEMBLY  
22 BY NOVEMBER 15, 1993, WITH LEGISLATIVE AND/OR ADMINISTRATIVE  
23 RECOMMENDATIONS. THE COMMITTEES MAY HOLD SUCH MEETINGS AND  
24 HEARINGS AS THEY DEEM APPROPRIATE TO ACCOMPLISH THE PROVISIONS  
25 OF THIS SUBSECTION.]

26 (E) AS USED IN THIS SECTION "INDEPENDENT CERTIFIED PUBLIC  
27 ACCOUNTANT" MEANS A MEMBER OF THE AMERICAN INSTITUTE OF  
28 CERTIFIED PUBLIC ACCOUNTANTS THAT HAS A MINIMUM OF FIVE (5)  
29 YEARS VERIFIABLE EXPERIENCE IN PERFORMING AUDITS OF GOVERNMENT  
30 FUNDS FOR NONPROFIT ORGANIZATIONS WITH A COMPARABLE OR LARGER

1 ANNUAL BUDGET.

2 SECTION 12. SECTION 1376.1 OF THE ACT, AMENDED JUNE 7, 1993  
3 (P.L.49, NO.16), IS AMENDED TO READ:

4 SECTION 1376.1. ACTUAL COST OF TUITION AND MAINTENANCE OF  
5 CERTAIN EXCEPTIONAL CHILDREN IN THE FOUR CHARTERED SCHOOLS FOR  
6 EDUCATION OF THE DEAF AND THE BLIND.--(A) THE FOLLOWING TERM,  
7 WHENEVER USED OR REFERRED TO IN THIS SECTION, SHALL HAVE THE  
8 FOLLOWING MEANING. "CHARTERED SCHOOL" SHALL MEAN ANY OF THE FOUR  
9 (4) CHARTERED SCHOOLS FOR THE EDUCATION OF THE DEAF OR THE  
10 BLIND: THE PENNSYLVANIA SCHOOL FOR THE DEAF; THE OVERBROOK  
11 SCHOOL FOR THE BLIND; THE WESTERN PENNSYLVANIA SCHOOL FOR BLIND  
12 CHILDREN; AND THE WESTERN PENNSYLVANIA SCHOOL FOR THE DEAF.

13 (B) WHEN ANY CHILD OF SCHOOL AGE RESIDENT IN THIS  
14 COMMONWEALTH, WHO IS BLIND OR DEAF, IS ENROLLED WITH THE  
15 APPROVAL OF THE DEPARTMENT OF EDUCATION AS A PUPIL IN ANY OF THE  
16 FOUR (4) CHARTERED SCHOOLS IN ACCORDANCE WITH STANDARDS AND  
17 REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION, THE  
18 SCHOOL DISTRICT IN WHICH SUCH CHILD IS RESIDENT SHALL PAY THE  
19 GREATER OF EITHER TWENTY PERCENT (20%) OF THE ACTUAL COST OF  
20 TUITION AND MAINTENANCE OF SUCH CHILD IN SUCH INSTITUTION, AS  
21 DETERMINED BY THE DEPARTMENT OF EDUCATION; OR ITS "TUITION  
22 CHARGE PER ELEMENTARY PUPIL" OR ITS "TUITION CHARGE PER HIGH  
23 SCHOOL PUPIL," AND THE COMMONWEALTH SHALL PAY, OUT OF FUNDS  
24 APPROPRIATED TO THE DEPARTMENT FOR SPECIAL EDUCATION, THE  
25 BALANCE DUE FOR THE COSTS OF SUCH CHILD'S TUITION AND  
26 MAINTENANCE, AS DETERMINED BY THE DEPARTMENT. FOR THE SCHOOL  
27 YEARS 1989-90, 1990-91 AND 1991-92, THE SCHOOL DISTRICT PAYMENT  
28 SHALL BE NO GREATER THAN FORTY PERCENT (40%) OF THE ACTUAL  
29 AUDITED COSTS OF TUITION AND MAINTENANCE OF SUCH CHILD IN SUCH  
30 SCHOOL. FOR THE 1992-1993 SCHOOL YEAR AND EACH SCHOOL YEAR

1 THEREAFTER, THE SCHOOL DISTRICT PAYMENT SHALL BE THE GREATER OF  
2 FORTY PERCENT (40%) OF THE ACTUAL AUDITED COSTS OF TUITION AND  
3 MAINTENANCE OF SUCH CHILD IN SUCH SCHOOL, AS DETERMINED BY THE  
4 DEPARTMENT OF EDUCATION, OR ITS "TUITION CHARGE PER ELEMENTARY  
5 PUPIL" OR ITS "TUITION CHARGE PER HIGH SCHOOL PUPIL," AND THE  
6 COMMONWEALTH SHALL PAY OUT OF FUNDS APPROPRIATED TO THE  
7 DEPARTMENT FOR CHARTERED SCHOOLS THE BALANCE DUE FOR THE COSTS  
8 OF SUCH CHILD'S TUITION AND MAINTENANCE, AS DETERMINED BY THE  
9 DEPARTMENT. THE DEPARTMENT WILL CREDIT THE DISTRICT OF RESIDENCE  
10 WITH AVERAGE DAILY MEMBERSHIP FOR SUCH CHILD CONSISTENT WITH THE  
11 RULES OF PROCEDURE DEVELOPED IN ACCORDANCE WITH SECTION 2501. IF  
12 THE RESIDENCE OF SUCH CHILD IN A PARTICULAR SCHOOL DISTRICT  
13 CANNOT BE DETERMINED, THE COMMONWEALTH SHALL PAY, OUT OF MONEYS  
14 APPROPRIATED TO THE DEPARTMENT FOR SPECIAL EDUCATION, THE WHOLE  
15 COST OF TUITION AND MAINTENANCE OF SUCH CHILD. [THE DEPARTMENT  
16 OF EDUCATION SHALL BE PROVIDED WITH SUCH FINANCIAL DATA FROM  
17 EACH OF THE CHARTERED SCHOOLS AS MAY BE NECESSARY TO DETERMINE  
18 THE REASONABLENESS OF CHARGES FOR TUITION AND ROOM AND BOARD OF  
19 EACH OF THE CHARTERED SCHOOLS MADE ON PENNSYLVANIA RESIDENT  
20 APPROVED STUDENTS. THE DEPARTMENT OF EDUCATION SHALL EVALUATE  
21 SUCH DATA AND SHALL DISALLOW ANY CHARGES DEEMED UNREASONABLE.  
22 ANY CHARGE DEEMED UNREASONABLE BY THE DEPARTMENT OF EDUCATION  
23 FOR DISALLOWANCE SHALL BE CONSIDERED AN ADJUDICATION WITHIN THE  
24 MEANING OF TITLE 2 OF THE PA.C.S. (RELATING TO ADMINISTRATIVE  
25 LAW AND PROCEDURE) AND REGULATIONS PROMULGATED THEREUNDER.]

26 (C) WHEN ANY PERSON LESS THAN SCHOOL AGE RESIDENT IN THIS  
27 COMMONWEALTH WHO IS BLIND OR DEAF IS ENROLLED, WITH THE APPROVAL  
28 OF THE DEPARTMENT OF EDUCATION, AS A RESIDENTIAL PUPIL IN ANY OF  
29 THE FOUR (4) CHARTERED SCHOOLS, THE COMMONWEALTH SHALL PAY TO  
30 THE SCHOOL, OUT OF MONEYS APPROPRIATED TO THE DEPARTMENT FOR

1 SPECIAL EDUCATION, THE ACTUAL COST OF TUITION AND MAINTENANCE OF  
2 SUCH PERSON, AS DETERMINED BY THE DEPARTMENT OF EDUCATION,  
3 SUBJECT TO REVIEW AND APPROVAL IN ACCORDANCE WITH STANDARDS AND  
4 REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION IN  
5 ACCORDANCE WITH SUBSECTION (E), AND IN ADDITION, IN THE CASE OF  
6 ANY CHILD LESS THAN SCHOOL AGE, WHO IS BLIND, THE COST, AS  
7 DETERMINED BY THE DEPARTMENT OF EDUCATION OF INSTRUCTING THE  
8 PARENT OF SUCH BLIND CHILD IN CARING FOR SUCH CHILD.

9 (D) NONE OF THE CHARTERED SCHOOLS RECEIVING PAYMENT IN  
10 ACCORDANCE WITH THIS SECTION SHALL IMPOSE ANY CHARGE ON THE  
11 STUDENT AND/OR PARENTS WHO ARE APPROVED REIMBURSABLE RESIDENTS  
12 FOR A PROGRAM OF INSTRUCTION AND MAINTENANCE APPROPRIATE TO THE  
13 CHILD'S NEEDS; EXCEPT THAT CHARGES FOR PROGRAMS NOT PART OF THE  
14 NORMAL SCHOOL YEAR MAY BE MADE.

15 (E) FOR THE 2004-2005 SCHOOL YEAR AND EACH SCHOOL YEAR  
16 THEREAFTER, A CHARTERED SCHOOL SHALL SUBMIT TO THE DEPARTMENT OF  
17 EDUCATION SUCH INFORMATION AS THE DEPARTMENT OF EDUCATION MAY  
18 REASONABLY REQUIRE TO DETERMINE ITS BUDGETED COSTS FOR THE  
19 UPCOMING SCHOOL YEAR. BASED UPON THIS INFORMATION AND THE MOST  
20 RECENT SETTLED AUDIT, THE DEPARTMENT OF EDUCATION SHALL DEVELOP  
21 AN INTERIM REIMBURSEMENT RATE FOR THE CHARTERED SCHOOL. THE  
22 DEPARTMENT OF EDUCATION SHALL PROVIDE THE CHARTERED SCHOOL WITH  
23 MONTHLY PAYMENTS IN ADVANCE OF THE FINAL COST SETTLEMENT AS  
24 PROVIDED FOR IN SUBSECTION (F). THE DEPARTMENT OF EDUCATION  
25 SHALL ADOPT FINAL REIMBURSEMENT RATES BASED ON THE FINAL COST  
26 SETTLEMENT. THE DEPARTMENT OF EDUCATION MAY WITHHOLD A PORTION  
27 OF SUCH PAYMENTS NOT EXCEEDING FIVE PERCENT (5%) OF SUCH  
28 PAYMENTS, PENDING FINAL COST SETTLEMENT. IN NO EVENT SHALL  
29 EITHER THE PAYMENTS MADE IN ADVANCE OF THE FINAL COST SETTLEMENT  
30 OR FINAL REIMBURSEMENTS BASED ON THE FINAL COST SETTLEMENT MADE

1 BY THE DEPARTMENT OF EDUCATION EXCEED THE APPROPRIATION  
2 AVAILABLE FOR CHARTERED SCHOOLS.

3 (F) BEGINNING WITH THE 2004-2005 SCHOOL YEAR AND EACH SCHOOL  
4 YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL ESTABLISH  
5 PROCEDURES AND AUDIT STANDARDS TO GOVERN THE SCOPE OF REPORTABLE  
6 COSTS AND THE METHODS USED TO EXAMINE AND DETERMINE ALLOWABILITY  
7 OF COSTS. COST REPORTS SHALL BE PREPARED IN ACCORDANCE WITH  
8 ESTABLISHED PROCEDURES AND AUDIT STANDARDS AND SUBMITTED BY THE  
9 CHARTERED SCHOOL TO THE DEPARTMENT OF EDUCATION AFTER THE  
10 CONCLUSION OF THE SCHOOL YEAR. THE DEPARTMENT OF EDUCATION SHALL  
11 PROCESS THESE COST REPORTS AND SETTLE ANY OUTSTANDING PAYMENTS  
12 DUE TO OR FROM THE CHARTERED SCHOOL WITHIN ONE (1) YEAR OF THE  
13 COST REPORT SUBMISSION. IF THE COST REPORTS ARE SUBJECT TO ANY  
14 APPEALS OR POSTSETTLEMENT RESOLUTION, THE DEPARTMENT OF  
15 EDUCATION SHALL HAVE AN ADDITIONAL THREE (3) MONTHS TO SETTLE.  
16 AUDITS OF COST REPORTS SUBMITTED FOR SCHOOL YEARS PRIOR TO THE  
17 2004-2005 SCHOOL YEAR SHALL BE COMPLETED IN A MANNER CONSISTENT  
18 WITH PRIOR AUDIT PRACTICES. A CHARTERED SCHOOL MAY SUBMIT AN  
19 AUDIT PREPARED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT  
20 PROVIDED THE FOLLOWING HAVE OCCURRED:

21 (1) THE DEPARTMENT OF EDUCATION HAS FAILED TO PROCESS AND  
22 SETTLE THE COST REPORTS WITHIN TWELVE (12) MONTHS FROM  
23 SUBMISSION BY THE CHARTERED SCHOOL.

24 (2) THE DEPARTMENT OF EDUCATION HAS FAILED TO SETTLE ANY  
25 APPEALS OR POSTSETTLEMENT RESOLUTION WITHIN FIFTEEN (15) MONTHS  
26 FROM SUBMISSION BY THE CHARTERED SCHOOL.

27 (3) THE CHARTERED SCHOOL HAS RESPONDED TO REASONABLE  
28 REQUESTS FOR INFORMATION AND DOCUMENTS BY THE DEPARTMENT OF  
29 EDUCATION.

30 UPON RECEIPT OF THE INDEPENDENT AUDIT, THE DEPARTMENT OF

1 EDUCATION SHALL HAVE THREE (3) MONTHS TO REVIEW THE AUDIT AND  
2 SETTLE ANY OUTSTANDING PAYMENTS DUE TO OR FROM THE CHARTERED  
3 SCHOOL.

4 (G) AS USED IN THIS SECTION, "INDEPENDENT CERTIFIED PUBLIC  
5 ACCOUNTANT" MEANS A MEMBER OF THE AMERICAN INSTITUTE OF  
6 CERTIFIED PUBLIC ACCOUNTANTS THAT HAS A MINIMUM OF FIVE (5)  
7 YEARS' VERIFIABLE EXPERIENCE IN PERFORMING AUDITS OF GOVERNMENT  
8 FUNDS FOR NONPROFIT ORGANIZATIONS WITH A COMPARABLE OR LARGER  
9 ANNUAL BUDGET.

10 SECTION 13. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

11 SECTION 1550. FIREFIGHTER AND EMERGENCY SERVICE TRAINING.--

12 (A) BEGINNING WITH THE 2003-2004 SCHOOL YEAR AND EACH SCHOOL  
13 YEAR THEREAFTER, A SCHOOL DISTRICT MAY OFFER FIREFIGHTER AND  
14 EMERGENCY SERVICE TRAINING AS CREDIT-EARNING COURSES TO STUDENTS  
15 OF THE AGE OF SIXTEEN (16) YEARS OR OLDER. SUCH COURSES MAY  
16 INCLUDE:

17 (1) TRAINING AS A FIREFIGHTER I FROM THE NATIONAL BOARD ON  
18 FIRE SERVICE PROFESSIONAL QUALIFICATIONS.

19 (2) TRAINING AS AN EMERGENCY MEDICAL TECHNICIAN BY THE  
20 DEPARTMENT OF HEALTH UNDER THE ACT OF JULY 3, 1985 (P.L.164,  
21 NO.45), KNOWN AS THE "EMERGENCY MEDICAL SERVICES ACT."

22 (B) A SCHOOL DISTRICT THAT OFFERS FIREFIGHTER AND EMERGENCY  
23 SERVICE TRAINING AS CREDIT-EARNING COURSES SHALL PROVIDE  
24 TRANSPORTATION TO AND SUPERVISION DURING ANY FIREFIGHTER AND  
25 EMERGENCY SERVICE TRAINING PROGRAM THAT TAKES PLACE OFF SCHOOL  
26 GROUNDS. SUPERVISION OF TRAINING SHALL BE CONDUCTED AS A  
27 COOPERATIVE EDUCATION PROGRAM IN ACCORDANCE WITH THE PROVISIONS  
28 OF 22 PA. CODE § 11.28 (RELATING TO OUT-OF-SCHOOL PROGRAMS).

29 SECTION 14. THE HEADING OF ARTICLE XV-C OF THE ACT, ADDED  
30 MAY 17, 2001 (P.L.4, NO.4), IS AMENDED TO READ:

ARTICLE XV-C.

EDUCATION SUPPORT SERVICES [PROGRAM.] AND EDUCATIONAL ASSISTANCE PROGRAMS.

SECTION 15. SECTION 1501-C OF THE ACT, AMENDED JUNE 29, 2002 (P.L.524, NO.88), IS AMENDED TO READ:

SECTION 1501-C. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE COMMONWEALTH.

"ELIGIBLE SCHOOL ENTITY." FOR THE PURPOSES OF THE EDUCATIONAL ASSISTANCE PROGRAM OPERATED PURSUANT TO SECTIONS 1502-C AND 1512-C, A SCHOOL ENTITY WITH ONE OR MORE SCHOOLS IDENTIFIED BY THE DEPARTMENT OF EDUCATION AS HAVING FAILED TO MEET ONE OR MORE ACADEMIC PERFORMANCE TARGETS.

"ELIGIBLE STUDENT." A RESIDENT OF THIS COMMONWEALTH WHO IS ENROLLED FULL TIME IN [THIRD, FOURTH, FIFTH OR SIXTH] KINDERGARTEN THROUGH NINTH GRADE IN A SCHOOL ENTITY AND IS DEEMED ELIGIBLE PURSUANT TO SECTION 1502-C(B) OR SECTION 1512-C(B).

"ELIGIBILITY TEST." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT OR A COMMERCIALY PREPARED, STANDARDIZED ACHIEVEMENT TEST APPROVED BY THE DEPARTMENT OF EDUCATION. A LIST OF APPROVED TESTS UNDER THIS ARTICLE SHALL BE PUBLISHED ANNUALLY IN THE PENNSYLVANIA BULLETIN.

"GRANT." A GRANT AWARDED TO A GRANT RECIPIENT UNDER THIS ARTICLE.

"GRANT RECIPIENT." A RESIDENT OF THIS COMMONWEALTH WHO IS A PARENT, GUARDIAN OR PERSON IN PARENTAL RELATION TO AN ELIGIBLE

1 STUDENT.

2 ["PROGRAM." THE EDUCATION SUPPORT SERVICES PROGRAM  
3 ESTABLISHED IN SECTION 1502-C.]

4 "PROVIDER." A SCHOOL ENTITY, AN INSTITUTION OF HIGHER  
5 EDUCATION, A NONPROFIT OR FOR-PROFIT ORGANIZATION OR A CERTIFIED  
6 TEACHER EMPLOYED BY A SCHOOL ENTITY, THAT IS APPROVED BY THE  
7 DEPARTMENT OF EDUCATION TO PROVIDE EDUCATION SUPPORT SERVICES OR  
8 TUTORING UNDER THE EDUCATIONAL ASSISTANCE PROGRAM.

9 ["SCHOOL ENTITY." ANY OF THE FOLLOWING LOCATED IN THIS  
10 COMMONWEALTH: A SCHOOL DISTRICT, INTERMEDIATE UNIT, JOINT SCHOOL  
11 DISTRICT, AREA VOCATIONAL-TECHNICAL SCHOOL, CHARTER SCHOOL,  
12 INDEPENDENT SCHOOL, LICENSED PRIVATE ACADEMIC SCHOOL, ACCREDITED  
13 SCHOOL, A SCHOOL REGISTERED UNDER SECTION 1327(B), THE SCOTLAND  
14 SCHOOL FOR VETERANS' CHILDREN OR THE SCRANTON SCHOOL FOR THE  
15 DEAF.]

16 "SCHOOL ENTITY." SHALL MEAN:

17 (1) FOR PURPOSES OF THE EDUCATIONAL SUPPORT SERVICES  
18 PROGRAM, ANY OF THE FOLLOWING LOCATED IN THIS COMMONWEALTH; A  
19 SCHOOL DISTRICT, INTERMEDIATE UNIT, JOINT SCHOOL DISTRICT,  
20 AREA VOCATIONAL-TECHNICAL SCHOOL, CHARTER SCHOOL, INDEPENDENT  
21 SCHOOL, LICENSED PRIVATE ACADEMIC SCHOOL, ACCREDITED SCHOOL,  
22 A SCHOOL REGISTERED UNDER SECTION 1327(B), THE SCOTLAND  
23 SCHOOL FOR VETERANS' CHILDREN OR THE SCRANTON SCHOOL FOR THE  
24 DEAF.

25 (2) FOR PURPOSES OF THE EDUCATIONAL ASSISTANCE PROGRAM  
26 ESTABLISHED IN SECTION 1502-C, ANY OF THE FOLLOWING LOCATED  
27 IN THIS COMMONWEALTH; A SCHOOL DISTRICT, JOINT SCHOOL  
28 DISTRICT, AREA VOCATIONAL-TECHNICAL SCHOOL OR INDEPENDENT  
29 SCHOOL.

30 SECTION 16. SECTIONS 1502-C, 1503-C AND 1504-C OF THE ACT,

1 ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO READ:

2 SECTION 1502-C. ESTABLISHMENT OF [PROGRAM] PROGRAMS.

3 (A) ESTABLISHMENT.--THE EDUCATION SUPPORT SERVICES PROGRAM  
4 [IS] AND EDUCATIONAL ASSISTANCE PROGRAM ARE ESTABLISHED WITHIN  
5 THE DEPARTMENT TO PROVIDE INDIVIDUAL OR SMALL GROUP INSTRUCTION  
6 IN [READING AND MATHEMATICS] THOSE SUBJECT AREAS ASSESSED  
7 THROUGH A PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST AND  
8 REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001 TO  
9 STRENGTHEN THE SKILLS THAT AN ELIGIBLE STUDENT NEEDS TO ACHIEVE  
10 THE STANDARDS IN 22 PA. CODE CH. 4 (RELATING TO ACADEMIC  
11 STANDARDS AND ASSESSMENT), WHICH SHALL BE PROVIDED AT A TIME  
12 OTHER THAN THE REGULARLY SCHEDULED SCHOOL HOURS.

13 (B) ELIGIBILITY.--THE DEPARTMENT SHALL UTILIZE THE  
14 PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST OR OTHER TEST  
15 RESULTS TO IDENTIFY ELIGIBLE STUDENTS UNDER THIS ARTICLE. SCORES  
16 USED TO DETERMINE ELIGIBLE STUDENTS IN EACH GRADE SHALL BE  
17 PUBLISHED ANNUALLY IN THE PENNSYLVANIA BULLETIN.

18 (C) APPROVAL.--A PROVIDER MUST BE APPROVED BY THE DEPARTMENT  
19 IN ORDER TO PROVIDE EDUCATION SUPPORT SERVICES OR TUTORING UNDER  
20 THE EDUCATIONAL ASSISTANCE PROGRAM UNDER THIS ARTICLE.

21 SECTION 1503-C. [APPLICATION] EDUCATION SUPPORT SERVICES GRANT  
22 APPLICATION AND APPROVAL.

23 (A) APPLICATION.--A PROSPECTIVE GRANT RECIPIENT SHALL APPLY  
24 ANNUALLY TO THE DEPARTMENT FOR A GRANT TO PURCHASE EDUCATION  
25 SUPPORT SERVICES FOR AN ELIGIBLE STUDENT FROM AN APPROVED  
26 PROVIDER IN A TIME AND MANNER PRESCRIBED BY THE DEPARTMENT.

27 (B) REQUIRED INFORMATION.--AN APPLICATION SUBMITTED UNDER  
28 THIS SECTION SHALL INCLUDE VERIFICATION OF THE ELIGIBILITY TEST  
29 RESULTS AND SUCH OTHER INFORMATION AS THE DEPARTMENT MAY  
30 REQUIRE.

1 SECTION 1504-C. POWERS AND DUTIES OF THE DEPARTMENT.

2 THE DEPARTMENT SHALL:

3 (1) ESTABLISH CRITERIA TO ANNUALLY IDENTIFY ELIGIBLE  
4 STUDENTS [IN GRADES THREE, FOUR, FIVE AND SIX TO PARTICIPATE  
5 IN THE PROGRAM UNDER SECTION 1502-C].

6 (2) APPROVE PROVIDERS [OF EDUCATION SUPPORT SERVICES].

7 (3) ADOPT STANDARDS, PROCEDURES AND GUIDELINES TO BE  
8 USED TO APPROVE PROVIDERS [OF EDUCATION SUPPORT SERVICES  
9 UNDER THIS ARTICLE].

10 (4) AWARD GRANTS TO A GRANT RECIPIENT IN AN AMOUNT NOT  
11 TO EXCEED \$500 PER FISCAL YEAR FOR EACH ELIGIBLE STUDENT.

12 (5) ESTABLISH MINIMUM QUALIFICATIONS FOR INDIVIDUALS  
13 UTILIZED BY PROVIDERS OF EDUCATION SUPPORT SERVICES.

14 (6) ESTABLISH PERIODS DURING WHICH APPLICATIONS WILL BE  
15 REVIEWED TO ACCOMMODATE THE DATES WHEN RESULTS OF APPROVED  
16 ELIGIBILITY TESTS BECOME AVAILABLE.

17 (7) ASSESS PROVIDERS ON AN ANNUAL BASIS TO DETERMINE THE  
18 ACADEMIC PROGRESS OF STUDENTS WHO RECEIVE INSTRUCTION UNDER  
19 THIS ARTICLE.

20 (8) PROVIDE EDUCATIONAL ASSISTANCE FUNDING TO SCHOOL  
21 ENTITIES PURSUANT TO SECTION 1512-C.

22 SECTION 17. SECTION 1505-C OF THE ACT, AMENDED JUNE 29, 2002  
23 (P.L.524, NO.88), IS AMENDED TO READ:

24 SECTION 1505-C. PROVIDERS.

25 (A) APPLICATION.--A PROSPECTIVE PROVIDER SHALL SUBMIT AN  
26 APPLICATION TO THE DEPARTMENT FOR APPROVAL TO PROVIDE EDUCATION  
27 SUPPORT SERVICES OR TUTORING UNDER THE EDUCATIONAL ASSISTANCE  
28 PROGRAM UNDER THIS ARTICLE. THE APPLICATION SHALL INCLUDE A  
29 DESCRIPTION OF THE SERVICES TO BE PROVIDED, A DESCRIPTION OF THE  
30 CURRICULUM TO BE USED, THE COST OF THE SERVICES, THE

1 QUALIFICATION OF ALL INDIVIDUALS PROVIDING THOSE SERVICES,  
2 INCLUDING EVIDENCE OF COMPLIANCE WITH SECTION 111 AND WITH 23  
3 PA.C.S. § 6355 (RELATING TO REQUIREMENT), A DESCRIPTION OF AN  
4 ASSESSMENT MECHANISM TO BE USED TO DETERMINE THE ACADEMIC  
5 PROGRESS OF STUDENTS WHO RECEIVE TUTORING SERVICES, AND SUCH  
6 OTHER INFORMATION AS MAY BE REQUIRED BY THE DEPARTMENT.

7 (B) REVOCATION OF APPROVAL.--THE DEPARTMENT SHALL REVOKE THE  
8 APPROVAL OF ANY PROVIDER FOR WHICH THE ANNUAL ASSESSMENTS  
9 REQUIRED UNDER SECTION 1504-C(7) DEMONSTRATE THAT 20% OR MORE OF  
10 THE STUDENTS FOR WHOM THE PROVIDER HAS PROVIDED EDUCATION  
11 SUPPORT SERVICES UNDER SECTION 1507-C OR TUTORING SERVICES UNDER  
12 SECTION 1512-C FAILED TO MAKE ACADEMIC PROGRESS FOR TWO  
13 CONSECUTIVE YEARS.

14 SECTION 18. SECTIONS 1506-C, 1507-C HEADING AND 1508-C(A) OF  
15 THE ACT, ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO READ:  
16 SECTION 1506-C. NOTIFICATION OF PROGRAM.

17 A SCHOOL ENTITY IN THIS COMMONWEALTH [WITH STUDENTS ENROLLED  
18 IN THIRD, FOURTH, FIFTH OR SIXTH GRADE] SHALL NOTIFY PARENTS OF  
19 THE AVAILABILITY OF EDUCATION SUPPORT SERVICES AND TUTORING  
20 UNDER THE EDUCATIONAL ASSISTANCE PROGRAM AT SUCH TIME AS THE  
21 PARENTS RECEIVE THE RESULTS OF ANY ELIGIBILITY TEST.

22 SECTION 1507-C. PAYMENT OF EDUCATIONAL SUPPORT SERVICES GRANTS.

23 \* \* \*

24 SECTION 1508-C. LIMITATIONS.

25 (A) AMOUNT.--THE AMOUNT OF EDUCATIONAL SUPPORT SERVICES  
26 GRANTS PROVIDED UNDER THIS ARTICLE IN A FISCAL YEAR SHALL BE  
27 LIMITED TO THE FUNDS APPROPRIATED FOR THAT PURPOSE. NO MORE THAN  
28 10% OF THE TOTAL FUNDS APPROPRIATED FOR THIS PROGRAM IN ANY  
29 FISCAL YEAR SHALL BE AWARDED TO GRANT RECIPIENTS WITHIN A  
30 SPECIFIC SCHOOL DISTRICT EXCEPT THAT, IF THE DEPARTMENT

1 DETERMINES THAT ALL SCHOOL ENTITIES IN THE COMMONWEALTH HAVE HAD  
2 AN OPPORTUNITY TO PARTICIPATE IN THE PROGRAM AND THAT FUNDS  
3 REMAIN AVAILABLE, IT MAY WAIVE THE 10% LIMITATION UNDER THIS  
4 SUBSECTION.

5 \* \* \*

6 SECTION 19. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
7 SECTION 1512-C. EDUCATIONAL ASSISTANCE PROGRAM.

8 (A) PURPOSE.--THE EDUCATIONAL ASSISTANCE PROGRAM SHALL  
9 PROVIDE, FOR THE SUPPORT OF TUTORING SERVICES TO ELIGIBLE  
10 STUDENTS, FUNDS TO ELIGIBLE SCHOOL ENTITIES IN WHICH ONE OR MORE  
11 SCHOOLS HAVE FAILED TO MEET AT LEAST ONE ACADEMIC PERFORMANCE  
12 TARGET.

13 (B) ELIGIBILITY.--A STUDENT SHALL BE ELIGIBLE FOR TUTORING  
14 SERVICES UNDER THIS SECTION WHERE SUCH STUDENT IS ENROLLED FULL  
15 TIME IN AN ELIGIBLE SCHOOL ENTITY AND:

16 (1) SCORED BELOW PROFICIENT ON A PENNSYLVANIA SYSTEM OF  
17 SCHOOL ASSESSMENT TEST IN A SUBJECT AREA REQUIRED UNDER THE  
18 NO CHILD LEFT BEHIND ACT OF 2001 IN THE IMMEDIATE PRECEDING  
19 SCHOOL YEAR; OR

20 (2) IS ENROLLED IN KINDERGARTEN THROUGH THIRD GRADE AND  
21 SCORED BELOW THE SCORE APPROVED BY THE DEPARTMENT UNDER  
22 SECTION 1502-C(B) ON ANY OTHER ELIGIBILITY TEST.

23 (C) APPROVAL OF PROVIDERS.--IN ORDER TO PROVIDE TUTORING  
24 SERVICES THROUGH THE EDUCATIONAL ASSISTANCE PROGRAM, A PROVIDER  
25 MUST BE APPROVED BY THE DEPARTMENT. SUCH PROVIDERS MAY INCLUDE:

26 (1) A PROVIDER APPROVED UNDER SECTION 1505-C; OR

27 (2) A SCHOOL ENTITY.

28 (D) DUTIES OF ELIGIBLE SCHOOL ENTITIES.--AN ELIGIBLE SCHOOL  
29 ENTITY SHALL HAVE THE FOLLOWING DUTIES:

30 (1) TO ANNUALLY NOTIFY THE PARENTS OR GUARDIAN OF ANY

1 STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION (B)  
2 ABOUT THE AVAILABILITY OF TUTORING SERVICES UNDER THIS  
3 SECTION.

4 (2) TO ANNUALLY PROVIDE THE PARENTS OR GUARDIAN OF ANY  
5 STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION (B)  
6 WITH A LIST OF ALL APPROVED PROVIDERS OPERATING WITHIN THE  
7 BOUNDARIES OF OR AROUND THE ELIGIBLE SCHOOL ENTITY.

8 (3) UPON REQUEST, TO ASSIST THE PARENTS OR GUARDIAN OF  
9 ANY STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION  
10 (B) IN SELECTING AN APPROVED PROVIDER.

11 (4) TO ENTER INTO A CONTRACT OR CONTRACTS WITH A  
12 PROVIDER APPROVED UNDER SECTION 1505-C AND OPERATING WITHIN  
13 THE BOUNDARIES OF OR AROUND THE ELIGIBLE SCHOOL ENTITY OR TO  
14 OFFER TUTORING SERVICES DIRECTLY TO ANY STUDENT ELIGIBLE FOR  
15 TUTORING SERVICES UNDER SUBSECTION (B).

16 (E) TUTORING SERVICES.--TUTORING SERVICES PROVIDED UNDER  
17 THIS SECTION SHALL INCLUDE INTENSIVE INSTRUCTION IN THOSE  
18 SUBJECT AREAS ASSESSED THROUGH A PENNSYLVANIA SYSTEM OF SCHOOL  
19 ASSESSMENT TEST AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT  
20 OF 2001. SUCH TUTORING SERVICES MAY:

21 (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 1502, BE  
22 PROVIDED OUTSIDE OF THE NORMAL SCHOOL DAY AND HOURS OF THE  
23 SCHOOL ENTITY, INCLUDING MORNINGS, EVENINGS, WEEKENDS AND  
24 DURING THE SUMMER MONTHS.

25 (2) TAKE PLACE ON AN INDIVIDUAL OR SMALL GROUP BASIS;  
26 PROVIDED, THAT TUTORING SERVICES MAY BE PROVIDED TO NO MORE  
27 THAN TEN STUDENTS IN A GIVEN CLASS AT A GIVEN TIME DURING THE  
28 SCHOOL TERM AND NO MORE THAN 15 STUDENTS DURING THE SUMMER  
29 MONTHS.

30 (F) DUTIES OF DEPARTMENT.--THE DEPARTMENT SHALL HAVE THE

1 FOLLOWING DUTIES:

2 (1) TO PROVIDE ELIGIBLE SCHOOL ENTITIES THAT PROVIDE  
3 TUTORING SERVICES UNDER THIS SECTION WITH TECHNICAL  
4 ASSISTANCE UPON REQUEST.

5 (2) TO ANNUALLY ASSESS ANY PROVIDER OR SCHOOL ENTITY  
6 THAT PROVIDES TUTORING SERVICES UNDER THIS SECTION IN ORDER  
7 TO DETERMINE THE ACADEMIC PROGRESS OF STUDENTS WHO RECEIVE  
8 TUTORING SERVICES.

9 (G) EDUCATIONAL ASSISTANCE FUNDING.--

10 (1) DURING THE 2003-2004 AND 2004-2005 SCHOOL YEARS, THE  
11 DEPARTMENT SHALL PROVIDE EACH ELIGIBLE SCHOOL ENTITY WITH  
12 EDUCATIONAL ASSISTANCE FUNDING CALCULATED BY:

13 (I) DIVIDING THE NUMBER OF PENNSYLVANIA SYSTEM OF  
14 SCHOOL ASSESSMENT TESTS ADMINISTERED IN THE ELIGIBLE  
15 SCHOOL ENTITY ON WHICH STUDENTS SCORED BELOW PROFICIENT  
16 IN READING OR MATHEMATICS BY THE TOTAL NUMBER OF  
17 PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TESTS  
18 ADMINISTERED IN THE ELIGIBLE SCHOOL ENTITY IN READING AND  
19 MATHEMATICS DURING THE IMMEDIATE PRECEDING SCHOOL YEAR.

20 (II) MULTIPLYING THE QUOTIENT FROM SUBPARAGRAPH (I)  
21 BY THE AVERAGE DAILY MEMBERSHIP OF THE ELIGIBLE SCHOOL  
22 ENTITY DURING THE IMMEDIATE PRECEDING SCHOOL YEAR.

23 (III) MULTIPLYING THE PRODUCT FROM SUBPARAGRAPH (II)  
24 BY THE DOLLAR VALUE OF FUNDS APPROPRIATED TO THE  
25 DEPARTMENT OF EDUCATION FOR THE EDUCATIONAL ASSISTANCE  
26 PROGRAM.

27 (IV) DIVIDING THE PRODUCT FROM SUBPARAGRAPH (III) BY  
28 THE SUM OF THE PRODUCTS OF SUBPARAGRAPH (II) FOR ALL  
29 ELIGIBLE SCHOOL ENTITIES THAT QUALIFY FOR GRANT FUNDS  
30 UNDER THIS SUBSECTION.



1 (PUBLIC LAW 97-35, 95 STAT. 357) AND CARRIED OUT BY A HEAD START  
2 AGENCY OR DELEGATE AGENCY THAT PROVIDES ONGOING COMPREHENSIVE  
3 CHILD DEVELOPMENT SERVICES.

4 "PROGRAM." THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM  
5 ESTABLISHED IN SECTION 1502-D.

6 SECTION 1502-D. HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM.

7 (A) ESTABLISHMENT.--THE HEAD START SUPPLEMENTAL ASSISTANCE  
8 PROGRAM IS HEREBY ESTABLISHED TO PROVIDE HEAD START SERVICES TO  
9 ADDITIONAL ELIGIBLE CHILDREN AND TO PROVIDE EXTENDED DAY  
10 SERVICES THROUGH EXISTING HEAD START PROVIDERS.

11 (B) ADMINISTRATION.--THE DEPARTMENT SHALL ADMINISTER THE  
12 PROGRAM, CONSISTENT WITH FEDERAL HEAD START GUIDELINES. DURING  
13 THE 2004-2005 FISCAL YEAR, THE DEPARTMENT SHALL PROVIDE  
14 SUPPLEMENTAL FINANCIAL ASSISTANCE TO EXISTING PROVIDERS OF  
15 FEDERAL HEAD START SERVICES.

16 (C) COORDINATION.--THE DEPARTMENT, TO EVERY EXTENT POSSIBLE,  
17 SHALL COORDINATE THE ADMINISTRATION OF THE PROGRAM WITH THE  
18 DEPARTMENT OF PUBLIC WELFARE AND THE DEPARTMENT OF HEALTH. THE  
19 PURPOSE OF THIS COORDINATION SHALL BE TO:

20 (1) IDENTIFY EDUCATIONAL, CHILD-CARE OR OTHER SERVICES  
21 UNDER THE JURISDICTION OF THE DEPARTMENT OF PUBLIC WELFARE  
22 AND THE DEPARTMENT OF HEALTH THAT CAN AUGMENT OR IMPROVE THE  
23 SERVICES AVAILABLE THROUGH HEAD START PROVIDERS.

24 (2) PROVIDE TECHNICAL ASSISTANCE TO HEAD START PROVIDERS  
25 ESTABLISHING CHILD-CARE SERVICES IN ORDER TO OFFER EXTENDED  
26 DAY SERVICES.

27 (3) PROVIDE TECHNICAL ASSISTANCE TO HEAD START  
28 PROVIDERS, LICENSED CHILD-CARE CENTERS OR REGISTERED FAMILY  
29 OR GROUP DAY-CARE HOMES ENTERING INTO COLLABORATIVE  
30 AGREEMENTS IN ORDER TO OFFER EXTENDED DAY SERVICES.

1 (D) CRITERIA FOR FUNDING.--TO IMPLEMENT THE PROGRAM, THE  
2 DEPARTMENT SHALL REQUEST PROPOSALS FROM EXISTING HEAD START  
3 PROVIDERS AND MAY AWARD GRANTS OR ENTER INTO SERVICE CONTRACTS  
4 WITH EXISTING HEAD START PROVIDERS THAT MEET ALL OF THE  
5 FOLLOWING CRITERIA:

6 (1) DEMONSTRATE THE NEED FOR ADDITIONAL HEAD START  
7 SERVICES IN THE PROVIDER'S SERVICE AREA, WHETHER THE NEED IS  
8 DETERMINED BY THE PERCENTAGE OF ELIGIBLE CHILDREN WHO ARE NOT  
9 SERVED IN THE PROVIDER'S SERVICE AREA OR BY THE DEMAND FOR  
10 EXTENDED DAY SERVICES.

11 (2) DEMONSTRATE THE ABILITY TO EXPAND STAFF, SPACE OR  
12 SERVICES EITHER:

13 (I) WITHIN THE HEAD START PROGRAM; OR

14 (II) IN COOPERATION WITH LICENSED CHILD-CARE CENTERS  
15 OR REGISTERED FAMILY OR GROUP DAY-CARE HOMES  
16 TO SERVE ADDITIONAL CHILDREN OR TO PROVIDE EXTENDED DAY  
17 SERVICES.

18 (3) DEMONSTRATE THE ABILITY TO COMPLY WITH FEDERAL AND  
19 STATE REQUIREMENTS FOR CHILD-CARE SERVICE PROVIDERS IF THE  
20 HEAD START PROVIDER INTENDS TO PROVIDE EXTENDED DAY SERVICES.

21 (4) DEMONSTRATE THE ABILITY TO ENTER INTO A  
22 COLLABORATIVE AGREEMENT WITH A CHILD-CARE SERVICE PROVIDER IF  
23 THE HEAD START PROVIDER INTENDS TO ENTER INTO A COLLABORATIVE  
24 AGREEMENT WITH A LICENSED CHILD-CARE CENTER OR A REGISTERED  
25 FAMILY OR GROUP DAY-CARE HOME TO OFFER EXTENDED DAY SERVICES.

26 SECTION 1503-D. PRIORITY IN FUNDING.

27 THE DEPARTMENT SHALL GIVE PRIORITY IN FUNDING TO HEAD START  
28 PROVIDERS APPLYING FOR GRANTS TO SERVE ADDITIONAL ELIGIBLE  
29 CHILDREN.

30 SECTION 1504-D. ANNUAL REPORT.

1 THE DEPARTMENT SHALL COMPILE AN ANNUAL REPORT ON THE PROGRAM  
2 FOR SUBMISSION TO THE GOVERNOR, THE CHAIRMEN OF THE  
3 APPROPRIATIONS COMMITTEE AND THE EDUCATION COMMITTEE OF THE  
4 SENATE AND THE CHAIRMEN OF THE APPROPRIATIONS COMMITTEE AND  
5 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT  
6 SHALL INCLUDE:

7 (1) THE NUMBER OF ELIGIBLE CHILDREN SERVED BY HEAD START  
8 AS OF THE EFFECTIVE DATE OF THIS ARTICLE.

9 (2) THE NUMBER OF ELIGIBLE CHILDREN SERVED BY THE  
10 PROGRAM DURING THE SCHOOL YEAR THAT BEGINS ONE YEAR AFTER THE  
11 EFFECTIVE DATE OF THIS ARTICLE AND EACH YEAR THEREAFTER.

12 (3) THE NUMBER OF EXTENDED DAY PROGRAMS AND THE NUMBER  
13 OF ELIGIBLE CHILDREN ENROLLED IN EXTENDED DAY PROGRAMS AS OF  
14 THE EFFECTIVE DATE OF THIS ARTICLE.

15 (4) THE NUMBER OF EXTENDED DAY PROGRAMS AND THE NUMBER  
16 OF ELIGIBLE CHILDREN ENROLLED IN EXTENDED DAY PROGRAMS DURING  
17 THE SCHOOL YEAR THAT BEGINS ONE YEAR AFTER THE EFFECTIVE DATE  
18 OF THIS ARTICLE AND EACH YEAR THEREAFTER.

19 (5) A SUMMARY OF THE TYPES OF ACTIVITIES FUNDED UNDER  
20 THE PROGRAM.

21 SECTION 1505-D. HEAD START EXPANSION.

22 (A) GENERAL RULE.--THE DEPARTMENT OF PUBLIC WELFARE SHALL,  
23 WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE, PROMULGATE  
24 REGULATIONS NECESSARY TO ASSURE ELIGIBILITY FOR THE CHILD CARE  
25 SUBSIDY FOR CHILDREN ENROLLED IN HEAD START WHOSE PARENTS NEED  
26 EXTENDED HOURS OF HEAD START SERVICES IN ORDER TO WORK. DURING  
27 THE TIME PERIOD OF THE CHILD'S ENROLLMENT IN HEAD START, THE  
28 CHILD SHALL REMAIN ELIGIBLE FOR THE CHILD CARE SUBSIDY.  
29 REGULATIONS PROMULGATED UNDER THIS SECTION SHALL PERMIT THE USE  
30 OF CHILD CARE SUBSIDY FUNDS TO SUPPORT FULL-DAY FULL-YEAR

1 OPPORTUNITIES FOR HEAD START PARTICIPANTS.

2 (B) FINAL-OMITTED REGULATIONS.--THE DEPARTMENT OF PUBLIC  
3 WELFARE, IN ADOPTING SUCH REVISED REGULATIONS, SHALL FOLLOW THE  
4 PROCEDURES SET FORTH IN THE ACT OF JULY 31, 1968 (P.L.769,  
5 NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW, AND THE  
6 ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY  
7 REVIEW ACT, FOR THE PROMULGATION AND REVIEW OF FINAL-OMITTED  
8 REGULATIONS.

9 SECTION 1506-D. STANDARDS.

10 THE DEPARTMENT MAY PROMULGATE ANY STANDARDS NECESSARY TO  
11 ADMINISTER AND ENFORCE THIS ARTICLE.

12 SECTION 21. SECTION 1702-B OF THE ACT, ADDED MAY 10, 2000  
13 (P.L.44, NO.16), ARE AMENDED BY ADDING A DEFINITION TO READ:

14 SECTION 1702-B. DEFINITIONS.--FOR PURPOSES OF THIS ARTICLE,  
15 THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

16 \* \* \*

17 "HISTORY OF FINANCIAL DISTRESS." A SCHOOL DISTRICT FOR  
18 WHICH: THE MARKET VALUE/INCOME AID RATIO FOR THE SCHOOL YEAR OF  
19 PLACEMENT ON THE EDUCATION EMPOWERMENT LIST IS EQUAL TO OR  
20 GREATER THAN SIX-THOUSAND EIGHT HUNDRED SEVEN TEN THOUSANDTHS  
21 (0.6807); THE PERSONAL INCOME VALUATION FOR THE SCHOOL YEAR OF  
22 PLACEMENT ON THE EDUCATION EMPOWERMENT LIST WHEN DIVIDED BY THE  
23 SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP FOR THE SCHOOL YEAR  
24 PRIOR TO THE SCHOOL YEAR OF PLACEMENT ON THE EDUCATION  
25 EMPOWERMENT LIST IS LESS THAN OR EQUAL TO SIXTY THOUSAND DOLLARS  
26 (\$60,000); THE BASIC EDUCATION FUNDING ALLOCATION FOR THE SECOND  
27 SCHOOL YEAR PRIOR TO THE SCHOOL YEAR OF PLACEMENT ON THE  
28 EDUCATION EMPOWERMENT LIST WHEN DIVIDED BY THE ACTUAL  
29 INSTRUCTION EXPENSE FOR THE SECOND SCHOOL YEAR PRIOR TO THE  
30 SCHOOL YEAR OF PLACEMENT ON THE EDUCATION EMPOWERMENT LIST IS

1 EQUAL TO OR GREATER THAN SIXTY-FIVE HUNDREDTHS (0.65); AND THE  
2 AVERAGE DAILY MEMBERSHIP FOR THE SCHOOL YEAR PRIOR TO THE SCHOOL  
3 YEAR OF PLACEMENT ON THE EDUCATION EMPOWERMENT LIST IS EQUAL TO  
4 OR GREATER THAN FIVE THOUSAND (5,000).

5 \* \* \*

6 SECTION 22. SECTION 1703-B(A) AND (E) OF THE ACT, AMENDED  
7 NOVEMBER 22, 2000 (P.L.672, NO.91), ARE AMENDED AND THE SECTION  
8 IS AMENDED BY ADDING A SUBSECTION TO READ:

9 SECTION 1703-B. EDUCATION EMPOWERMENT LIST.--(A) THE  
10 DEPARTMENT SHALL PLACE A SCHOOL DISTRICT THAT HAS A HISTORY OF  
11 LOW TEST PERFORMANCE OR A HISTORY OF FINANCIAL DISTRESS ON AN  
12 EDUCATION EMPOWERMENT LIST. THE DEPARTMENT SHALL IMMEDIATELY  
13 NOTIFY THE SCHOOL DISTRICT OF ITS PLACEMENT ON THE EDUCATION  
14 EMPOWERMENT LIST AND SHALL PUBLISH THE LIST IN THE PENNSYLVANIA  
15 BULLETIN. A SCHOOL DISTRICT MAY PETITION THE DEPARTMENT TO  
16 EXCLUDE FROM ITS CALCULATION UNDER THIS SUBSECTION OR SECTION  
17 1707-B(A.1) THE PSSA TEST SCORE OF ANY STUDENT WHO WAS ENROLLED  
18 IN THE DISTRICT FOR LESS THAN NINETY (90) INSTRUCTIONAL DAYS OF  
19 THE SCHOOL YEAR IN WHICH THE TEST WAS ADMINISTERED.

20 \* \* \*

21 (E) [THE] WHERE A SCHOOL DISTRICT HAS BEEN PLACED ON THE  
22 EDUCATION EMPOWERMENT LIST DUE TO A HISTORY OF LOW OR  
23 EXTRAORDINARILY LOW TEST PERFORMANCE, THE SCHOOL DISTRICT  
24 IMPROVEMENT PLAN DEVELOPED PURSUANT TO SUBSECTION (C) SHALL GIVE  
25 PRIORITY CONSIDERATION TO IMPROVEMENT OF SCHOOLS IDENTIFIED  
26 PURSUANT TO SUBSECTION (B) AND SHALL SET FORTH SPECIFIC METHODS  
27 AND GOALS FOR IMPROVING THE EDUCATIONAL PERFORMANCE OF EACH  
28 DISTRICT SCHOOL AND THE SCHOOL DISTRICT THAT INCLUDE ALL OF THE  
29 FOLLOWING:

30 (1) IDENTIFICATION OF DISTRICTWIDE ACADEMIC STANDARDS, WHICH

1 MEET OR EXCEED THE ACADEMIC STANDARDS UNDER 22 PA. CODE CH. 4  
2 (RELATING TO ACADEMIC STANDARDS AND ASSESSMENT).

3 (2) PERFORMANCE GOALS, BENCHMARKS AND TIMETABLES TO IMPROVE  
4 ACADEMIC PERFORMANCE FOR THE SCHOOL DISTRICT AND EACH SCHOOL IN  
5 THE SCHOOL DISTRICT THAT WILL ENABLE THE SCHOOL DISTRICT TO BE  
6 REMOVED FROM THE EDUCATION EMPOWERMENT LIST.

7 (3) REVISIONS TO THE CURRICULUM, INSTRUCTIONAL PRACTICES AND  
8 PROGRAMMING THAT WILL ENABLE STUDENTS TO ATTAIN THE ACADEMIC  
9 STANDARDS UNDER PARAGRAPH (1).

10 (4) A SYSTEM OF ASSESSMENTS TO MEASURE THE PERFORMANCE OF  
11 THE SCHOOL DISTRICT, EACH SCHOOL IN THE SCHOOL DISTRICT AND  
12 STUDENTS IN MEETING THE ACADEMIC STANDARDS UNDER PARAGRAPH (1).

13 (5) A SYSTEM OF ACADEMIC ACCOUNTABILITY THAT PROVIDES FOR  
14 SPECIFIC CONSEQUENCES FOR STUDENTS, EACH SCHOOL IN THE SCHOOL  
15 DISTRICT AND ADMINISTRATORS FOR ATTAINING OR FAILING TO ATTAIN  
16 LEVELS OF ACADEMIC PERFORMANCE SET FORTH IN THE SCHOOL DISTRICT  
17 IMPROVEMENT PLAN.

18 (6) SPECIFIC PROCEDURES TO INFORM PARENTS OR GUARDIANS AND  
19 THE COMMUNITY OF THE PERFORMANCE OF EACH SCHOOL IN THE SCHOOL  
20 DISTRICT AND TO INCREASE THEIR PARTICIPATION.

21 (7) SPECIFIC POLICIES AND PROCEDURES TO INCREASE THE  
22 AUTHORITY TO INDIVIDUAL SCHOOLS AND RESPONSIBILITY FOR  
23 PERFORMANCE OF INDIVIDUAL SCHOOLS, INCLUDING GRANTING INDIVIDUAL  
24 SCHOOLS GREATER CONTROL OF THEIR PERSONNEL, BUDGET AND  
25 EDUCATIONAL PROGRAM.

26 (8) A SYSTEM OF SCHOOL SELECTION THAT TO THE GREATEST EXTENT  
27 POSSIBLE ALLOWS PARENTS TO CHOOSE THE PUBLIC SCHOOL IN THE  
28 DISTRICT THEIR CHILD CAN ATTEND.

29 (9) PROFESSIONAL DEVELOPMENT ACTIVITIES AND PROGRAMS THAT  
30 WILL ASSIST TEACHERS AND ADMINISTRATORS IN ENABLING STUDENTS TO

1 ATTAIN ACADEMIC STANDARDS.

2 (10) POLICIES AND PROCEDURES TO ASSURE A SAFE AND SECURE  
3 ENVIRONMENT IN SCHOOLS IN THE DISTRICT.

4 (E.1) WHERE A SCHOOL DISTRICT HAS BEEN PLACED ON THE  
5 EDUCATION EMPOWERMENT LIST DUE TO A HISTORY OF FINANCIAL  
6 DISTRESS, THE SCHOOL DISTRICT IMPROVEMENT PLAN DEVELOPED  
7 PURSUANT TO SUBSECTION (C) SHALL GIVE PRIORITY CONSIDERATION TO  
8 AND SET FORTH SPECIFIC METHODS AND GOALS FOR IMPROVING THE  
9 FINANCIAL STABILITY OF THE SCHOOL DISTRICT.

10 \* \* \*

11 SECTION 23. SECTION 1704-B OF THE ACT, AMENDED OR ADDED MAY  
12 10, 2000 (P.L.44, NO.16) AND JUNE 22, 2001 (P.L.530, NO.35), IS  
13 AMENDED TO READ:

14 SECTION 1704-B. BOARD OF SCHOOL DIRECTORS.--(A) THE BOARD  
15 OF SCHOOL DIRECTORS SHALL IMPLEMENT THE SCHOOL DISTRICT  
16 IMPROVEMENT PLAN. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO  
17 THE CONTRARY, THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT  
18 ON THE EDUCATION EMPOWERMENT LIST DUE TO A HISTORY OF LOW OR  
19 EXTRAORDINARILY LOW TEST PERFORMANCE MAY DO ANY OF THE FOLLOWING  
20 CONSISTENT WITH THE SCHOOL DISTRICT IMPROVEMENT PLAN:

21 (1) ESTABLISH ANY SCHOOL AS A CHARTER SCHOOL UNDER SECTION  
22 1708-B.

23 (2) DESIGNATE ANY SCHOOL OF THE DISTRICT AS AN INDEPENDENT  
24 SCHOOL OPERATING UNDER AN AGREEMENT WITH THE BOARD OF SCHOOL  
25 DIRECTORS, GRANTING OPERATIONAL CONTROL TO THE GOVERNING BODY OF  
26 THE INDEPENDENT SCHOOL. THE GOVERNING BODY OF THE INDEPENDENT  
27 SCHOOL, INCLUDING ITS MEMBERSHIP AND SELECTION PROCESS, SHALL BE  
28 ESTABLISHED BY THE BOARD OF SCHOOL DIRECTORS. THE GOVERNING BODY  
29 SHALL INCLUDE REPRESENTATIVES OF PARENTS AND TEACHERS. A SCHOOL  
30 DESIGNATED AS INDEPENDENT UNDER THIS PARAGRAPH SHALL HAVE THE

1 AUTHORITY TO DECIDE ALL MATTERS RELATED TO THE OPERATION OF THE  
2 SCHOOL, INCLUDING THE EXERCISE OF POWERS PROVIDED UNDER THIS  
3 ARTICLE. THE AGREEMENT BETWEEN THE BOARD OF SCHOOL DIRECTORS AND  
4 THE INDEPENDENT SCHOOL SHALL DO THE FOLLOWING, CONSISTENT WITH  
5 THE SCHOOL DISTRICT IMPROVEMENT PLAN:

6 (I) DESCRIBE THE GOVERNANCE STRUCTURE OF THE INDEPENDENT  
7 SCHOOL, INCLUDING THE METHOD FOR THE SELECTION OF MEMBERS TO THE  
8 GOVERNING BODY.

9 (II) PRESCRIBE THE EDUCATIONAL GOALS AND MISSION OF THE  
10 INDEPENDENT SCHOOL AND THE CURRICULUM TO BE OFFERED.

11 (III) DESCRIBE THE ACADEMIC, FISCAL AND OTHER GOALS AND  
12 OBJECTIVES FOR WHICH THE INDEPENDENT SCHOOL WILL BE HELD  
13 ACCOUNTABLE AND THE EVALUATION CRITERIA AND PROCEDURES THAT WILL  
14 BE EMPLOYED TO DETERMINE WHETHER THE SCHOOL IS MEETING ITS GOALS  
15 AND OBJECTIVES.

16 (IV) GRANT THE INDEPENDENT SCHOOL ALLOCATION OF AND CONTROL  
17 OVER ITS FUNDING AND BUDGET. THE INDEPENDENT SCHOOL'S FUNDING  
18 SHALL BE DETERMINED BY THE AGREEMENT.

19 (V) GRANT THE INDEPENDENT SCHOOL CONTROL OF THE EDUCATIONAL  
20 PROGRAM AND CURRICULUM.

21 (VI) PRESCRIBE THE AUTHORITY OF THE INDEPENDENT SCHOOL TO  
22 ESTABLISH WORKING CONDITIONS, SELECT AND ASSIGN PROFESSIONAL AND  
23 NONPROFESSIONAL EMPLOYEES, ESTABLISH NONTEACHING DUTIES, EXTEND  
24 THE LENGTH OF THE SCHOOL YEAR AND SCHEDULE OF THE SCHOOL DAY,  
25 INCLUDING HOLDING CLASS AFTER REGULAR HOURS.

26 (VII) DEFINE THE TERMS UNDER WHICH THE AGREEMENT MAY BE  
27 TERMINATED, EXTENDED OR RENEWED.

28 (3) EMPLOY PROFESSIONAL STAFF IN ACCORDANCE WITH SECTION  
29 1724-A AS IT PERTAINS TO CERTIFICATION.

30 (4) ENTER INTO CONTRACTS WITH AN INDIVIDUAL OR A FOR-PROFIT

1 OR NONPROFIT ORGANIZATION, WHICH SHALL BE AUTHORIZED TO OPERATE  
2 A SCHOOL AND EMPLOY ITS OWN STAFF TO PROVIDE EDUCATIONAL  
3 SERVICES.

4 (5) RECONSTITUTE A SCHOOL.

5 (6) NOTWITHSTANDING SECTION 1125.1, REASSIGN, SUSPEND OR  
6 DISMISS A PROFESSIONAL EMPLOYEE.

7 (7) SUPERVISE AND DIRECT PRINCIPALS, TEACHERS AND  
8 ADMINISTRATORS.

9 (8) RESCIND WITHOUT PENALTY THE CONTRACT OF THE  
10 SUPERINTENDENT AND OTHER ADMINISTRATIVE PERSONNEL ENTERED INTO  
11 AFTER THE EFFECTIVE DATE OF THIS ARTICLE.

12 (9) REALLOCATE RESOURCES, AMEND SCHOOL PROCEDURES, DEVELOP  
13 ACHIEVEMENT PLANS AND IMPLEMENT TESTING OR OTHER EVALUATION  
14 PROCEDURES FOR EDUCATIONAL PURPOSES.

15 (B) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT ON  
16 THE EDUCATION EMPOWERMENT LIST SHALL SUBMIT AN ANNUAL REPORT TO  
17 THE DEPARTMENT THAT INCLUDES A LIST OF ALL CONTRACTS ENTERED  
18 INTO BY THE BOARD AND ANY OTHER INFORMATION RELATING TO THE  
19 IMPLEMENTATION OF THIS SECTION AS REQUIRED BY DEPARTMENT  
20 GUIDELINES.

21 SECTION 24. SECTION 1705-B(H)(4) OF THE ACT, AMENDED  
22 DECEMBER 9, 2002 (P.L.1472, NO.187), IS AMENDED TO READ:

23 SECTION 1705-B. EDUCATION EMPOWERMENT DISTRICTS.--\* \* \*

24 (H) \* \* \*

25 (4) THE DEPARTMENT MAY UTILIZE UP TO \$2,000,000 OF  
26 UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR COMMITTED FROM  
27 APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT  
28 TO ASSIST SCHOOL DISTRICTS CERTIFIED AS AN EDUCATION EMPOWERMENT  
29 DISTRICT UNDER PARAGRAPH (3). THERE IS HEREBY ESTABLISHED A  
30 RESTRICTED ACCOUNT FROM WHICH PAYMENTS UNDER THIS PARAGRAPH

1 SHALL BE PAID. FUNDS SHALL BE TRANSFERRED BY THE SECRETARY OF  
2 THE BUDGET TO THE RESTRICTED ACCOUNT TO THE EXTENT NECESSARY TO  
3 MAKE PAYMENTS UNDER THIS PARAGRAPH. FUNDS IN THE RESTRICTED  
4 ACCOUNT ARE HEREBY APPROPRIATED TO CARRY OUT THE PURPOSES OF  
5 THIS PARAGRAPH. THE SUBSIDY PAYMENT FROM THIS ACCOUNT SHALL BE  
6 UTILIZED TO SUPPLEMENT THE OPERATIONAL BUDGET OF THE ELIGIBLE  
7 SCHOOL DISTRICTS. THIS PARAGRAPH SHALL APPLY TO FISCAL YEARS  
8 2000-2001, 2001-2002 [AND] 2002-2003 AND 2003-2004 AND SHALL  
9 EXPIRE JUNE 30, [2003] 2004.

10 SECTION 25. SECTIONS 1709-B AND 1714-B(G) OF THE ACT, ADDED  
11 MAY 10, 2000 (P.L.44, NO.16), ARE AMENDED TO READ:

12 SECTION 1709-B. SCHOOL IMPROVEMENT GRANTS.--(A) THE  
13 DEPARTMENT SHALL ESTABLISH A PROGRAM OF ANNUAL SCHOOL  
14 IMPROVEMENT GRANTS FOR SCHOOL DISTRICTS ON THE EDUCATION  
15 EMPOWERMENT LIST OR CERTIFIED AS AN EDUCATION EMPOWERMENT  
16 DISTRICT TO ASSIST IN THE IMPLEMENTATION OF THEIR SCHOOL  
17 DISTRICT IMPROVEMENT PLANS.

18 (B) GRANTS SHALL BE LIMITED TO THE AMOUNT APPROPRIATED FOR  
19 THAT PURPOSE.

20 (C) [GRANTS] WHERE THE SCHOOL DISTRICT IS ON THE EDUCATION  
21 EMPOWERMENT LIST OR IS CERTIFIED AS AN EDUCATION EMPOWERMENT  
22 DISTRICT DUE TO A HISTORY OF LOW OR EXTRAORDINARILY LOW TEST  
23 PERFORMANCE, GRANTS SHALL BE PROVIDED ANNUALLY TO THE SCHOOL  
24 DISTRICT FOR USE AS DIRECTED BY THE SCHOOL DISTRICT EMPOWERMENT  
25 TEAM OR THE BOARD OF CONTROL IN IMPLEMENTING THE SCHOOL DISTRICT  
26 IMPROVEMENT PLAN DEVELOPED PURSUANT TO SECTIONS 1703-B AND 1706-  
27 B AS FOLLOWS:

28 (1) TO PURCHASE INSTRUCTIONAL MATERIALS, INCLUDING  
29 TEXTBOOKS, TECHNOLOGY AND RELATED EDUCATIONAL MATERIALS AND  
30 SUPPLIES.

1 (2) TO REDUCE CLASS SIZE IN KINDERGARTEN THROUGH GRADE  
2 THREE.

3 (3) TO ESTABLISH AFTER-SCHOOL, SUMMER AND WEEKEND PROGRAMS.

4 (4) TO ESTABLISH OR EXPAND FULL-DAY KINDERGARTEN PROGRAM.

5 (5) TO FUND CURRICULUM DEVELOPMENT.

6 (6) TO FUND ENHANCED STAFF PROFESSIONAL DEVELOPMENT.

7 (7) TO FUND ANY OTHER PROGRAM CONTAINED IN THE SCHOOL  
8 DISTRICT IMPROVEMENT PLAN.

9 (C.1) WHERE THE SCHOOL DISTRICT IS ON THE EDUCATION  
10 EMPOWERMENT LIST DUE TO A HISTORY OF FINANCIAL DISTRESS, GRANTS  
11 SHALL BE PROVIDED ANNUALLY TO THE SCHOOL DISTRICT FOR USE AS  
12 DIRECTED BY THE SCHOOL DISTRICT EMPOWERMENT TEAM IN IMPLEMENTING  
13 THE SCHOOL DISTRICT IMPROVEMENT PLAN DEVELOPED PURSUANT TO  
14 SECTION 1703-B.

15 (D) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, EACH  
16 QUALIFYING SCHOOL DISTRICT SHALL RECEIVE A BASE ANNUAL GRANT OF  
17 FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000) AND AN ADDITIONAL  
18 GRANT OF UP TO SEVENTY-FIVE DOLLARS (\$75) PER AVERAGE DAILY  
19 MEMBERSHIP FOR THE PRIOR SCHOOL YEAR OF THE SCHOOL DISTRICT. THE  
20 SCHOOL DISTRICT OR THE BOARD OF CONTROL SHALL GIVE PRIORITY IN  
21 ALLOCATING THE GRANT FUNDING RECEIVED UNDER THIS SECTION TO THE  
22 INDIVIDUAL SCHOOLS IDENTIFIED PURSUANT TO SECTIONS 1703-B(B) AND  
23 1706-B(B).

24 (E) THE DEPARTMENT SHALL SET FORTH THE SPECIFIC ALLOWABLE  
25 USES FOR GRANT FUNDS AND PLACE CONDITIONS, AS NECESSARY, ON THE  
26 USE OF GRANT FUNDS. THE DEPARTMENT SHALL ESTABLISH  
27 ACCOUNTABILITY PROCEDURES AND AUDITING GUIDELINES TO ENSURE THAT  
28 GRANT FUNDS ARE UTILIZED IN ACCORDANCE WITH THE ALLOWABLE USES  
29 AND CONDITIONS.

30 (F) A SCHOOL DISTRICT RECEIVING A GRANT UNDER THIS SECTION

1 SHALL BE REQUIRED TO MAINTAIN SEPARATE ACCOUNTS IN THAT SCHOOL  
2 DISTRICT'S BUDGET TO FACILITATE MONITORING THE USE OF THESE  
3 GRANT FUNDS. IN NO CASE SHALL A SCHOOL DISTRICT USE MORE THAN  
4 FIVE PER CENTUM OF THE GRANT FUNDS FOR ADMINISTRATIVE COSTS.

5 (G) THE DEPARTMENT SHALL REDUCE THE AMOUNT OF A STATE  
6 SUBSIDY PAYMENT TO A SCHOOL DISTRICT BY THE AMOUNT OF ANY GRANT  
7 FUNDS PROVIDED UNDER THIS SECTION IF THE SCHOOL DISTRICT DOES  
8 NOT USE THE GRANT FUNDS IN ACCORDANCE WITH THE ALLOWABLE USES  
9 AND CONDITIONS SET FORTH BY THE DEPARTMENT.

10 SECTION 1714-B. MANDATE WAIVER PROGRAM.--\* \* \*

11 (G) THE FOLLOWING PROVISIONS OF THIS ACT SHALL NOT BE  
12 SUBJECT TO WAIVER PURSUANT TO THIS SECTION: SECTIONS 108, 110,  
13 111, 321, 322, 323, 324, 325, 326, 327, 431, 436, 437, 440.1,  
14 443, 510, 513, 518, 527, 688, 701.1, 708, 736, 737, 738, 739,  
15 740, 741, 752, 753, 755, 771, 776, 777, 808, 809, 810, 1303(A),  
16 1310, 1317, 1317.1, 1317.2, 1318, 1327, 1327.1, 1330, 1332,  
17 1361, 1366, 1501, 1502, 1513, 1517, 1518, 1521, 1523, 1546 AND  
18 1547; PROVISIONS PROHIBITING DISCRIMINATION; ARTICLES VI, XI,  
19 XI-A, XII, XIII-A, XIV AND XVII-A AND THIS ARTICLE.

20 \* \* \*

21 SECTION 26. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

22 SECTION 1714.1-B. LIMITATION.--NOTWITHSTANDING ANY OTHER  
23 PROVISION OF THIS ARTICLE, NO SCHOOL DISTRICT SHALL BE PLACED ON  
24 THE EDUCATION EMPOWERMENT LIST UNDER SECTION 1703-B OR CERTIFIED  
25 AS AN EDUCATION EMPOWERMENT DISTRICT UNDER SECTION 1705-B OR  
26 1707-B ON OR AFTER JULY 1, 2004.

27 SECTION 27. SECTION 2001-A OF THE ACT IS AMENDED BY ADDING  
28 CLAUSES TO READ:

29 SECTION 2001-A. DEFINITIONS.--THE FOLLOWING WORDS AND  
30 PHRASES WHEN USED IN THIS ARTICLE SHALL, FOR THE PURPOSE OF THIS

1 ARTICLE, HAVE THE FOLLOWING MEANINGS, RESPECTIVELY, EXCEPT IN  
2 THOSE INSTANCES WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT  
3 MEANING:

4 \* \* \*

5 (20) "CAMPUS POLICE" SHALL MEAN ALL LAW ENFORCEMENT  
6 PERSONNEL EMPLOYED BY THE SYSTEM WHO HAVE SUCCESSFULLY COMPLETED  
7 A CAMPUS POLICE COURSE OF TRAINING APPROVED UNDER 53 PA.C.S. CH.  
8 21 SUBCH. D (RELATING TO MUNICIPAL POLICE EDUCATION AND  
9 TRAINING).

10 (21) "GROUNDS" SHALL MEAN ALL LANDS AND BUILDINGS OWNED,  
11 CONTROLLED, LEASED OR MANAGED BY THE SYSTEM.

12 SECTION 28. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

13 SECTION 2019-A. CAMPUS POLICE POWERS AND DUTIES.--(A)  
14 CAMPUS POLICE OF AN INSTITUTION SHALL HAVE THE POWER AND THEIR  
15 DUTY SHALL BE:

16 (1) TO ENFORCE GOOD ORDER ON THE GROUNDS AND IN THE  
17 BUILDINGS OF THE INSTITUTION;

18 (2) TO PROTECT THE GROUNDS AND BUILDINGS OF THE INSTITUTION;

19 (3) TO EXCLUDE ALL DISORDERLY PERSONS FROM THE GROUNDS AND  
20 BUILDINGS OF THE INSTITUTION;

21 (4) TO ADOPT MEANS NECESSARY FOR THE PERFORMANCE OF THEIR  
22 DUTIES;

23 (5) TO EXERCISE THE SAME POWERS AS ARE NOW OR MAY HEREAFTER  
24 BE EXERCISED UNDER AUTHORITY OF LAW OR ORDINANCE BY THE POLICE  
25 OF THE MUNICIPALITIES WHEREIN THE INSTITUTION IS LOCATED,  
26 INCLUDING, BUT NOT LIMITED TO, THOSE POWERS CONFERRED PURSUANT  
27 TO 42 PA.C.S. CH. 89 SUBCH. D (RELATING TO MUNICIPAL POLICE  
28 JURISDICTION);

29 (6) TO PREVENT CRIME, INVESTIGATE CRIMINAL ACTS, APPREHEND,  
30 ARREST AND CHARGE CRIMINAL OFFENDERS AND ISSUE SUMMARY CITATIONS

1 FOR ACTS COMMITTED ON THE GROUNDS OF THE INSTITUTION AND CARRY  
2 THE CRIMINAL OFFENDERS BEFORE THE PROPER DISTRICT JUSTICE AND  
3 PREFER CHARGES AGAINST THEM UNDER THE LAWS OF THIS COMMONWEALTH.  
4 EXCEPT WHEN ACTING PURSUANT TO 42 PA.C.S. CH. 89 SUBCH. D,  
5 CAMPUS POLICE SHALL EXERCISE THESE POWERS AND PERFORM THESE  
6 DUTIES ONLY ON THE GROUNDS OF THE INSTITUTION. FOR THE PURPOSES  
7 OF APPLYING THE PROVISIONS OF 42 PA.C.S. CH. 89 SUBCH. D, THE  
8 GROUNDS OF THE INSTITUTION SHALL CONSTITUTE THE PRIMARY  
9 JURISDICTION OF THE CAMPUS POLICE.

10 (7) TO ORDER OFF THE GROUNDS AND OUT OF THE BUILDINGS OF THE  
11 INSTITUTION ALL TRESPASSERS AND PERSONS UNDER THE INFLUENCE OF  
12 ALCOHOL OR CONTROLLED SUBSTANCES AND, IF NECESSARY, REMOVE THEM  
13 BY FORCE AND, IN CASE OF RESISTANCE, CARRY THEM BEFORE A  
14 DISTRICT JUSTICE; AND

15 (8) TO ARREST ANY PERSON WHO DAMAGES, MUTILATES OR DESTROYS  
16 THE PROPERTY OF THE INSTITUTION OR COMMITS ANY OTHER OFFENSE,  
17 INCLUDING THREATS OR ACTS OF TERRORISM, ON THE GROUNDS AND IN  
18 THE BUILDINGS OF THE INSTITUTION AND CARRY THAT PERSON BEFORE  
19 THE PROPER DISTRICT JUSTICE AND PREFER CHARGES AGAINST THAT  
20 PERSON UNDER THE LAWS OF THIS COMMONWEALTH.

21 (B) AN INSTITUTION IS AUTHORIZED TO ENTER INTO AN AGREEMENT  
22 WITH THE MUNICIPALITIES OVERLAIN BY OR ABUTTING ITS CAMPUS TO  
23 EXERCISE CONCURRENTLY THOSE POWERS AND TO PERFORM THOSE DUTIES  
24 CONFERRED PURSUANT TO A COOPERATIVE POLICE SERVICE AGREEMENT IN  
25 ACCORDANCE WITH 42 PA.C.S. § 8953 (RELATING TO STATEWIDE  
26 MUNICIPAL POLICE JURISDICTION). WHEN SO ACTING, THE CAMPUS  
27 POLICE OF THE INSTITUTION SHALL HAVE THE SAME POWERS, IMMUNITIES  
28 AND BENEFITS GRANTED TO POLICE OFFICERS IN 42 PA.C.S. CH. 89  
29 SUBCH. D. ALL SUCH AGREEMENTS SHALL BE CONSISTENT WITH THE  
30 MISSION AND PURPOSE OF THE SYSTEM.

1        (C) WHEN ACTING WITHIN THE SCOPE OF THE AUTHORITY OF THIS  
2 SECTION, CAMPUS POLICE ARE AT ALL TIMES EMPLOYES OF THE  
3 INSTITUTION AND SHALL BE ENTITLED TO ALL OF THE RIGHTS ACCRUING  
4 THEREFROM.

5        SECTION 29. SECTIONS 2002-B, 2003-B, 2004-B, 2005-B, 2006-B  
6 AND 2007-B OF THE ACT, ADDED MAY 17, 2001 (P.L.4, NO.4), ARE  
7 AMENDED TO READ:

8 SECTION 2002-B. DEFINITIONS.

9        THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
10 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
11 CONTEXT CLEARLY INDICATES OTHERWISE:

12        "BUSINESS FIRM." AN ENTITY AUTHORIZED TO DO BUSINESS IN THIS  
13 COMMONWEALTH AND SUBJECT TO TAXES IMPOSED UNDER ARTICLE IV, VI,  
14 VII, VII-A, VIII, VIII-A, IX OR XV OF THE ACT OF MARCH 4, 1971  
15 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

16        "CONTRIBUTION." A DONATION OF CASH, PERSONAL PROPERTY OR  
17 SERVICES THE VALUE OF WHICH IS THE NET COST OF THE DONATION TO  
18 THE DONOR OR THE PRO RATA HOURLY WAGE, INCLUDING BENEFITS, OF  
19 THE INDIVIDUAL PERFORMING THE SERVICES.

20        "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
21 DEVELOPMENT OF THE COMMONWEALTH.

22        "EDUCATIONAL IMPROVEMENT ORGANIZATION." A NONPROFIT ENTITY  
23 WHICH:

24            (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION  
25 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW  
26 99-514, 26 U.S.C. § 1 ET SEQ.); AND

27            (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL RECEIPTS AS  
28 GRANTS TO A PUBLIC SCHOOL FOR INNOVATIVE EDUCATIONAL  
29 PROGRAMS.

30 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY

1 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS WHEN IT EXPENDS OR  
2 OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS FOR EXPENDITURE  
3 DURING THE THEN CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR  
4 DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.

5 "ELIGIBLE PRE-KINDERGARTEN STUDENT." A STUDENT WHO IS  
6 ENROLLED IN A PRE-KINDERGARTEN PROGRAM AND IS A MEMBER OF A  
7 HOUSEHOLD WITH AN ANNUAL HOUSEHOLD INCOME OF NOT MORE THAN  
8 \$50,000. AN INCOME ALLOWANCE OF \$10,000 SHALL BE ALLOWED FOR  
9 EACH ELIGIBLE STUDENT AND DEPENDENT MEMBER OF THE HOUSEHOLD.

10 "ELIGIBLE STUDENT." A SCHOOL-AGE STUDENT WHO IS ENROLLED IN  
11 A SCHOOL AND IS A MEMBER OF A HOUSEHOLD WITH AN ANNUAL HOUSEHOLD  
12 INCOME OF NOT MORE THAN \$50,000. AN INCOME ALLOWANCE OF \$10,000  
13 SHALL BE ALLOWED FOR EACH ELIGIBLE STUDENT AND DEPENDENT MEMBER  
14 OF THE HOUSEHOLD.

15 "HOUSEHOLD." AN INDIVIDUAL LIVING ALONE OR WITH THE  
16 FOLLOWING: A SPOUSE, PARENT AND THEIR UNEMANCIPATED MINOR  
17 CHILDREN; AND OTHER UNEMANCIPATED MINOR CHILDREN WHO ARE RELATED  
18 BY BLOOD OR MARRIAGE; OR OTHER ADULTS OR UNEMANCIPATED MINOR  
19 CHILDREN LIVING IN THE HOUSEHOLD WHO ARE DEPENDENT UPON THE  
20 INDIVIDUAL.

21 "HOUSEHOLD INCOME." ALL MONEYS OR PROPERTY RECEIVED OF  
22 WHATEVER NATURE AND FROM WHATEVER SOURCE DERIVED. THE TERM DOES  
23 NOT INCLUDE THE FOLLOWING:

24 (1) PERIODIC PAYMENTS FOR SICKNESS AND DISABILITY OTHER  
25 THAN REGULAR WAGES RECEIVED DURING A PERIOD OF SICKNESS OR  
26 DISABILITY.

27 (2) DISABILITY, RETIREMENT OR OTHER PAYMENTS ARISING  
28 UNDER WORKERS' COMPENSATION ACTS, OCCUPATIONAL DISEASE ACTS  
29 AND SIMILAR LEGISLATION BY ANY GOVERNMENT.

30 (3) PAYMENTS COMMONLY RECOGNIZED AS OLD-AGE OR

1 RETIREMENT BENEFITS PAID TO PERSONS RETIRED FROM SERVICE  
2 AFTER REACHING A SPECIFIC AGE OR AFTER A STATED PERIOD OF  
3 EMPLOYMENT.

4 (4) PAYMENTS COMMONLY KNOWN AS PUBLIC ASSISTANCE OR  
5 UNEMPLOYMENT COMPENSATION PAYMENTS BY A GOVERNMENTAL AGENCY.

6 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

7 (6) PAYMENTS MADE BY EMPLOYERS OR LABOR UNIONS FOR  
8 PROGRAMS COVERING HOSPITALIZATION, SICKNESS, DISABILITY OR  
9 DEATH, SUPPLEMENTAL UNEMPLOYMENT BENEFITS, STRIKE BENEFITS,  
10 SOCIAL SECURITY AND RETIREMENT.

11 (7) COMPENSATION RECEIVED BY UNITED STATES SERVICEMEN  
12 SERVING IN A COMBAT ZONE.

13 "INNOVATIVE EDUCATIONAL PROGRAM." AN ADVANCED ACADEMIC OR  
14 SIMILAR PROGRAM THAT IS NOT PART OF THE REGULAR ACADEMIC PROGRAM  
15 OF A PUBLIC SCHOOL BUT THAT ENHANCES THE CURRICULUM OR ACADEMIC  
16 PROGRAM OF THE PUBLIC SCHOOL.

17 "PRE-KINDERGARTEN PROGRAM." A PROGRAM OF INSTRUCTION FOR  
18 THREE-YEAR OLD OR FOUR-YEAR OLD STUDENTS THAT UTILIZES A  
19 CURRICULUM ALIGNED WITH THE CURRICULUM OF THE SCHOOL WITH WHICH  
20 IT IS AFFILIATED, AND WHICH PROVIDES A MINIMUM OF TWO HOURS OF  
21 INSTRUCTIONAL AND DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 60  
22 DAYS PER SCHOOL YEAR.

23 "PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION." A NONPROFIT  
24 ENTITY WHICH:

25 (1) EITHER IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION  
26 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW  
27 99-514, 26 U.S.C. § 1 ET SEQ.), OR IS OPERATED AS A SEPARATE  
28 SEGREGATED FUND BY A SCHOLARSHIP ORGANIZATION THAT HAS BEEN  
29 QUALIFIED UNDER SECTION 2003-B; AND

30 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS

1 TO A PRE-KINDERGARTEN SCHOLARSHIP PROGRAM BY EXPENDING OR  
2 OTHERWISE IRREVOCABLY ENCUMBERING THOSE FUNDS FOR  
3 DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE  
4 ORGANIZATION OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE  
5 ORGANIZATION.

6 "PRE-KINDERGARTEN SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE  
7 TUITION TO ELIGIBLE PRE-KINDERGARTEN STUDENTS TO ATTEND A PRE-  
8 KINDERGARTEN PROGRAM OPERATED BY OR IN CONJUNCTION WITH A SCHOOL  
9 LOCATED IN THIS COMMONWEALTH AND THAT INCLUDES AN APPLICATION  
10 AND REVIEW PROCESS FOR THE PURPOSE OF MAKING AWARDS TO ELIGIBLE  
11 PRE-KINDERGARTEN STUDENTS AND AWARDS SCHOLARSHIPS TO ELIGIBLE  
12 PRE-KINDERGARTEN STUDENTS WITHOUT LIMITING AVAILABILITY TO ONLY  
13 STUDENTS OF ONE SCHOOL.

14 "PUBLIC SCHOOL." A PUBLIC KINDERGARTEN, ELEMENTARY SCHOOL OR  
15 SECONDARY SCHOOL AT WHICH THE COMPULSORY ATTENDANCE REQUIREMENTS  
16 OF THIS COMMONWEALTH MAY BE MET AND WHICH MEETS THE APPLICABLE  
17 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC  
18 LAW 88-352, 78 STAT. 241).

19 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

20 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION  
21 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW  
22 99-514, 26 U.S.C. § 1 ET SEQ.); AND

23 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS  
24 TO A SCHOLARSHIP PROGRAM.

25 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY  
26 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS TO A SCHOLARSHIP PROGRAM  
27 WHEN IT EXPENDS OR OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS  
28 FOR DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE  
29 NONPROFIT ENTITY OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF  
30 THE NONPROFIT ENTITY.

1 "SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE TUITION TO  
2 ELIGIBLE STUDENTS TO ATTEND A SCHOOL LOCATED IN THIS  
3 COMMONWEALTH. A SCHOLARSHIP PROGRAM MUST INCLUDE AN APPLICATION  
4 AND REVIEW PROCESS FOR THE PURPOSE OF MAKING AWARDS TO ELIGIBLE  
5 STUDENTS. THE AWARD OF SCHOLARSHIPS TO ELIGIBLE STUDENTS SHALL  
6 BE MADE WITHOUT LIMITING AVAILABILITY TO ONLY STUDENTS OF ONE  
7 SCHOOL.

8 "SCHOOL." A PUBLIC OR NONPUBLIC KINDERGARTEN, ELEMENTARY  
9 SCHOOL OR SECONDARY SCHOOL AT WHICH THE COMPULSORY ATTENDANCE  
10 REQUIREMENTS OF THE COMMONWEALTH MAY BE MET AND WHICH MEETS THE  
11 APPLICABLE REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF  
12 1964 (PUBLIC LAW 88-352, 78 STAT. 241).

13 "SCHOOL AGE." CHILDREN FROM THE EARLIEST ADMISSION AGE TO A  
14 SCHOOL'S PRE-KINDERGARTEN OR KINDERGARTEN PROGRAM OR, WHEN NO  
15 PRE-KINDERGARTEN OR KINDERGARTEN PROGRAM IS PROVIDED, THE  
16 SCHOOL'S EARLIEST ADMISSION AGE FOR BEGINNERS, UNTIL THE END OF  
17 THE SCHOOL YEAR THE STUDENT ATTAINS 21 YEARS OF AGE OR  
18 GRADUATION FROM HIGH SCHOOL, WHICHEVER OCCURS FIRST.

19 SECTION 2003-B. QUALIFICATION AND APPLICATION.

20 (A) ESTABLISHMENT.--IN ACCORDANCE WITH SECTION 14 OF ARTICLE  
21 III OF THE CONSTITUTION OF PENNSYLVANIA, AN EDUCATIONAL  
22 IMPROVEMENT TAX CREDIT PROGRAM IS HEREBY ESTABLISHED TO ENHANCE  
23 THE EDUCATIONAL OPPORTUNITIES AVAILABLE TO ALL STUDENTS IN THIS  
24 COMMONWEALTH.

25 (B) INFORMATION.--IN ORDER TO QUALIFY UNDER THIS ARTICLE, A  
26 SCHOLARSHIP ORGANIZATION, A PRE-KINDERGARTEN SCHOLARSHIP  
27 ORGANIZATION OR AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST  
28 SUBMIT INFORMATION TO THE DEPARTMENT THAT ENABLES THE DEPARTMENT  
29 TO CONFIRM THAT THE ORGANIZATION IS EXEMPT FROM TAXATION UNDER  
30 SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC

1 LAW 99-514, 26 U.S.C. § 1 ET SEQ.).

2 (C) SCHOLARSHIP [PROGRAM] ORGANIZATIONS AND PRE-KINDERGARTEN  
3 SCHOLARSHIP ORGANIZATIONS.--A SCHOLARSHIP ORGANIZATION OR PRE-  
4 KINDERGARTEN SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE  
5 DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN  
6 THE PROGRAM ESTABLISHED UNDER THIS ARTICLE.

7 (D) EDUCATIONAL IMPROVEMENT ORGANIZATION.--AN APPLICATION  
8 SUBMITTED BY AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST  
9 DESCRIBE ITS PROPOSED INNOVATIVE EDUCATIONAL PROGRAM OR PROGRAMS  
10 IN A FORM PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL  
11 CONSULT WITH THE DEPARTMENT OF EDUCATION AS NECESSARY. THE  
12 DEPARTMENT SHALL REVIEW AND APPROVE OR DISAPPROVE THE  
13 APPLICATION.

14 (E) NOTIFICATION.--THE DEPARTMENT SHALL NOTIFY THE  
15 SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP  
16 ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION THAT THE  
17 ORGANIZATION MEETS THE REQUIREMENTS OF THIS ARTICLE FOR THAT  
18 FISCAL YEAR NO LATER THAN 60 DAYS AFTER THE ORGANIZATION HAS  
19 SUBMITTED THE INFORMATION REQUIRED UNDER THIS SECTION.

20 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A  
21 LIST OF EACH SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN  
22 SCHOLARSHIP ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION  
23 QUALIFIED UNDER THIS SECTION IN THE PENNSYLVANIA BULLETIN. THE  
24 LIST SHALL ALSO BE POSTED AND UPDATED AS NECESSARY ON THE  
25 PUBLICLY ACCESSIBLE WORLD WIDE WEB SITE OF THE DEPARTMENT.  
26 SECTION 2004-B. APPLICATION.

27 (A) SCHOLARSHIP ORGANIZATION OR PRE-KINDERGARTEN SCHOLARSHIP  
28 ORGANIZATIONS.--A BUSINESS FIRM SHALL APPLY TO THE DEPARTMENT  
29 FOR A TAX CREDIT UNDER SECTION 2005-B. A BUSINESS FIRM SHALL  
30 RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF THE SCHOLARSHIP

1 ORGANIZATION OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION THAT  
2 RECEIVES THE CONTRIBUTION APPEARS ON THE LIST ESTABLISHED UNDER  
3 SECTION 2003-B(F).

4 (B) EDUCATIONAL IMPROVEMENT ORGANIZATION.--A BUSINESS FIRM  
5 MUST APPLY TO THE DEPARTMENT FOR A CREDIT UNDER SECTION 2005-B.  
6 A BUSINESS FIRM SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF  
7 THE DEPARTMENT HAS APPROVED THE PROGRAM PROVIDED BY THE  
8 EDUCATIONAL IMPROVEMENT ORGANIZATION THAT RECEIVES THE  
9 CONTRIBUTION.

10 (C) AVAILABILITY OF TAX CREDITS.--TAX CREDITS UNDER THIS  
11 ARTICLE SHALL BE MADE AVAILABLE BY THE DEPARTMENT ON A FIRST-  
12 COME, FIRST-SERVED BASIS WITHIN THE LIMITATION ESTABLISHED UNDER  
13 SECTION 2006-B(A).

14 (D) CONTRIBUTIONS.--A CONTRIBUTION BY A BUSINESS FIRM TO A  
15 SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP  
16 ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION SHALL BE  
17 MADE NO LATER THAN 60 DAYS FOLLOWING THE APPROVAL OF AN  
18 APPLICATION UNDER SUBSECTION (A) OR (B).  
19 SECTION 2005-B. TAX CREDIT.

20 (A) [GENERAL RULE] SCHOLARSHIP OR EDUCATIONAL IMPROVEMENT  
21 ORGANIZATIONS.--IN ACCORDANCE WITH SECTION 2006-B(A), THE  
22 DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY TAX  
23 DUE UNDER ARTICLE IV, VI, VII, VII-A, VIII, VIII-A, IX OR XV OF  
24 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM  
25 CODE OF 1971, TO A BUSINESS FIRM PROVIDING PROOF OF A  
26 CONTRIBUTION TO A SCHOLARSHIP ORGANIZATION OR EDUCATIONAL  
27 IMPROVEMENT ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE  
28 CONTRIBUTION IS MADE WHICH SHALL NOT EXCEED 75% OF THE TOTAL  
29 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS FIRM.  
30 SUCH CREDIT SHALL NOT EXCEED [\$100,000] \$200,000 ANNUALLY PER

1 BUSINESS FIRM FOR CONTRIBUTIONS MADE TO SCHOLARSHIP  
2 ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT ORGANIZATIONS.

3 (B) ADDITIONAL AMOUNT.--THE DEPARTMENT OF REVENUE SHALL  
4 GRANT A TAX CREDIT OF UP TO 90% OF THE TOTAL AMOUNT CONTRIBUTED  
5 DURING THE TAXABLE YEAR IF THE BUSINESS FIRM PROVIDES A WRITTEN  
6 COMMITMENT TO PROVIDE THE SCHOLARSHIP ORGANIZATION OR  
7 EDUCATIONAL IMPROVEMENT ORGANIZATION WITH THE SAME AMOUNT OF  
8 CONTRIBUTION FOR TWO CONSECUTIVE TAX YEARS. THE BUSINESS FIRM  
9 MUST PROVIDE THE WRITTEN COMMITMENT UNDER THIS SUBSECTION TO THE  
10 DEPARTMENT AT THE TIME OF APPLICATION.

11 (C) PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.--IN  
12 ACCORDANCE WITH SECTION 2006-B(A), THE DEPARTMENT OF REVENUE  
13 SHALL GRANT A TAX CREDIT AGAINST ANY TAX DUE UNDER ARTICLE IV,  
14 VI, VII, VII-A, VIII, VIII-A, IX OR XV, OF THE "TAX REFORM CODE  
15 OF 1971," TO A BUSINESS FIRM PROVIDING PROOF OF A CONTRIBUTION  
16 TO A PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION IN THE TAXABLE  
17 YEAR IN WHICH THE CONTRIBUTION IS MADE WHICH SHALL BE EQUAL TO  
18 100% OF THE FIRST \$10,000 CONTRIBUTED DURING THE TAXABLE YEAR BY  
19 THE BUSINESS FIRM, AND WHICH SHALL NOT EXCEED 90% OF THE  
20 REMAINING AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE  
21 BUSINESS FIRM. SUCH CREDIT SHALL NOT EXCEED \$100,000 ANNUALLY  
22 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO PRE-KINDERGARTEN  
23 SCHOLARSHIP ORGANIZATIONS.

24 (D) COMBINATION OF TAX CREDITS.--A BUSINESS FIRM MAY RECEIVE  
25 A TAX CREDIT FROM THE DEPARTMENT OF REVENUE FOR A CONTRIBUTION  
26 UNDER SUBSECTION (A) OR (C), OR BOTH.  
27 SECTION 2006-B. LIMITATIONS.

28 (A) AMOUNT.--

29 (1) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
30 APPROVED SHALL NOT EXCEED [\$30,000,000] \$40,000,000 IN A

1 FISCAL YEAR. NO LESS THAN [\$20,000,000] \$26,666,666 OF THE  
2 TOTAL AGGREGATE AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS  
3 FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP  
4 ORGANIZATIONS. NO LESS THAN [\$10,000,000] \$13,333,333 OF THE  
5 TOTAL AGGREGATE AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS  
6 FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO EDUCATIONAL  
7 IMPROVEMENT ORGANIZATIONS.

8 (2) FOR THE FISCAL YEAR 2004-2005 AND EACH FISCAL YEAR  
9 THEREAFTER, THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
10 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO PRE-  
11 KINDERGARTEN SCHOLARSHIP PROGRAMS SHALL NOT EXCEED \$5,000,000  
12 IN A FISCAL YEAR.

13 (B) ACTIVITIES.--NO TAX CREDIT SHALL BE APPROVED FOR  
14 ACTIVITIES THAT ARE A PART OF A BUSINESS FIRM'S NORMAL COURSE OF  
15 BUSINESS.

16 (C) TAX LIABILITY.--A TAX CREDIT GRANTED FOR ANY ONE TAXABLE  
17 YEAR MAY NOT EXCEED THE TAX LIABILITY OF A BUSINESS FIRM.

18 (D) USE.--A TAX CREDIT NOT USED IN THE TAXABLE YEAR THE  
19 CONTRIBUTION WAS MADE MAY NOT BE CARRIED FORWARD OR CARRIED BACK  
20 AND IS NOT REFUNDABLE OR TRANSFERABLE.

21 (E) NONTAXABLE INCOME.--A SCHOLARSHIP RECEIVED BY AN  
22 ELIGIBLE STUDENT OR ELIGIBLE PRE-KINDERGARTEN STUDENT SHALL NOT  
23 BE CONSIDERED TO BE TAXABLE INCOME FOR THE PURPOSES OF ARTICLE  
24 III OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX  
25 REFORM CODE OF 1971.

26 SECTION 2007-B. LISTS.

27 THE DEPARTMENT OF REVENUE SHALL PROVIDE A LIST OF ALL  
28 SCHOLARSHIP ORGANIZATIONS, PRE-KINDERGARTEN SCHOLARSHIP  
29 ORGANIZATIONS AND EDUCATIONAL IMPROVEMENT ORGANIZATIONS  
30 RECEIVING CONTRIBUTIONS FROM BUSINESS FIRMS GRANTED A TAX CREDIT

1 UNDER THIS ARTICLE TO THE GENERAL ASSEMBLY BY JUNE 30 OF EACH  
2 YEAR.

3 SECTION 30. SECTIONS 2502.13 AND 2502.30 OF THE ACT, AMENDED  
4 JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED TO READ:

5 SECTION 2502.13. SMALL DISTRICT ASSISTANCE.--FOR THE 1984-  
6 1985 AND 1985-1986 SCHOOL YEARS, THE COMMONWEALTH SHALL PAY TO  
7 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF  
8 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET  
9 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)  
10 OR GREATER, AN AMOUNT EQUAL TO FIFTY DOLLARS (\$50) MULTIPLIED BY  
11 THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE 1985-1986  
12 SCHOOL YEAR, NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF  
13 THIS SECTION THAN IT DID FOR THE 1984-1985 SCHOOL YEAR. FOR THE  
14 SCHOOL YEAR 1986-1987, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL  
15 DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND  
16 FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET VALUE/INCOME AID  
17 RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR  
18 RECEIVED PAYMENTS UNDER THIS SECTION FOR THE 1985-1986 SCHOOL  
19 YEAR, AN AMOUNT EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED  
20 BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR  
21 1987-1988, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT  
22 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE  
23 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF  
24 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED  
25 PAYMENTS UNDER THIS SECTION FOR THE 1986-1987 SCHOOL YEAR, AN  
26 AMOUNT EQUAL TO EIGHTY-FIVE DOLLARS (\$85) MULTIPLIED BY THAT  
27 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR 1988-  
28 1989, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH  
29 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED  
30 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE

1 THOUSAND TEN THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED  
2 PAYMENTS UNDER THIS SECTION FOR THE 1987-1988 OR 1988-1989  
3 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIVE DOLLARS (\$105).  
4 FOR THE SCHOOL YEAR 1989-1990, THE COMMONWEALTH SHALL PAY TO  
5 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF  
6 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A MARKET  
7 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)  
8 OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR THE  
9 1987-1988 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIFTEEN  
10 DOLLARS (\$115) MULTIPLIED BY THE DISTRICT'S AVERAGE DAILY  
11 MEMBERSHIP AS PROVIDED FOR IN SECTION 212 OF THE ACT OF JULY 1,  
12 1990 (P.L.1591, NO.7A), KNOWN AS THE "GENERAL APPROPRIATION ACT  
13 OF 1990." FOR THE SCHOOL YEAR 1990-1991, THE COMMONWEALTH SHALL  
14 PAY TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY  
15 MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A  
16 MARKET VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS  
17 (0.5000) OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR  
18 THE PRIOR SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED SEVENTY  
19 DOLLARS (\$170) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY  
20 MEMBERSHIP. FOR THE SCHOOL YEAR 1990-1991, EACH SCHOOL DISTRICT  
21 WITH A POPULATION PER SQUARE MILE OF LESS THAN NINETY (90),  
22 WHICH OTHERWISE MEETS THE AVERAGE DAILY MEMBERSHIP AND MARKET  
23 VALUE/INCOME AID RATIO REQUIREMENTS OF THIS SECTION, OR RECEIVED  
24 PAYMENTS UNDER THIS SECTION FOR THE PRIOR SCHOOL YEAR, SHALL  
25 INSTEAD RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED NINETY DOLLARS  
26 (\$190) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP.  
27 FOR THE 1987-1988 SCHOOL YEAR THROUGH THE 1990-1991 SCHOOL YEAR,  
28 NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF THIS SECTION  
29 THAN IT DID FOR THE PRIOR SCHOOL YEAR. FOR THE SCHOOL YEAR 1994-  
30 1995, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH

1 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED  
2 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE  
3 THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, AN AMOUNT EQUAL TO  
4 NINETY FIVE DOLLARS (\$95) MULTIPLIED BY THAT DISTRICT'S AVERAGE  
5 DAILY MEMBERSHIP. FOR EACH OF THE SCHOOL YEARS 1997-1998 THROUGH  
6 1999-2000, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT  
7 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE  
8 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF  
9 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER AN AMOUNT  
10 EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED BY THAT  
11 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEARS 2000-  
12 2001 [AND], 2001-2002 AND 2002-2003, THE COMMONWEALTH SHALL PAY  
13 TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF  
14 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AN AMOUNT EQUAL TO  
15 SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED BY THAT DISTRICT'S AVERAGE  
16 DAILY MEMBERSHIP.

17 SECTION 2502.30. TEMPORARY SPECIAL AID TO SCHOOL DISTRICTS  
18 SUFFERING LOSS OF TAX REVENUE DUE TO REDUCTION IN ASSESSED  
19 VALUATION OF TAXABLE PROPERTY.--(A) TEMPORARY SPECIAL AID SHALL  
20 BE PAID IN FISCAL YEARS 1994-1995, 1995-1996, 1996-1997, 1997-  
21 1998, 1998-1999, 1999-2000, 2001-2002 [AND], 2002-2003 AND 2003-  
22 2004 TO SCHOOL DISTRICTS EXPERIENCING A SEVERE REDUCTION IN  
23 LOCAL REVENUE DUE TO A DECLINE IN THE ASSESSED VALUE OF TAXABLE  
24 PROPERTIES. THE ALLOCATION TO THESE DISTRICTS SHALL BE  
25 DETERMINED BY MULTIPLYING THE REDUCTION IN ASSESSED VALUE  
26 BETWEEN 1985-1986 AND 1992-1993 BY THE 1992-1993 REAL ESTATE  
27 MILLAGE RATE. THIS AID SHALL BE PAID FROM UNDISTRIBUTED FUNDS  
28 NOT EXPENDED, ENCUMBERED OR COMMITTED FROM APPROPRIATIONS FOR  
29 GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT OF EDUCATION. NO  
30 OTHER FUNDS SHALL BE USED FOR ASSISTANCE UNDER THIS SECTION.

1 THESE FUNDS SHALL BE SUFFICIENT TO PROVIDE TEMPORARY RELIEF TO  
2 SEVEN SCHOOL DISTRICTS IN FISCAL YEAR 1995-1996 AT SEVENTY-FIVE  
3 PER CENTUM (75%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995,  
4 IN FISCAL YEAR 1996-1997 AT FIFTY PER CENTUM (50%) OF THE FUNDS  
5 RECEIVED IN FISCAL YEAR 1994-1995, IN FISCAL YEAR 1997-1998,  
6 1998-1999 AND IN FISCAL YEAR 1999-2000 AT TWENTY-FIVE PER CENTUM  
7 (25%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995. FOR FISCAL  
8 YEARS 2001-2002 [AND] 2002-2003[, ] AND 2003-2004 TO THE EXTENT  
9 FUNDS ARE AVAILABLE AS DETERMINED BY THE SECRETARY OF THE  
10 BUDGET, QUALIFYING SCHOOL DISTRICTS SHALL RECEIVE TWENTY-FIVE  
11 PER CENTUM (25%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995.

12 (B) PAYMENTS MADE PURSUANT TO SUBSECTION (A) SHALL BE PAID  
13 FROM A RESTRICTED RECEIPT ACCOUNT, WHICH IS HEREBY ESTABLISHED,  
14 FOR SUCH PAYMENTS. FUNDS SHALL BE TRANSFERRED BY THE SECRETARY  
15 OF THE BUDGET TO THE RESTRICTED ACCOUNT ONLY TO THE EXTENT  
16 NECESSARY TO MAKE THE PAYMENTS AUTHORIZED BY THIS SECTION. THE  
17 MONEY IN THE RESTRICTED ACCOUNT IS HEREBY APPROPRIATED FROM THE  
18 ACCOUNT FOR PURPOSES OF THIS SECTION.

19 (C) THIS SECTION SHALL EXPIRE [OCTOBER 1, 2003] OCTOBER 1,  
20 2004.

21 SECTION 31. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

22 SECTION 2502.41. BASIC EDUCATION FUNDING FOR 2002-2003  
23 SCHOOL YEAR.--FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH  
24 SHALL PAY TO EACH SCHOOL DISTRICT A BASIC EDUCATION FUNDING  
25 ALLOCATION WHICH SHALL CONSIST OF THE FOLLOWING:

26 (1) AN AMOUNT EQUAL TO THE BASIC EDUCATION FUNDING  
27 ALLOCATION FOR THE 2001-2002 SCHOOL YEAR PURSUANT TO SECTIONS  
28 2502.13 AND 2502.40.

29 (2) WHERE THE SCHOOL DISTRICT RECEIVED A GRANT UNDER SECTION  
30 1709-B DURING THE 2002-2003 SCHOOL YEAR BUT IS NOT ELIGIBLE TO

1 RECEIVE SUCH A GRANT DURING THE 2003-2004 SCHOOL YEAR, AN AMOUNT  
2 EQUAL TO THE GRANT AMOUNT IT RECEIVED DURING THE 2002-2003  
3 SCHOOL YEAR MULTIPLIED BY 0.50.

4 (3) A BASE SUPPLEMENT CALCULATED AS FOLLOWS:

5 (I) MULTIPLY THE SCHOOL DISTRICT'S 2003-2004 MARKET  
6 VALUE/INCOME AID RATIO BY ITS 2002-2003 AVERAGE DAILY  
7 MEMBERSHIP.

8 (II) MULTIPLY THE PRODUCT FROM SUBPARAGRAPH (I) BY FIFTY  
9 MILLION DOLLARS (\$50,000,000).

10 (III) DIVIDE THE PRODUCT FROM SUBPARAGRAPH (II) BY THE SUM  
11 OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID RATIO  
12 MULTIPLIED BY THE 2002-2003 AVERAGE DAILY MEMBERSHIP FOR ALL  
13 SCHOOL DISTRICTS.

14 (4) A POVERTY SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL  
15 DISTRICTS AS FOLLOWS:

16 (I) TO QUALIFY FOR THE POVERTY SUPPLEMENT, A SCHOOL  
17 DISTRICT'S 2003-2004 MARKET VALUE/INCOME AID RATIO SHALL BE  
18 EQUAL TO OR GREATER THAN 0.6500 AND ITS PERSONAL INCOME  
19 VALUATION WHEN DIVIDED BY ITS 2002-2003 AVERAGE DAILY MEMBERSHIP  
20 SHALL BE EQUAL TO OR LESS THAN ONE HUNDRED THREE THOUSAND FIVE  
21 HUNDRED SEVENTY-ONE DOLLARS (\$103,571).

22 (II) THE POVERTY SUPPLEMENT SHALL BE CALCULATED FOR  
23 QUALIFYING SCHOOL DISTRICTS AS FOLLOWS:

24 (A) MULTIPLY THE SCHOOL DISTRICT'S 2002-2003 AVERAGE DAILY  
25 MEMBERSHIP BY THIRTY MILLION DOLLARS (\$30,000,000).

26 (B) DIVIDE THE PRODUCT FROM CLAUSE (A) BY THE SUM OF THE  
27 2002-2003 AVERAGE DAILY MEMBERSHIP FOR ALL QUALIFYING SCHOOL  
28 DISTRICTS.

29 (5) A TAX EFFORT SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL  
30 DISTRICTS AS FOLLOWS:

1 (I) TO QUALIFY FOR THE TAX EFFORT SUPPLEMENT, A SCHOOL  
2 DISTRICT'S 2001 EQUALIZED MILLAGE MUST BE EQUAL TO OR GREATER  
3 THAN 20.6 EQUALIZED MILLS.

4 (II) THE TAX EFFORT SUPPLEMENT SHALL BE CALCULATED FOR  
5 QUALIFYING SCHOOL DISTRICTS AS FOLLOWS:

6 (A) MULTIPLY THE SCHOOL DISTRICT'S 2002-2003 AVERAGE DAILY  
7 MEMBERSHIP BY FIFTEEN MILLION DOLLARS (\$15,000,000).

8 (B) DIVIDE THE PRODUCT FROM CLAUSE (A) BY THE SUM OF THE  
9 2002-2003 AVERAGE DAILY MEMBERSHIP FOR ALL QUALIFYING SCHOOL  
10 DISTRICTS.

11 (6) A GROWTH SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL  
12 DISTRICTS AS FOLLOWS:

13 (I) TO QUALIFY FOR THE GROWTH SUPPLEMENT, A SCHOOL  
14 DISTRICT'S 2002-2003 AVERAGE DAILY MEMBERSHIP MUST BE GREATER  
15 THAN ITS 2001-2002 AVERAGE DAILY MEMBERSHIP.

16 (II) THE GROWTH SUPPLEMENT SHALL BE CALCULATED FOR  
17 QUALIFYING SCHOOL DISTRICTS AS FOLLOWS:

18 (A) SUBTRACT THE SCHOOL DISTRICT'S 2001-2002 AVERAGE DAILY  
19 MEMBERSHIP FROM ITS 2002-2003 AVERAGE DAILY MEMBERSHIP AND  
20 MULTIPLY THE DIFFERENCE BY ITS 2003-2004 MARKET VALUE/INCOME AID  
21 RATIO.

22 (B) MULTIPLY THE DIFFERENCE FROM CLAUSE (A) BY TEN MILLION  
23 DOLLARS (\$10,000,000).

24 (C) DIVIDE THE PRODUCT FROM CLAUSE (B) BY THE SUM OF THE  
25 DIFFERENCES FROM CLAUSE (A) FOR ALL QUALIFYING SCHOOL DISTRICTS.

26 (7) EACH SCHOOL DISTRICT SHALL RECEIVE ADDITIONAL FUNDING AS  
27 NECESSARY SO THAT THE SUM OF THE AMOUNTS UNDER SECTION 2502.13  
28 AND UNDER PARAGRAPHS (3), (4), (5) AND (6) AND THIS PARAGRAPH  
29 WILL EQUAL AT LEAST TWO PER CENTUM (2%) OF THE AMOUNT IN  
30 PARAGRAPH (1).

1       SECTION 2502.42. REIMBURSEMENT OF ADDITIONAL EXPENSES  
2 RELATED TO BASIC EDUCATION.--DURING THE 2003-2004 FISCAL YEAR,  
3 THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT A SPECIAL  
4 SUPPLEMENT CALCULATED AS FOLLOWS:

5       (1) MULTIPLY THE NET AMOUNT OF BASIC EDUCATION FUNDING FOR  
6 THE 2002-2003 SCHOOL YEAR PURSUANT TO SECTIONS 2502.13 AND  
7 2502.41 THAT WOULD HAVE BEEN PAID IN AUGUST 2003 AND IN OCTOBER  
8 2003 TIMES AN INTEREST RATE AS DETERMINED BY THE SECRETARY OF  
9 EDUCATION. THE INTEREST RATE ESTABLISHED SHALL BE SUCH THAT THE  
10 FUNDS ALLOCATED UNDER THIS SECTION SHALL NOT EXCEED THE FUNDS  
11 APPROPRIATED FOR THIS PURPOSE.

12       (2) MULTIPLY THE PRODUCTS FROM PARAGRAPH (1) BY THE NUMBER  
13 OF DAYS RESPECTIVELY THAT THE AUGUST AND OCTOBER PAYMENTS WERE  
14 LATE.

15       (3) DIVIDE THE PRODUCTS FROM PARAGRAPH (2) BY THREE HUNDRED  
16 SIXTY-FIVE (365) DAYS.

17       (4) ADD THE AMOUNT CALCULATED IN PARAGRAPH (3) TO DETERMINE  
18 THE TOTAL SPECIAL SUPPLEMENT.

19       SECTION 32. SECTIONS 2509.1 AND 2509.5 OF THE ACT ARE  
20 AMENDED BY ADDING SUBSECTIONS TO READ:

21       SECTION 2509.1. PAYMENTS TO INTERMEDIATE UNITS.--\* \* \*

22       (B.11) UP TO NINE MILLION FIVE HUNDRED THOUSAND DOLLARS  
23 (\$9,500,000) MAY BE UTILIZED FOR PROGRAMS ADMINISTERED AND  
24 OPERATED BY INTERMEDIATE UNITS DURING THE 2003-2004 SCHOOL YEAR  
25 FOR INSTITUTIONALIZED CHILDREN AS ESTABLISHED IN SUBSECTION  
26 (B.1).

27       \* \* \*

28       SECTION 2509.5. SPECIAL EDUCATION PAYMENTS TO SCHOOL  
29 DISTRICTS.--\* \* \*

30       (LL) DURING THE 2003-2004 SCHOOL YEAR, EACH SCHOOL DISTRICT

1 SHALL BE PAID THE AMOUNT IT RECEIVED DURING THE 2002-2003 SCHOOL  
2 YEAR UNDER SUBSECTION (KK).

3 (MM) DURING THE 2003-2004 SCHOOL YEAR, THIRTY-SIX MILLION  
4 ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-SEVEN  
5 DOLLARS (\$36,149,587) OF THE FUNDS APPROPRIATED TO THE  
6 DEPARTMENT OF EDUCATION FOR SPECIAL EDUCATION SHALL BE USED TO  
7 PROVIDE SUPPLEMENTAL FUNDING FOR SPECIAL EDUCATION TO ALL SCHOOL  
8 DISTRICTS. THE SUPPLEMENTAL FUNDING SHALL BE CALCULATED AS  
9 FOLLOWS:

10 (1) MULTIPLY EACH SCHOOL DISTRICT'S 2003-2004 MARKET  
11 VALUE/INCOME AID RATIO BY SIXTEEN PER CENTUM (16%) OF ITS 2002-  
12 2003 AVERAGE DAILY MEMBERSHIP;

13 (2) MULTIPLY THE PRODUCT FROM PARAGRAPH (1) BY THIRTY-SIX  
14 MILLION ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-  
15 SEVEN DOLLARS (\$36,149,587); AND

16 (3) DIVIDE THE RESULTANT PRODUCT FROM PARAGRAPH (2) BY THE  
17 SUM OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID  
18 RATIO MULTIPLIED BY SIXTEEN PER CENTUM (16%) OF THE 2002-2003  
19 AVERAGE DAILY MEMBERSHIP FOR ALL SCHOOL DISTRICTS.

20 SECTION 33. SECTION 2509.8(D) OF THE ACT, ADDED MAY 10, 2000  
21 (P.L.44, NO.16), IS AMENDED AND THE SECTION IS AMENDED BY ADDING  
22 A SUBSECTION TO READ:

23 SECTION 2509.8. EXTRAORDINARY SPECIAL EDUCATION PROGRAM  
24 EXPENSES.-- \* \* \*

25 (D) FOR THE 2000-2001 SCHOOL YEAR [AND EACH SCHOOL YEAR  
26 THEREAFTER,] THROUGH THE 2002-2003 SCHOOL YEAR, THE DEPARTMENT  
27 OF EDUCATION SHALL SET ASIDE TWO PERCENT (2%) OF THE SPECIAL  
28 EDUCATION APPROPRIATION FOR EXTRAORDINARY EXPENSES INCURRED IN  
29 PROVIDING A SPECIAL EDUCATION PROGRAM OR SERVICE TO ONE OR MORE  
30 STUDENTS WITH DISABILITIES AS APPROVED BY THE SECRETARY OF

1 EDUCATION.

2 (E) FOR THE 2003-2004 SCHOOL YEAR AND EACH SCHOOL YEAR  
3 THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL SET ASIDE ONE PER  
4 CENTUM (1%) OF THE SPECIAL EDUCATION APPROPRIATION FOR  
5 EXTRAORDINARY EXPENSES INCURRED IN PROVIDING A SPECIAL EDUCATION  
6 PROGRAM OR SERVICE TO ONE OR MORE STUDENTS WITH DISABILITIES AS  
7 APPROVED BY THE SECRETARY OF EDUCATION. SUCH SPECIAL EDUCATION  
8 PROGRAM OR SERVICE SHALL INCLUDE, BUT NOT BE LIMITED TO, THE  
9 TRANSPORTATION OF STUDENTS WITH DISABILITIES; SERVICES RELATED  
10 TO OCCUPATIONAL THERAPY, PHYSICAL THERAPY, SPEECH AND LANGUAGE,  
11 HEARING IMPAIRMENTS OR VISUAL IMPAIRMENTS; OR TRAINING IN  
12 ORIENTATION AND MOBILITY FOR CHILDREN WHO ARE VISUALLY IMPAIRED  
13 OR BLIND.

14 SECTION 34. SECTION 2591.1 OF THE ACT, ADDED JUNE 29, 2002  
15 (P.L.524, NO.88), IS AMENDED TO READ:

16 SECTION 2591.1. COMMONWEALTH REIMBURSEMENTS FOR CHARTER  
17 SCHOOLS AND CYBER CHARTER SCHOOLS.--(A) FOR THE 2001-2002  
18 SCHOOL YEAR, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT  
19 WITH RESIDENT STUDENTS ENROLLED IN A CHARTER SCHOOL, A CHARTER  
20 SCHOOL APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES  
21 INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS OR A  
22 CYBER CHARTER SCHOOL AS DEFINED PURSUANT TO ARTICLE XVII-A AN  
23 AMOUNT EQUAL TO THIRTY PERCENT (30%) OF THE TOTAL FUNDING  
24 REQUIRED UNDER SECTION 1725-A(A). IF INSUFFICIENT FUNDS ARE  
25 APPROPRIATED TO MAKE COMMONWEALTH REIMBURSEMENTS UNDER THIS  
26 SECTION, THE REIMBURSEMENTS SHALL BE MADE ON A PRO RATA BASIS.

27 (B) FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH SHALL  
28 PAY TO EACH SCHOOL DISTRICT THAT RECEIVED FUNDING UNDER  
29 SUBSECTION (A) FOR THE 2001-2002 SCHOOL YEAR AND THAT HAD  
30 RESIDENT STUDENTS ENROLLED IN A CHARTER SCHOOL, A CHARTER SCHOOL

1 APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES  
2 INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS OR A  
3 CYBER CHARTER SCHOOL AS DEFINED UNDER ARTICLE XVII-A DURING THE  
4 2002-2003 SCHOOL YEAR AN AMOUNT EQUAL TO THE LESSER OF:

5 (1) THE PAYMENT RECEIVED FOR THE 2001-2002 SCHOOL YEAR  
6 PURSUANT TO SUBSECTION (A); OR

7 (2) THIRTY PERCENT (30%) OF THE TOTAL FUNDING REQUIRED UNDER  
8 SECTION 1725-A(A).

9 (C) FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH SHALL  
10 PAY TO EACH SCHOOL DISTRICT THAT DID NOT RECEIVE FUNDING UNDER  
11 SUBSECTION (A) FOR THE 2001-2002 SCHOOL YEAR AND THAT HAD  
12 RESIDENT STUDENTS ENROLLED IN A CHARTER SCHOOL, A CHARTER SCHOOL  
13 APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES  
14 INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS OR A  
15 CYBER CHARTER SCHOOL AS DEFINED UNDER ARTICLE XVII-A DURING THE  
16 2002-2003 SCHOOL YEAR AN AMOUNT EQUAL TO THIRTY PERCENT (30%) OF  
17 THE TOTAL FUNDING REQUIRED UNDER SECTION 1725-A(A).

18 (D) FOR THE FISCAL YEAR 2003-2004, IF INSUFFICIENT FUNDS ARE  
19 APPROPRIATED TO MAKE COMMONWEALTH PAYMENTS PURSUANT TO THIS  
20 SECTION, SUCH PAYMENTS SHALL BE MADE ON A PRO RATA BASIS.

21 SECTION 35. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

22 SECTION 2599.2. PENNSYLVANIA ACCOUNTABILITY GRANTS.--(A)  
23 BEGINNING WITH THE 2004-2005 FISCAL YEAR, THE DEPARTMENT SHALL  
24 ESTABLISH A PROGRAM OF ANNUAL ACCOUNTABILITY GRANTS FOR THE  
25 BENEFIT OF STUDENTS ENROLLED IN EACH OF THE COMMONWEALTH'S  
26 SCHOOL DISTRICTS.

27 (B) THE GRANT SHALL BE USED BY A SCHOOL DISTRICT TO ATTAIN  
28 OR MAINTAIN ACADEMIC PERFORMANCE TARGETS. FUNDS OBTAINED UNDER  
29 THIS SECTION MAY BE USED FOR ANY OF THE FOLLOWING:

30 (1) ESTABLISHING, MAINTAINING OR EXPANDING A QUALITY

1 PREKINDERGARTEN PROGRAM ALIGNED WITH THE CURRENT ACADEMIC  
2 STANDARDS CONTAINED IN 22 PA. CODE CH. 4 (RELATING TO ACADEMIC  
3 STANDARDS AND ASSESSMENT).

4 (2) ESTABLISHING, MAINTAINING OR EXPANDING A QUALITY FULL-  
5 DAY KINDERGARTEN PROGRAM ALIGNED WITH THE CURRENT ACADEMIC  
6 STANDARDS CONTAINED IN 22 PA CODE CH. 4. SUCH PROGRAMS SHALL BE  
7 KEPT OPEN FOR FIVE HOURS EACH DAY FOR THE FULL SCHOOL TERM AS  
8 PROVIDED IN SECTION 1501. THE BOARD OF SCHOOL DIRECTORS OF A  
9 SCHOOL DISTRICT MAY OFFER A FULL-DAY KINDERGARTEN PROGRAM TO  
10 CHILDREN WHO ARE BETWEEN FOUR AND SIX YEARS OLD.

11 (3) ESTABLISHING, MAINTAINING OR EXPANDING A CLASS SIZE  
12 REDUCTION PROGRAM. SUCH CLASS SIZE REDUCTION PROGRAM SHALL  
13 APPOINT AND ASSIGN A MINIMUM OF ONE TEACHER FOR EVERY 17  
14 STUDENTS OR TWO TEACHERS FOR EVERY 35 STUDENTS ENROLLED IN A  
15 KINDERGARTEN, FIRST, SECOND OR THIRD GRADE CLASSROOM. ALL  
16 TEACHERS APPOINTED AND ASSIGNED TO TEACH KINDERGARTEN, FIRST,  
17 SECOND OR THIRD GRADE SHALL BE CERTIFIED IN ACCORDANCE WITH 22  
18 PA CODE CH. 49 (RELATING TO CERTIFICATION OF PROFESSIONAL  
19 PERSONNEL) OR ITS SUCCESSORS. THE DEPARTMENT SHALL ESTABLISH  
20 GUIDELINES TO ASSURE THAT NO SCHOOL DISTRICT SATISFIES THE  
21 REQUIREMENTS OF THIS PARAGRAPH BY MAKING A REDUCTION IN, AND  
22 SUBSEQUENT INCREASE TO, CURRENT TEACHER COMPLEMENT. FOR PURPOSES  
23 OF THIS PARAGRAPH, THE PHRASE "ONE TEACHER FOR EVERY 17 STUDENTS  
24 OR TWO TEACHERS FOR EVERY 35 STUDENTS ENROLLED IN A  
25 KINDERGARTEN, FIRST, SECOND OR THIRD GRADE CLASSROOM" SHALL  
26 REFER TO THE NUMBER OF TEACHERS CONDUCTING A CLASS AT ANY ONE  
27 TIME IN A CLASSROOM CONTAINING THE APPLICABLE NUMBER OF  
28 STUDENTS.

29 (4) ESTABLISHING, EXPANDING OR MAINTAINING PROGRAMS THAT  
30 PROMOTE THE AVAILABILITY, COORDINATION, INTEGRATION AND

1 UTILIZATION OF SOCIAL AND HEALTH SERVICES, ASSOCIATED RESOURCES  
2 AND ANCILLARY RESOURCES TO MEET THE NEEDS OF CHILDREN AND  
3 FAMILIES IN ADDRESSING ISSUES THAT MAY SERVE TO LIMIT STUDENT  
4 ACADEMIC ACHIEVEMENT.

5 (5) NOTWITHSTANDING THE PROVISIONS OF ARTICLE XV-C,  
6 PROVIDING TUTORING ASSISTANCE.

7 (6) IMPROVING THE ACADEMIC PERFORMANCE OF SUBGROUPS  
8 IDENTIFIED UNDER SECTION 1111(B) OF THE NO CHILD LEFT BEHIND ACT  
9 OF 2001.

10 (7) ESTABLISHING, EXPANDING OR MAINTAINING PROGRAMS TO  
11 ASSIST IN THE BUILDING OF STRONG SCIENCE AND APPLIED-KNOWLEDGE  
12 SKILLS.

13 (8) PROVIDING ADDITIONAL PROGRAMS FOR CONTINUING  
14 PROFESSIONAL EDUCATION THAT MAY INCLUDE ANY OF THE FOLLOWING:  
15 TRAINING IN MATHEMATICS, SCIENCE AND LITERACY-SPECIFIC  
16 CURRICULUM AND INSTRUCTIONAL STRATEGIES; TRAINING IN SCHOOL-WIDE  
17 IMPROVEMENT PLANNING; ANALYSIS OF STUDENT ACHIEVEMENT DATA,  
18 INCLUDING STUDENT WORK AND THE IMPLICATIONS FOR CLASSROOM  
19 PRACTICE; OBSERVING AND STUDYING EXEMPLARY SCHOOL AND CLASSROOM  
20 PRACTICES; IMPLEMENTING SCHOOL-WIDE PROGRAMS AND CLASSROOM  
21 MANAGEMENT STRATEGIES DESIGNED TO IMPROVE STUDENT CONDUCT; USING  
22 TECHNOLOGY TO BOOST STUDENT ACHIEVEMENT; CONDUCTING TRANSITION  
23 PLANNING AND CURRICULUM ALIGNMENT ACROSS SCHOOLS AND GRADE  
24 LEVELS; OR IMPLEMENTING SECONDARY STRATEGIES TO INCREASE STUDENT  
25 ENGAGEMENT AND PERSONALIZE LEARNING.

26 (9) ESTABLISHING, EXPANDING OR MAINTAINING MATH AND LITERACY  
27 COACHING PROGRAMS WITHIN SCHOOLS TO IMPROVE MATH AND READING  
28 INSTRUCTION.

29 (10) PROVIDING FINANCIAL INCENTIVES TO HIGHLY QUALIFIED,  
30 TENURED TEACHERS TO WORK IN THE MOST ACADEMICALLY CHALLENGED

1 SCHOOLS IN A SCHOOL DISTRICT OR PROVIDING FINANCIAL INCENTIVES  
2 TO AID IN THE RECRUITMENT OF CERTIFICATED TEACHERS IN  
3 MATHEMATICS, SCIENCE, LANGUAGE ARTS OR ENGLISH AS A SECOND  
4 LANGUAGE TO WORK IN THE MOST ACADEMICALLY CHALLENGED SCHOOLS IN  
5 A SCHOOL DISTRICT.

6 (11) PROVIDING SUCH OTHER PROGRAMS OR ACTIVITIES THAT THE  
7 BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT DETERMINES ARE  
8 ESSENTIAL TO ACHIEVING OR MAINTAINING ACADEMIC PERFORMANCE  
9 TARGETS THROUGH THE YEAR 2014.

10 (C) (1) NO LATER THAN APRIL 10, 2004, THE DEPARTMENT SHALL  
11 NOTIFY EACH SCHOOL DISTRICT OF THE GRANT AMOUNT IT WILL RECEIVE  
12 UNDER SUBSECTION (D).

13 (2) WITHIN THIRTY (30) DAYS OF RECEIPT OF THE NOTIFICATION  
14 UNDER PARAGRAPH (1), THE SCHOOL DISTRICT SHALL SUBMIT TO THE  
15 DEPARTMENT AN ACCOUNTABILITY GRANT PLAN. THE PLAN SHALL INCLUDE:

16 (I) REFERENCE TO THE PROGRAMS OR ACTIVITIES UNDER SUBSECTION  
17 (B) FOR WHICH THE GRANT FUNDS WILL BE USED.

18 (II) IDENTIFICATION OF WHETHER THE GRANT FUNDS WILL BE USED  
19 TO ESTABLISH, MAINTAIN OR EXPAND THE PROGRAMS OR ACTIVITIES  
20 REFERENCED UNDER SUBPARAGRAPH (I).

21 (III) A BRIEF DESCRIPTION OF THE PROGRAMS OR ACTIVITIES FOR  
22 WHICH THE GRANT FUNDS WILL BE USED.

23 (3) (I) WHERE THE ACCOUNTABILITY GRANT PLAN SUBMITTED UNDER  
24 PARAGRAPH (2) PROPOSES TO USE THE GRANT FUNDS FOR A PROGRAM OR  
25 ACTIVITY UNDER SUBSECTION (B)(11), THE DEPARTMENT SHALL HAVE  
26 FIFTEEN (15) DAYS FROM THE RECEIPT OF THE PLAN TO DISAPPROVE THE  
27 USE AND NOTIFY THE SCHOOL DISTRICT OF THE REASON FOR THE  
28 DISAPPROVAL. WITHIN THIRTY (30) DAYS OF THE RECEIPT OF NOTICE OF  
29 DISAPPROVAL, THE SCHOOL DISTRICT SHALL SUBMIT A REVISED  
30 ACCOUNTABILITY GRANT PLAN UNDER PARAGRAPH (2).

1       (II) WHERE THE ACCOUNTABILITY GRANT PLAN SUBMITTED UNDER  
2 PARAGRAPH (2) PROPOSES TO USE THE GRANT FUNDS FOR A PROGRAM OR  
3 ACTIVITY UNDER SUBSECTION (B)(11) AND THE SCHOOL DISTRICT FAILS  
4 TO RECEIVE NOTIFICATION FROM THE SECRETARY WITHIN FIFTEEN (15)  
5 DAYS OF RECEIPT THAT ITS REQUEST HAS BEEN DISAPPROVED, THE  
6 SCHOOL DISTRICT MAY PROCEED TO IMPLEMENT THE PROPOSED PROGRAMS  
7 OR ACTIVITIES.

8       (4) WHERE THE ACCOUNTABILITY GRANT PLAN SUBMITTED UNDER  
9 PARAGRAPH (2) PROPOSES TO USE THE GRANT FUNDS FOR A PROGRAM OR  
10 ACTIVITY UNDER SUBSECTION (B)(1), (2), (3), (4), (5), (6), (7),  
11 (8), (9) OR (10), THE DEPARTMENT MAY, WITHIN THIRTY (30) DAYS  
12 FROM THE RECEIPT OF THE PLAN, MAKE NONBINDING RECOMMENDATIONS  
13 FOR ALTERNATIVE UTILIZATION OF THE GRANT FUNDS.

14       (5) NO LATER THAN FEBRUARY 1, 2005, AND FEBRUARY 1 OF EACH  
15 YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT TO THE  
16 MAJORITY AND MINORITY CHAIRS OF THE APPROPRIATIONS AND EDUCATION  
17 COMMITTEES OF THE SENATE AND TO THE MAJORITY AND MINORITY CHAIRS  
18 OF THE APPROPRIATIONS AND EDUCATION COMMITTEES OF THE HOUSE OF  
19 REPRESENTATIVES SUMMARIZING THE OPERATION OF THE PROGRAM FOR  
20 THAT FISCAL YEAR. THE REPORT SHALL INCLUDE:

21       (I) A DESCRIPTION OF THE OPERATION OF THE PROGRAM.

22       (II) A SUMMARY OF THE TOTAL AMOUNT OF GRANT FUNDS PAID TO  
23 SCHOOL DISTRICTS.

24       (III) A SUMMARY OF THE USES OF GRANT FUNDS TO SCHOOL  
25 DISTRICTS.

26       (IV) AN IDENTIFICATION OF THE NUMBER OF SCHOOL DISTRICTS  
27 THAT USED GRANT FUNDS FOR EACH OF THE PROGRAMS OR ACTIVITIES  
28 UNDER SUBSECTION (B).

29       (V) A LISTING OF EACH SCHOOL DISTRICT AND THE PROGRAM OR  
30 ACTIVITY UNDER SUBSECTION (B) FOR WHICH THE GRANT FUNDS WERE

1 USED.

2 (VI) AN IDENTIFICATION OF THE NUMBER OF SCHOOL DISTRICTS  
3 THAT USED GRANT FUNDS TO ESTABLISH, MAINTAIN OR EXPAND THE  
4 PROGRAM OR ACTIVITY FOR WHICH THE GRANT FUNDS WERE USED.

5 (VII) A LISTING OF EACH SCHOOL DISTRICT AND WHETHER THE  
6 GRANT FUNDS WERE USED TO ESTABLISH, MAINTAIN OR EXPAND THE  
7 PROGRAM OR ACTIVITY FOR WHICH THE GRANT FUNDS WERE USED.

8 (D) DURING THE 2004-2005 SCHOOL YEAR, THE DEPARTMENT SHALL  
9 PAY TO EACH SCHOOL DISTRICT A PENNSYLVANIA ACCOUNTABILITY GRANT  
10 EQUAL TO THE SUM OF THE AMOUNTS CALCULATED UNDER PARAGRAPHS (1)  
11 AND (2) AS FOLLOWS:

12 (1) EACH SCHOOL DISTRICT SHALL RECEIVE AN AMOUNT BASED ON  
13 THE PERCENTAGE OF ITS STUDENTS SCORING BELOW PROFICIENT ON THE  
14 PSSA TESTS, CALCULATED AS FOLLOWS:

15 (I) DIVIDE THE NUMBER OF PSSA TESTS ADMINISTERED IN THE  
16 SCHOOL DISTRICT ON WHICH STUDENTS SCORED BELOW PROFICIENT IN  
17 READING OR MATHEMATICS DURING THE 2002-2003 SCHOOL YEAR BY THE  
18 TOTAL NUMBER OF PSSA TESTS SCORED IN READING AND MATHEMATICS IN  
19 THE SCHOOL DISTRICT DURING THE 2002-2003 SCHOOL YEAR.

20 (II) MULTIPLY THE QUOTIENT FROM SUBPARAGRAPH (I) BY THE  
21 AVERAGE DAILY MEMBERSHIP OF THE SCHOOL DISTRICT FOR THE 2002-  
22 2003 SCHOOL YEAR.

23 (III) MULTIPLY THE PRODUCT FROM SUBPARAGRAPH (II) BY THE  
24 MARKET VALUE/INCOME AID RATIO OF THE SCHOOL DISTRICT FOR THE  
25 2003-2004 SCHOOL YEAR.

26 (IV) MULTIPLY THE PRODUCT FROM SUBPARAGRAPH (III) BY ONE  
27 HUNDRED THIRTY-ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS  
28 (\$131,250,000).

29 (V) DIVIDE THE PRODUCT FROM SUBPARAGRAPH (IV) BY THE SUM OF  
30 THE PRODUCTS OF SUBPARAGRAPH (III) FOR ALL SCHOOL DISTRICTS.

1       (2) EACH SCHOOL DISTRICT SHALL RECEIVE AN AMOUNT BASED ON  
2 THE PERCENTAGE OF ITS STUDENTS SCORING AT OR ABOVE PROFICIENT ON  
3 THE PSSA TESTS, CALCULATED AS FOLLOWS:

4       (I) DIVIDE THE NUMBER OF PSSA TESTS ADMINISTERED IN THE  
5 SCHOOL DISTRICT ON WHICH STUDENTS SCORED AT OR ABOVE PROFICIENT  
6 IN READING OR MATHEMATICS DURING THE 2002-2003 SCHOOL YEAR BY  
7 THE TOTAL NUMBER OF PSSA TESTS SCORED IN READING AND MATHEMATICS  
8 IN THE SCHOOL DISTRICT DURING THE 2002-2003 SCHOOL YEAR.

9       (II) MULTIPLY THE QUOTIENT FROM SUBPARAGRAPH (I) BY THE  
10 AVERAGE DAILY MEMBERSHIP OF THE SCHOOL DISTRICT FOR THE 2002-  
11 2003 SCHOOL YEAR.

12       (III) MULTIPLY THE PRODUCT FROM SUBPARAGRAPH (II) BY THE  
13 MARKET VALUE/INCOME AID RATIO OF THE SCHOOL DISTRICT FOR THE  
14 2003-2004 SCHOOL YEAR.

15       (IV) MULTIPLY THE PRODUCT FROM SUBPARAGRAPH (III) BY FORTY-  
16 THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS  
17 (\$43,750,000).

18       (V) DIVIDE THE PRODUCT FROM SUBPARAGRAPH (IV) BY THE SUM OF  
19 THE PRODUCTS OF SUBPARAGRAPH (III) FOR ALL SCHOOL DISTRICTS.

20       (3) GRANTS AWARDED UNDER THIS SECTION SHALL BE PAID TO  
21 SCHOOL DISTRICTS ON THE LAST THURSDAY OF JULY.

22       (E) (1) THE DEPARTMENT SHALL ESTABLISH REPORTING PROCEDURES  
23 AND AUDITING GUIDELINES TO ENSURE THAT GRANT FUNDS ARE UTILIZED  
24 IN ACCORDANCE WITH SUBSECTION (B).

25       (2) A SCHOOL DISTRICT SHALL MAINTAIN SEPARATE ACCOUNTS IN  
26 ITS BUDGET TO FACILITATE MONITORING THE USE OF THE GRANT FUNDS.

27       (3) IN NO CASE SHALL A SCHOOL DISTRICT USE GRANT FUNDS FOR  
28 ADMINISTRATIVE COSTS AS DEFINED BY THE DEPARTMENT.

29       (4) THE DEPARTMENT SHALL REDUCE THE AMOUNT OF A STATE  
30 SUBSIDY PAYMENT TO A SCHOOL DISTRICT BY THE AMOUNT OF ANY GRANT

1 FUNDS PROVIDED UNDER THIS SECTION IF THE SCHOOL DISTRICT DOES  
2 NOT UTILIZE THE GRANT FUNDS IN ACCORDANCE WITH SUBSECTION (B)  
3 AND THE ACCOUNTABILITY GRANT PLAN SUBMITTED PURSUANT TO  
4 SUBSECTION (D).

5 (5) NO GRANT FUNDS MAY BE USED DIRECTLY TO INCREASE SALARIES  
6 EXCEPT AS PROVIDED FOR IN SUBSECTION (B)(10).

7 (6) NO SCHOOL DISTRICT MAY PLACE GRANT FUNDS RECEIVED UNDER  
8 THIS SECTION IN A RESERVE ACCOUNT.

9 (F) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES  
10 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION:

11 "APPLIED KNOWLEDGE." INFORMATION TECHNOLOGY, COMPUTER  
12 EQUIPMENT, EDUCATION SOFTWARE AND RELATED ADVANCED TECHNOLOGIES  
13 NECESSARY TO INCREASE STUDENTS' ACCESS TO WORLDWIDE INFORMATION  
14 AND THEIR EXPERTISE IN THIS REGARD.

15 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE  
16 COMMONWEALTH.

17 "GRANT." A PENNSYLVANIA ACCOUNTABILITY GRANT AWARDED UNDER  
18 THIS SECTION.

19 "HIGHLY QUALIFIED." A HIGHLY QUALIFIED ELEMENTARY TEACHER OR  
20 A HIGHLY QUALIFIED MIDDLE OR SECONDARY TEACHER AS DEFINED IN 22  
21 PA. CODE § 403.2 (RELATING TO DEFINITIONS).

22 "SCIENCE." A CURRICULAR OFFERING IN SUPPORT OF THE SCIENCE  
23 AND TECHNOLOGY CONTENT AREA AS DEFINED IN 22 PA. CODE § 4.12  
24 (RELATING TO ACADEMIC STANDARDS).

25 SECTION 36. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

26 ARTICLE XXV-A

27 KEYSTONE EDUCATIONAL ACCOUNTABILITY

28 SECTION 2501-A. SCOPE.

29 THIS ARTICLE DEALS WITH EDUCATIONAL ACCOUNTABILITY.

30 SECTION 2502-A. PURPOSE.

1       THE PURPOSE OF THIS ARTICLE IS TO PUT IN PLACE AN ASSESSMENT  
2 SYSTEM AIMED AT IMPROVING SCHOOL DISTRICT MANAGEMENT PRACTICES  
3 AND USE OF RESOURCES, AS WELL AS TO IDENTIFY POTENTIAL COST  
4 SAVINGS, BY PROVIDING FOR THE ESTABLISHMENT OF A SERIES OF BEST  
5 PRACTICES COVERING A BROAD RANGE OF SCHOOL DISTRICT EDUCATIONAL  
6 AND OPERATIONAL PROGRAMS AND SERVICES AS STANDARDS FOR A  
7 PERIODIC FINANCIAL MANAGEMENT PRACTICES REVIEW OF SCHOOL  
8 DISTRICTS IN THIS COMMONWEALTH. THE REVIEWS ARE INTENDED TO:

9           (1) INCREASE PUBLIC CONFIDENCE IN AND SUPPORT FOR SCHOOL  
10 DISTRICTS THAT DEMONSTRATE EFFICIENT USE OF TAXPAYER  
11 RESOURCES.

12           (2) ENCOURAGE COST SAVINGS.

13           (3) LINK FINANCIAL PLANNING AND BUDGETING TO DISTRICT  
14 PRIORITIES, INCLUDING STUDENT PERFORMANCE.

15           (4) IMPROVE SCHOOL DISTRICT MANAGEMENT AND USE OF  
16 RESOURCES.

17 SECTION 2503-A. DEFINITIONS.

18       THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
19 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
20 CONTEXT CLEARLY INDICATES OTHERWISE:

21       "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE  
22 COMMONWEALTH.

23       "REVIEW." THE BEST FINANCIAL MANAGEMENT PRACTICES REVIEW  
24 ESTABLISHED BY THIS ARTICLE.

25       "SCHOOL BOARD." A BOARD OF SCHOOL DIRECTORS OF A SCHOOL  
26 DISTRICT.

27       "SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.

28       "STANDARDS." THE BEST FINANCIAL MANAGEMENT PRACTICES  
29 STANDARDS ESTABLISHED BY THE SECRETARY OF EDUCATION AND  
30 PROMULGATED BY THE STATE BOARD OF EDUCATION PURSUANT TO THIS

1 ARTICLE.

2 "STATE BOARD." THE STATE BOARD OF EDUCATION.

3 "TEAM." THE LOCAL FINANCIAL MANAGEMENT ADVISORY TEAM

4 ESTABLISHED PURSUANT TO SECTION 2508-A.

5 SECTION 2504-A. ESTABLISHMENT.

6 (A) REVIEW SYSTEM.--THE DEPARTMENT, IN CONSULTATION WITH  
7 STAKEHOLDERS AS SET FORTH IN SUBSECTION (D), SHALL DEVELOP A  
8 SYSTEM FOR REVIEWING THE FINANCIAL MANAGEMENT PRACTICES OF  
9 SCHOOL DISTRICTS IN THIS COMMONWEALTH BASED ON A SERIES OF BEST  
10 FINANCIAL MANAGEMENT PRACTICES STANDARDS ADOPTED FOR SPECIFIC  
11 AREAS OF DISTRICT PROGRAMS AND OPERATIONS.

12 (B) RESOURCES.--IN DEVELOPING THIS SYSTEM, THE DEPARTMENT  
13 SHALL DRAW ON INFORMATION GARNERED THROUGH THE EXISTING SCHOOL  
14 EVALUATION SERVICES REPORTS.

15 (C) ADVISORY COMMITTEE.--

16 (1) THERE IS HEREBY ESTABLISHED IN THE DEPARTMENT OF  
17 EDUCATION AN ADVISORY COMMITTEE CONSISTING OF NINE MEMBERS TO  
18 ASSIST THE SECRETARY IN CARRYING OUT THE SECRETARY'S DUTIES  
19 UNDER THIS ARTICLE.

20 (2) MEMBERSHIP ON THE COMMITTEE SHALL INCLUDE:

21 (I) A REPRESENTATIVE NAMED BY AN ESTABLISHED  
22 RECOGNIZED ASSOCIATION REPRESENTING SCHOOL  
23 ADMINISTRATORS.

24 (II) A REPRESENTATIVE NAMED BY AN ESTABLISHED  
25 RECOGNIZED ASSOCIATION REPRESENTING SCHOOL BUSINESS  
26 OFFICIALS.

27 (III) ONE REPRESENTATIVE NAMED BY EACH OF THE  
28 ESTABLISHED RECOGNIZED ORGANIZATIONS REPRESENTING THE  
29 STATE'S PUBLIC SCHOOL EMPLOYEES.

30 (IV) A REPRESENTATIVE NAMED BY AN ESTABLISHED

1 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S BOARDS  
2 OF SCHOOL DIRECTORS.

3 (V) A REPRESENTATIVE NAMED BY AN ESTABLISHED  
4 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S COLLEGES  
5 AND UNIVERSITIES.

6 (VI) THREE MEMBERS NAMED BY THE SECRETARY TO  
7 INCLUDE: ONE REPRESENTATIVE FROM AN ESTABLISHED  
8 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S BUSINESS  
9 COMMUNITY; ONE REPRESENTATIVE OF AN ESTABLISHED  
10 RECOGNIZED TAXPAYER ORGANIZATION AND ONE MEMBER FROM THE  
11 GENERAL PUBLIC.

12 (3) THE COMMITTEE SHALL:

13 (I) CONSULT WITH THE SECRETARY CONCERNING ANY MATTER  
14 ARISING UNDER THE ADMINISTRATION OF THIS ARTICLE.

15 (II) ASSIST THE SECRETARY IN COMPLYING WITH THE  
16 PROVISIONS OF SECTION 2504-A(D) TO INCLUDE PROVIDING  
17 LISTS OF EXPERTS IN VARIOUS AREAS ON WHICH STANDARDS AND  
18 INDICATORS ARE BEING DEVELOPED PURSUANT TO SECTION 2505-  
19 A.

20 (D) CONSULTATION.--IN ARRIVING AT ITS BEST PRACTICES AND  
21 THEIR INDICATORS, THE DEPARTMENT SHALL CONSULT WITH A WIDE  
22 VARIETY OF EDUCATIONAL STAKEHOLDERS, INCLUDING SCHOOL DISTRICT  
23 ADMINISTRATORS, SCHOOL BUSINESS OFFICIALS, SCHOOL BOARD MEMBERS,  
24 PROFESSIONAL EDUCATION ORGANIZATIONS, TAXPAYER ORGANIZATIONS,  
25 LEGISLATORS AND LEGISLATIVE STAFF AND THE OFFICE OF THE BUDGET.  
26 ADDITIONALLY, THE DEPARTMENT IS TO SEEK ADVICE FROM CORPORATE  
27 AND GOVERNMENTAL EXPERTS IN FINANCIAL BEST MANAGEMENT PRACTICES  
28 AND OTHER STATES WITH SIMILAR PROGRAMS.

29 (E) REGULATIONS.--NO LATER THAN ONE YEAR FROM THE EFFECTIVE  
30 DATE OF THIS ARTICLE, THE SECRETARY SHALL PROMULGATE THE BEST

1 MANAGEMENT PRACTICES STANDARDS AS REGULATIONS. DUE TO THE URGENT  
2 NEED FOR AN EXPEDITED BUT PUBLIC REGULATORY PROCESS, THE STATE  
3 BOARD, IN ADOPTING THESE REGULATIONS, SHALL FOLLOW THE  
4 PROCEDURES SET FORTH IN THE ACT OF JULY 31, 1968 (P.L.769,  
5 NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW, AND THE  
6 ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY  
7 REVIEW ACT, FOR THE PROMULGATION AND REVIEW OF FINAL-OMITTED  
8 REGULATIONS.

9 SECTION 2505-A. BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS.

10 (A) GENERAL.--THE BEST FINANCIAL MANAGEMENT PRACTICES  
11 STANDARDS MUST, AT A MINIMUM, INSTILL PUBLIC CONFIDENCE BY  
12 ADDRESSING SCHOOL DISTRICTS' USE OF RESOURCES, IDENTIFYING WAYS  
13 THAT THE DISTRICT MAY SAVE FUNDS AND IMPROVING THE DISTRICTS'  
14 PERFORMANCE AND ACCOUNTABILITY SYSTEMS, INCLUDING PUBLIC  
15 ACCOUNTABILITY.

16 (B) INITIAL DEVELOPMENT.--TO ASSURE THESE GOALS ARE MET,  
17 BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS SHALL INITIALLY BE  
18 DEVELOPED FOR THE FOLLOWING AREAS:

- 19 (1) MANAGEMENT STRUCTURES.
- 20 (2) PERFORMANCE ACCOUNTABILITY.
- 21 (3) EDUCATIONAL SERVICE DELIVERY.
- 22 (4) ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY.
- 23 (5) PERSONNEL SYSTEMS AND BENEFITS.
- 24 (6) FACILITIES CONSTRUCTION.
- 25 (7) FACILITIES MAINTENANCE.
- 26 (8) TRANSPORTATION.
- 27 (9) FOOD SERVICE OPERATIONS.
- 28 (10) COST CONTROL SYSTEMS.

29 (C) INDICATORS.--TO HELP ASSESS WHETHER A DISTRICT IS  
30 MEETING THESE STANDARDS, THE DEPARTMENT SHALL ALSO DEVELOP

1 SPECIFIC INDICATORS FOR EACH BEST PRACTICE. INDICATORS WILL  
2 REPRESENT THE KINDS OF ACTIVITIES A DISTRICT WOULD UNDERTAKE IF  
3 THE DISTRICT WERE USING A PARTICULAR BEST PRACTICE.  
4 SECTION 2506-A. REVIEW PROCESS.

5 (A) REVIEW CYCLE.--EVERY SCHOOL DISTRICT SHALL BE SUBJECT TO  
6 A BEST FINANCIAL MANAGEMENT PRACTICES REVIEW ON A CONTINUING  
7 SIX-YEAR CYCLE. ONCE THE SIX-YEAR CYCLE HAS BEEN COMPLETED,  
8 REVIEWS SHALL CONTINUE, BEGINNING AGAIN WITH THOSE DISTRICTS  
9 INCLUDED IN THE FIRST YEAR OF THE CYCLE UNLESS THE DISTRICT HAS  
10 BEEN DEEMED ENTITLED TO A WAIVER PURSUANT TO SECTION 2507-A(D).

11 (B) STRATEGIC PLAN.--EACH DISTRICT'S REVIEW SHALL BE  
12 SCHEDULED ONE YEAR PRIOR TO THE DATE REQUIRED FOR FILING OF THE  
13 DISTRICT'S STRATEGIC PLAN UNDER 22 PA. CODE § 4.13 (RELATING TO  
14 STRATEGIC PLANS) OR ITS SUCCESSOR REGULATIONS, EXCEPT THAT ALL  
15 DISTRICTS PLACED ON THE EDUCATION EMPOWERMENT LIST PURSUANT TO  
16 SECTION 1703-B OR DETERMINED TO BE DISTRESSED PURSUANT TO  
17 SECTION 691 AS OF THE EFFECTIVE DATE OF THIS ARTICLE SHALL BE  
18 INCLUDED IN THE INITIAL CYCLE OF SCHOOL DISTRICTS SUBJECT TO A  
19 REVIEW.

20 (C) PRIVATE FIRMS.--THE DEPARTMENT IS AUTHORIZED TO CONTRACT  
21 WITH A PRIVATE FIRM OR FIRMS, SELECTED THROUGH A FORMAL REQUEST  
22 FOR PROPOSAL PROCESS TO PERFORM EACH REVIEW, TO THE EXTENT THAT  
23 FUNDS ARE PROVIDED FOR THIS PURPOSE IN THE GENERAL APPROPRIATION  
24 ACT EACH YEAR. ANY PRIVATE FIRM AWARDED A CONTRACT PURSUANT TO  
25 THIS SUBSECTION SHALL HAVE EXPERTISE IN SCHOOL DISTRICT FINANCE.

26 (D) SELF-ASSESSMENT.--DISTRICTS SCHEDULED FOR REVIEW SHALL  
27 INITIALLY COMPLETE A SELF-ASSESSMENT INSTRUMENT DEVELOPED BY THE  
28 DEPARTMENT WHICH INDICATES THE SCHOOL DISTRICT'S OWN EVALUATION  
29 OF ITS PERFORMANCE ON EACH BEST PRACTICE. THE SELF-ASSESSMENT  
30 SHALL BEGIN NO LATER THAN 60 DAYS PRIOR TO THE COMMENCEMENT OF

1 THE REVIEW, WITH THE COMPLETED ASSESSMENT INSTRUMENT AND  
2 SUPPORTING DOCUMENTATION SUBMITTED TO THE DEPARTMENT NO LATER  
3 THAN THE DATE SCHEDULED FOR COMMENCEMENT OF THE REVIEW OF THE  
4 DISTRICT.

5 (E) PUBLIC MEETINGS DURING REVIEW.--DURING THE REVIEW THE  
6 DEPARTMENT AND THE FIRM CONDUCTING THE REVIEW SHALL HOLD AT  
7 LEAST ONE ADVERTISED PUBLIC MEETING IN ORDER TO EXPLAIN THE BEST  
8 FINANCIAL MANAGEMENT PRACTICES REVIEW PROCESS AND OBTAIN INPUT  
9 FROM STUDENTS, PARENTS, THE BUSINESS COMMUNITY AND OTHER  
10 DISTRICT RESIDENTS REGARDING THEIR OBSERVATIONS AND  
11 RECOMMENDATIONS ABOUT THE OPERATIONS AND MANAGEMENT OF THE  
12 DISTRICT.

13 (F) INFORMATION USED IN REVIEW PROCESS.--IN COMPLETING ITS  
14 REVIEW AND DEVELOPING THE FINAL REPORT, THE REVIEW TEAM SHALL  
15 USE INFORMATION AVAILABLE THROUGH THE EXISTING SCHOOL EVALUATION  
16 SERVICES REPORTS.

17 (G) COMPLETION OF REVIEW.--REVIEWS ARE TO BE COMPLETED  
18 WITHIN SIX MONTHS AFTER COMMENCEMENT. A FINAL REPORT OF THE  
19 REVIEW TEAM IS TO BE ISSUED TO THE SECRETARY, THE GOVERNOR, THE  
20 DISTRICT AND ITS SCHOOL BOARD, AND THE CHAIRMAN AND MINORITY  
21 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE  
22 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE  
23 OF THE HOUSE OF REPRESENTATIVES, THE CHAIRMAN AND MINORITY  
24 CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SENATE AND THE  
25 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE  
26 HOUSE OF REPRESENTATIVES WITHIN 60 DAYS OF COMPLETION OF THE  
27 REVIEW.

28 (H) PUBLIC MEETING AFTER REVIEW.--WITHIN 30 DAYS OF RECEIPT  
29 OF THE FINAL REPORT OF THE REVIEW, THE SCHOOL BOARD SHALL HOLD A  
30 PUBLIC MEETING TO SHARE THE RESULTS WITH RESIDENTS OF THE

1 DISTRICT. SUCH MEETING SHALL COMPLY WITH THE PROVISIONS OF 65  
2 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

3 (I) PUBLICATION ON WORLD WIDE WEB.--NO LATER THAN 15 DAYS  
4 AFTER THE ISSUANCE OF THE FINAL REPORT BY THE REVIEW TEAM, THE  
5 DEPARTMENT SHALL PUBLISH THE DISTRICTS' REVIEW ON ITS WORLD WIDE  
6 WEB SITE. PRIOR TO PUBLICATION, THE DEPARTMENT SHALL ISSUE A  
7 PRESS RELEASE INFORMING THE PUBLIC OF THE AVAILABILITY OF THIS  
8 INFORMATION.

9 (J) FINDINGS IN FINAL REPORT.--THE FINAL REPORT SHALL  
10 INCLUDE FINDINGS RELATED TO COMPLIANCE WITH THE STANDARDS BASED  
11 ON THEIR ESTABLISHED INDICATORS; POTENTIAL COST SAVINGS;  
12 SUGGESTED RECOMMENDATIONS FOR IMPROVEMENT; AND, FOR THOSE  
13 DISTRICTS FOUND NOT TO BE IN COMPLIANCE WITH THE STANDARDS, A  
14 THREE-YEAR ACTION PLAN FOR ACHIEVING COMPLIANCE. THIS ACTION  
15 PLAN IS TO BE DEVELOPED IN CONJUNCTION WITH OFFICIALS FROM THE  
16 SCHOOL DISTRICT.

17 SECTION 2507-A. STATE CERTIFICATION AS A KEYSTONE DISTRICT.

18 (A) GENERAL RULE.--A DISTRICT THAT HAS BEEN DETERMINED BY  
19 THE REVIEW TO BE USING THE BEST PRACTICES SHALL BE CERTIFIED BY  
20 THE SECRETARY AS A KEYSTONE DISTRICT. SUCH DESIGNATION IS  
21 EFFECTIVE FOR SIX YEARS FROM THE CERTIFICATION DATE OR UNTIL THE  
22 NEXT REVIEW IS COMPLETED, WHICHEVER IS LATER.

23 (B) PUBLICATION OF STATUS.--A DISTRICT SO DESIGNATED IS  
24 AUTHORIZED TO PUBLICIZE ITS STATUS AS A KEYSTONE DISTRICT ON ITS  
25 BUILDINGS AND IN ANY PUBLICATIONS OR CORRESPONDENCE IT DEEMS  
26 APPROPRIATE.

27 (C) ANNUAL VERIFICATION.--EXCEPT AS PROVIDED IN SECTION  
28 2510-A, A DISTRICT THAT HAS BEEN CERTIFIED PURSUANT TO THIS  
29 SECTION SHALL ANNUALLY VERIFY TO THE SECRETARY THAT IT HAS MADE  
30 NO CHANGES IN ANY OF ITS PRACTICES AND CONTINUES TO CONFORM TO

1 THE BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS.

2 (D) WAIVER.--A SCHOOL DISTRICT THAT HAS BEEN AWARDED A  
3 CERTIFICATION AS A KEYSTONE DISTRICT AND WHICH HAS MADE ANNUAL  
4 REPORTS PURSUANT TO SUBSECTION (C) SHALL BE GRANTED A WAIVER  
5 FROM THE REQUIREMENT OF UNDERGOING ITS NEXT SCHEDULED REVIEW.  
6 DISTRICTS GRANTED A WAIVER UNDER THIS SUBSECTION ARE NOT  
7 ELIGIBLE FOR WAIVER OF THE REVIEW TO BE CONDUCTED AFTER THE ONE  
8 WHICH WAS WAIVED.

9 SECTION 2508-A. FAILURE TO MEET BEST FINANCIAL MANAGEMENT  
10 PRACTICES STANDARDS.

11 (A) ACTION PLAN.--IF THE REPORT PROVIDED FOR IN SECTION  
12 2506-A FINDS THAT THE DISTRICT DOES NOT CONFORM TO THE  
13 STANDARDS, THE REPORT MUST CONTAIN AN ACTION PLAN DETAILING HOW  
14 THE DISTRICT MAY MEET THE STANDARDS WITHIN THREE YEARS.

15 (B) FINANCIAL MANAGEMENT ADVISORY TEAM.--NO LESS THAN 60  
16 DAYS FOLLOWING RECEIPT OF THE REPORT, THE SCHOOL BOARD SHALL  
17 ESTABLISH A LOCAL FINANCIAL MANAGEMENT ADVISORY TEAM. THE TEAM  
18 SHALL CONSIST OF 11 MEMBERS AS FOLLOWS:

19 (1) ONE MEMBER OF THE SCHOOL BOARD WHO MAY BE THE  
20 PRESIDENT OR A DESIGNATED BOARD MEMBER.

21 (2) THE SUPERINTENDENT OF THE DISTRICT.

22 (3) THE SCHOOL BUSINESS MANAGER OR THE INDIVIDUAL  
23 RESPONSIBLE FOR THE FISCAL MANAGEMENT OF THE DISTRICT.

24 (4) A PRINCIPAL SELECTED BY ALL THE PRINCIPALS IN THE  
25 DISTRICT.

26 (5) A TEACHER SELECTED BY ALL THE TEACHERS IN THE  
27 DISTRICT.

28 (6) TWO MEMBERS OF THE GENERAL PUBLIC, ONE OF WHOM SHALL  
29 BE A REPRESENTATIVE OF A LOCAL TAXPAYER ORGANIZATION IF ONE  
30 EXISTS IN THE DISTRICT.

1           (7) ONE PARENT OF A STUDENT FROM THE DISTRICT.

2           (8) TWO LOCAL REPRESENTATIVES OF BUSINESS, AT LEAST ONE  
3           OF WHOM MUST HAVE EXPERIENCE IN BANKING OR FINANCE.

4           (9) A LOCAL COMMUNITY LEADER.

5           (C) PROCEDURE.--THE SCHOOL BOARD SHALL ESTABLISH PROCEDURES  
6           FOR SELECTING THE PARENT, THE BUSINESS AND COMMUNITY LEADERS AND  
7           MEMBERS OF THE GENERAL PUBLIC IN ORDER TO ENSURE PUBLIC  
8           AWARENESS OF THESE OPENINGS AND SOLICIT INPUT FROM THE  
9           COMMUNITY.

10          (D) CHAIRPERSON.--THE TEAM SHALL ELECT A CHAIRPERSON FROM  
11          AMONG ITS MEMBERSHIP AT ITS FIRST MEETING.

12          (E) TIME PERIOD.--THE TEAM SHALL BE RESPONSIBLE FOR  
13          IMPLEMENTATION OF THE ACTION PLAN CONTAINED IN THE DISTRICT'S  
14          REPORT WITHIN A THREE-YEAR TIME PERIOD.

15          (F) TECHNICAL ADVISORS.--UPON REQUEST, THE DEPARTMENT SHALL  
16          PROVIDE, FROM A LIST ESTABLISHED PURSUANT TO SECTION 2509-A,  
17          SUCH TECHNICAL ADVISORS AS MAY BE NECESSARY TO ASSIST THE TEAM  
18          IN IMPLEMENTING THE ACTION PLAN.

19          (G) SECOND REVIEW.--NO LATER THAN THREE YEARS AFTER RECEIPT  
20          OF A REPORT INDICATING THE DISTRICT IS NOT IN COMPLIANCE WITH  
21          THE BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS, OR EARLIER  
22          UPON REQUEST OF THE SCHOOL BOARD, THE DEPARTMENT SHALL CONDUCT A  
23          SECOND REVIEW TO DETERMINE IF THE DISTRICT IS NOW IN COMPLIANCE.  
24          IF THIS SECOND REPORT INDICATES THAT THE DISTRICT IS NOW IN  
25          COMPLIANCE, IT SHALL BE CERTIFIED AS A KEYSTONE DISTRICT  
26          PURSUANT TO SECTION 2507-A AND SHALL FALL UNDER ALL PROVISIONS  
27          OF THAT SECTION WITH THE NEXT REVIEW OF THE DISTRICT TO TAKE  
28          PLACE SIX YEARS FROM THE DATE OF CERTIFICATION.

29          SECTION 2509-A. DUTIES OF DEPARTMENT.

30          (A) LIST OF EXPERTS.--IN ORDER TO ASSIST THOSE DISTRICTS

1 THAT DO NOT INITIALLY MEET THE BEST FINANCIAL MANAGEMENT  
2 PRACTICES STANDARDS, THE DEPARTMENT SHALL ESTABLISH A LIST OF  
3 EXPERTS WHO POSSESS KNOWLEDGE AND EXPERIENCE IN SUCH AREAS AS  
4 SCHOOL OR BUSINESS ADMINISTRATION, PUPIL TRANSPORTATION, FOOD  
5 SERVICES MANAGEMENT, BUDGET DEVELOPMENT, FISCAL MANAGEMENT,  
6 HUMAN RESOURCES MANAGEMENT, EDUCATIONAL TECHNOLOGY AND LABOR  
7 RELATIONS.

8 (B) TECHNICAL ADVISORS.--UPON REQUEST FROM A SCHOOL BOARD,  
9 THE DEPARTMENT SHALL SEND INTO THE DISTRICT TECHNICAL ADVISORS,  
10 CHOSEN FROM THE LIST ESTABLISHED IN SUBSECTION (A) WITH  
11 EXPERTISE IN THOSE AREAS IDENTIFIED IN THE REPORT AS NOT MEETING  
12 BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS, TO WORK WITH THE  
13 TEAM IN IMPLEMENTING THE DISTRICT'S ACTION PLAN.

14 SECTION 2510-A. REVOCATION OF CERTIFICATION.

15 (A) GENERAL RULE.--THE SECRETARY MAY REVOKE THE KEYSTONE  
16 DISTRICT CERTIFICATION IF AT ANY TIME IT DETERMINES THAT A  
17 DISTRICT IS NO LONGER COMPLYING WITH THE COMMONWEALTH'S BEST  
18 FINANCIAL MANAGEMENT PRACTICES STANDARDS.

19 (B) IMMEDIATE REVOCATION.--ANY DISTRICT CERTIFIED AS A  
20 KEYSTONE DISTRICT WHICH, BEFORE ITS NEXT SCHEDULED REVIEW, IS  
21 DEEMED TO BE DISTRESSED BY THE SECRETARY UNDER SECTION 691 OR IS  
22 PLACED ON THE EDUCATION EMPOWERMENT LIST PROVIDED PURSUANT TO  
23 SECTION 1703-B SHALL IMMEDIATELY HAVE ITS CERTIFICATION REVOKED.

24 SECTION 2511-A. COST SAVINGS.

25 COST SAVINGS RESULTING FROM IMPLEMENTATION OF THE BEST  
26 FINANCIAL PRACTICES MUST BE SPENT AT THE SCHOOL AND CLASSROOM  
27 LEVELS FOR TEACHER PROFESSIONAL DEVELOPMENT, IMPROVING CLASSROOM  
28 FACILITIES, STUDENT SUPPLIES, TEXTBOOKS, CLASSROOM TECHNOLOGY,  
29 SCHOOL SAFETY OR ANY OTHER INSTRUCTIONAL ACTIVITY DIRECTLY  
30 AFFECTING STUDENT PERFORMANCE AND THE LEARNING ENVIRONMENT.

1 SECTION 37. SECTION 2603-B(D) OF THE ACT, AMENDED OR ADDED  
2 MARCH 30, 1988 (P.L.321, NO.43) AND JUNE 29, 2002 (P.L.524,  
3 NO.88), IS AMENDED TO READ:

4 SECTION 2603-B. POWERS AND DUTIES OF THE BOARD.--\* \* \*

5 (D) THE BOARD SHALL ALSO HAVE THE AUTHORITY AND DUTY TO:

6 (1) APPROVE OR DISAPPROVE AN APPLICATION FOR THE CREATION OF  
7 A NEW SCHOOL DISTRICT, OR CHANGE IN THE BOUNDARIES OF AN  
8 EXISTING SCHOOL DISTRICT;

9 (2) ESTABLISH, WHENEVER DEEMED ADVISABLE, COMMITTEES OF  
10 PROFESSIONAL AND TECHNICAL ADVISORS TO ASSIST THE COUNCILS IN  
11 PERFORMING RESEARCH STUDIES UNDERTAKEN BY THEM;

12 (3) MANAGE AND HAVE CUSTODY OF THE STATE SCHOOL FUND;

13 (4) (I) APPLY FOR, RECEIVE AND ADMINISTER, SUBJECT TO ANY  
14 APPLICABLE REGULATIONS OR LAWS OF THE FEDERAL GOVERNMENT OR ANY  
15 AGENCY THEREOF, ANY FEDERAL GRANTS, APPROPRIATIONS, ALLOCATIONS  
16 AND PROGRAMS FOR THE DEVELOPMENT OF ACADEMIC FACILITIES ON  
17 BEHALF OF THE COMMONWEALTH, ANY OF ITS SCHOOL DISTRICTS OR ANY  
18 INSTITUTION OF HIGHER EDUCATION, PUBLIC OR PRIVATE, WITHIN THIS  
19 COMMONWEALTH;

20 (II) SUBJECT TO CRITERIA DEVELOPED BY THE SECRETARY OF  
21 EDUCATION AND SUBJECT TO ANY APPLICABLE REGULATIONS OR LAWS OF  
22 THE FEDERAL GOVERNMENT OR ANY AGENCY THEREOF, TO DEVELOP, ALTER,  
23 AMEND AND SUBMIT TO THE FEDERAL GOVERNMENT STATE PLANS FOR  
24 PARTICIPATION IN FEDERAL GRANTS, APPROPRIATIONS, ALLOCATIONS AND  
25 PROGRAMS FOR THE DEVELOPMENT OF ACADEMIC FACILITIES AND TO MAKE  
26 REGULATIONS, CRITERIA, METHODS, FORMS, PROCEDURES AND TO DO ALL  
27 OTHER THINGS WHICH MAY BE NECESSARY TO MAKE POSSIBLE THE  
28 PARTICIPATION OF THE COMMONWEALTH IN SUCH FEDERAL GRANTS,  
29 APPROPRIATIONS, ALLOCATIONS AND PROGRAMS FOR THE DEVELOPMENT OF  
30 ACADEMIC FACILITIES;

1 (III) HOLD HEARINGS, ISSUE SUBPOENAS AND RENDER DECISIONS AS  
2 TO THE PRIORITY ASSIGNED TO ANY PROJECT, OR AS TO ANY OTHER  
3 MATTER OR DETERMINATION AFFECTING ANY APPLICANT FOR FEDERAL  
4 GRANTS, APPROPRIATIONS, ALLOCATIONS AND PROGRAMS FOR THE  
5 DEVELOPMENT OF ACADEMIC FACILITIES;

6 (IV) ADOPT RULES OR PROCEDURES AND PRESCRIBE REGULATIONS FOR  
7 THE SUBMISSION TO IT OF ALL MATTERS WITHIN ITS JURISDICTION; AND

8 (V) SUBMIT, ANNUALLY, TO THE GOVERNOR, ON OR BEFORE THE  
9 FIRST MONDAY OF DECEMBER, A REPORT OF ITS PROCEEDINGS DURING  
10 THAT YEAR, TOGETHER WITH SUCH RECOMMENDATIONS AS THE BOARD SHALL  
11 DEEM NECESSARY;

12 (5) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION  
13 SHALL APPROVE OR DISAPPROVE ANY ACTION OF A STATE-OWNED  
14 UNIVERSITY, COMMUNITY COLLEGE OR STATE-RELATED OR STATE-AIDED  
15 COLLEGE OR UNIVERSITY IN ESTABLISHING ADDITIONAL BRANCHES OR  
16 CAMPUSES, OR IN DISCONTINUING BRANCHES OR CAMPUSES;

17 (6) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION  
18 SHALL APPROVE OR DISAPPROVE ANY ACTION OF A STATE-OWNED  
19 UNIVERSITY, COMMUNITY COLLEGE OR STATE-RELATED OR STATE-AIDED  
20 COLLEGE OR UNIVERSITY IN ESTABLISHING NEW PROFESSIONAL SCHOOLS  
21 OR UPPER DIVISION PROGRAMS BY TWO (2) YEAR INSTITUTIONS;

22 (7) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION  
23 SHALL APPROVE OR DISAPPROVE APPLICATIONS BY TWO (2) YEAR  
24 INSTITUTIONS TO BECOME FOUR (4) YEAR INSTITUTIONS;

25 (8) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION  
26 SHALL APPROVE OR DISAPPROVE THE REQUEST OF ANY PRIVATE  
27 INSTITUTION OF HIGHER EDUCATION FOR ADMISSION TO STATE-RELATED  
28 OR STATE-AIDED STATUS, OR FOR ELIGIBILITY FOR OTHER STATE  
29 FINANCIAL SUPPORT; AND

30 (9) REQUIRE THE SUBMISSION OF LONG-RANGE PLANS FROM ALL

1 PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION AT THE TIMES  
2 AND IN THE FORM REQUESTED BY THE BOARD. SUCH DOCUMENTS SHALL BE  
3 REVIEWED BY THE COUNCIL OF HIGHER EDUCATION AND THE BOARD IN THE  
4 DEVELOPMENT OF A MASTER PLAN FOR HIGHER EDUCATION AS PROVIDED IN  
5 SUBSECTION (H) AND SECTION 2604-B(C)(1).

6 (10) (I) APPROVE OR DISAPPROVE STANDARDS PROPOSED BY THE  
7 DEPARTMENT IN ORDER TO COMPLY WITH THE PROVISIONS OF THE NO  
8 CHILD LEFT BEHIND ACT OF 2001 [(PUBLIC LAW 107-110, 115 STAT.  
9 1425)] TO MAINTAIN THE ELIGIBILITY OF THIS COMMONWEALTH TO  
10 RECEIVE FEDERAL FUNDING FOR EDUCATION PROGRAMS. THE BOARD SHALL  
11 APPROVE OR DISAPPROVE THE STANDARDS WITHIN 30 DAYS OF SUBMISSION  
12 TO THE BOARD'S OFFICE OR AT ITS NEXT SCHEDULED MEETING,  
13 WHICHEVER IS SOONER. FAILURE OF THE BOARD TO APPROVE OR  
14 DISAPPROVE THE STANDARDS WITHIN THE TIME ESTABLISHED UNDER THIS  
15 SECTION SHALL BE DEEMED AN APPROVAL OF THE STANDARDS.

16 (II) STANDARDS PROMULGATED UNDER THIS SECTION SHALL BE  
17 DEPOSITED WITH THE PENNSYLVANIA BULLETIN FOR PUBLICATION.

18 (III) THESE STANDARDS SHALL BE EXEMPT FROM:

19 (A) SECTIONS 201 THROUGH 205 OF THE ACT OF JULY 31, 1968  
20 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS  
21 LAW.

22 [(B) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980 (P.L.950,  
23 NO.164), KNOWN AS THE "COMMONWEALTH ATTORNEYS ACT." ]

24 (C) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE  
25 "REGULATORY REVIEW ACT."

26 (D) THIS SUBCLAUSE SHALL EXPIRE [JUNE 30, 2003.] JUNE 30,  
27 2004.

28 (IV) (A) PRIOR TO ITS DEPOSIT WITH THE LEGISLATIVE  
29 REFERENCE BUREAU AS REQUIRED BY SECTION 204(B) OF THE ACT OF  
30 OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE "COMMONWEALTH

1 ATTORNEYS ACT," THE BOARD SHALL SUBMIT ANY STANDARD UNDER THIS  
2 PARAGRAPH TO THE ATTORNEY GENERAL. THE ATTORNEY GENERAL SHALL  
3 DETERMINE WHETHER ACTION ON THE STANDARD IS REQUIRED TO COMPLY  
4 WITH THE PROVISIONS OF THE NO CHILD LEFT BEHIND ACT OF 2001 TO  
5 MAINTAIN THE ELIGIBILITY OF THIS COMMONWEALTH TO RECEIVE FEDERAL  
6 FUNDING FOR EDUCATION PROGRAMS AND SHALL TRANSMIT SUCH  
7 DETERMINATION TO THE BOARD.

8 (B) WHERE THE ATTORNEY GENERAL DETERMINES THAT ACTION ON THE  
9 STANDARD IS NOT REQUIRED TO COMPLY WITH THE PROVISIONS OF THE NO  
10 CHILD LEFT BEHIND ACT OF 2001 TO MAINTAIN THE ELIGIBILITY OF THE  
11 COMMONWEALTH TO RECEIVE FEDERAL FUNDING FOR EDUCATION PROGRAMS,  
12 THE BOARD MAY NOT TAKE ACTION ON THE STANDARD UNDER THIS  
13 PARAGRAPH.

14 (C) WHERE THE ATTORNEY GENERAL FAILS TO MAKE A DETERMINATION  
15 WITHIN TEN (10) DAYS OF THE BOARD'S SUBMISSION OF THE STANDARD  
16 UNDER THIS SUBCLAUSE, ACTION ON THE STANDARD SHALL BE DEEMED TO  
17 BE REQUIRED TO COMPLY WITH THE PROVISIONS OF THE NO CHILD LEFT  
18 BEHIND ACT OF 2001 TO MAINTAIN THE ELIGIBILITY OF THE  
19 COMMONWEALTH TO RECEIVE FEDERAL FUNDING FOR EDUCATION PROGRAMS.

20 (D) THIS SUBCLAUSE SHALL EXPIRE JUNE 30, 2004.

21 \* \* \*

22 SECTION 38. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

23 ARTICLE XXVI-I

24 TEACHER RECRUITMENT ASSISTANCE

25 SECTION 2601-I. DEFINITIONS.

26 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
27 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
28 CONTEXT CLEARLY INDICATES OTHERWISE:

29 "AGENCY." THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE  
30 AGENCY.

1       "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE  
2 COMMONWEALTH.

3       "DESIGNATED COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT SCHOOL  
4 DISTRICT." AN ELIGIBLE RURAL OR ACADEMIC IMPROVEMENT PUBLIC  
5 SCHOOL DISTRICT THAT THE SECRETARY OF EDUCATION HAS CERTIFIED AS  
6 HAVING A NEED FOR TEACHER LOAN FORGIVENESS ASSISTANCE BECAUSE OF  
7 DIFFICULTY IN ATTRACTING QUALIFIED TEACHERS.

8       "ELIGIBLE ACADEMIC SCHOOL IMPROVEMENT PUBLIC SCHOOL  
9 DISTRICT." A PUBLIC SCHOOL DISTRICT THAT:

10           (1) HAS TWO OR MORE SCHOOLS IDENTIFIED FOR IMPROVEMENT  
11 OR CORRECTIVE ACTION UNDER SECTION 1116(C)(3) OR (10) OF THE  
12 NO CHILD LEFT BEHIND ACT OF 2001;

13           (2) HAS BEEN CERTIFIED AS DISTRESSED UNDER SECTION 691;

14           (3) HAS BEEN CERTIFIED AS AN EDUCATION EMPOWERMENT  
15 DISTRICT UNDER SECTION 1705-B OR 1707-B; OR

16           (4) HAS BEEN PLACED ON AN EDUCATION EMPOWERMENT LIST  
17 UNDER SECTION 1703-B.

18       "ELIGIBLE RURAL PUBLIC SCHOOL DISTRICT." A PUBLIC SCHOOL  
19 DISTRICT THAT HAS A POPULATION OF LESS THAN 300 PER SQUARE MILE  
20 AND EITHER:

21           (1) MORE THAN 8% OF THE PUPILS IN AVERAGE DAILY  
22 MEMBERSHIP ARE LOW-INCOME PUPILS AS DEFINED IN SECTION  
23 2502.11; OR

24           (2) THE MARKET VALUE/INCOME AID RATIO AS DEFINED IN  
25 SECTION 2501 IS GREATER THAN SEVEN-TENTHS.

26       "QUALIFIED APPLICANT." A PERSON WHO MEETS ALL OF THE  
27 FOLLOWING CRITERIA:

28           (1) IS CERTIFIED BY THE DEPARTMENT OF EDUCATION TO  
29 TEACH.

30           (2) IS IN THE FIRST YEAR OF FULL-TIME TEACHING.

1           (3) IS TEACHING IN A DESIGNATED COMMONWEALTH RURAL OR  
2           ACADEMIC IMPROVEMENT SCHOOL DISTRICT.

3           (4) HAS BORROWED THROUGH AND HAS A CURRENT OUTSTANDING  
4           BALANCE WITH THE AGENCY-GUARANTEED STAFFORD OR CONSOLIDATION  
5           LOAN PROGRAMS.

6           "SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.  
7           SECTION 2602-I. TEACHER RECRUITMENT ASSISTANCE PROGRAM.

8           (A) PURPOSE.--THE PROGRAM SHALL PROVIDE ASSISTANCE TO  
9           DESIGNATED COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT PUBLIC  
10           SCHOOL DISTRICTS IN RECRUITING TEACHERS THROUGH A PROGRAM OF  
11           TEACHER LOAN FORGIVENESS AS PROVIDED FOR IN THIS ARTICLE.

12           (B) ADMINISTRATION.--THE AGENCY SHALL ADMINISTER THE PROGRAM  
13           AND ADOPT SUCH REGULATIONS, POLICIES, PROCEDURES AND FORMS AS  
14           ARE NECESSARY AND NOT INCONSISTENT WITH THE PROVISIONS OF THIS  
15           ARTICLE.

16           SECTION 2603-I. TEACHER RECRUITMENT ASSISTANCE.

17           (A) GENERAL RULE.--A QUALIFIED APPLICANT WHO IS SELECTED IN  
18           ACCORDANCE WITH THIS ARTICLE SHALL BE ELIGIBLE FOR AN AWARD BY  
19           THE AGENCY OF A PORTION OF THE DEBT INCURRED BY THE APPLICANT  
20           THROUGH THE AGENCY-GUARANTEED STAFFORD OR CONSOLIDATION LOAN  
21           PROGRAMS FOR THE EDUCATION NECESSARY TO BE CERTIFIED TO TEACH IN  
22           THIS COMMONWEALTH.

23           (B) FORGIVENESS OF LOAN.--FOR EACH ACADEMIC YEAR THAT THE  
24           ELIGIBLE APPLICANT IS A FULL-TIME TEACHER IN A DESIGNATED  
25           COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT PUBLIC SCHOOL  
26           DISTRICT, THE AGENCY MAY FORGIVE A PROPORTIONAL PART OF THE  
27           APPLICANT'S LOAN OVER FOUR YEARS OF FULL-TIME TEACHING. NO MORE  
28           THAN \$2,500 SHALL BE FORGIVEN IN ANY YEAR AND NO MORE THAN  
29           \$10,000 SHALL BE FORGIVEN FOR ANY ELIGIBLE APPLICANT.

30           (C) PAYMENTS.--SHALL BE MADE IN ACCORDANCE WITH PROCEDURES

1 ESTABLISHED BY THE AGENCY.

2 SECTION 2604-I. LOAN FORGIVENESS AWARDS.

3 RECIPIENTS OF TEACHER RECRUITMENT ASSISTANCE AWARDS SHALL BE  
4 THOSE TEACHERS WHO ARE CERTIFIED BY THE DEPARTMENT AND WHO HAVE  
5 RECEIVED A SATISFACTORY RATING BY THE DISTRICT FOR THE ACADEMIC  
6 YEAR. EACH TEACHER SHALL BE REQUIRED TO SUBMIT SUCH  
7 DOCUMENTATION OF CONTINUED ELIGIBILITY AS THE AGENCY MAY  
8 REQUIRE.

9 SECTION 39. SECTION 2416 OF THE ACT OF APRIL 9, 1929  
10 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929, IS  
11 REPEALED INsofar AS IT IS INCONSISTENT WITH THIS ACT.

12 SECTION 40. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.