INTRODUCED BY BRIGGS, ROEBUCK, HILL-EVANS, KINSEY, CALTAGIRONE, SCHLOSSBERG, SOLOMON, T. DAVIS, FREEMAN, ZABEL, DeLUCA, MULLINS, CIRESI, WARREN, MURT, KORTZ AND STURLA, MARCH 27, 2019

REFERRED TO COMMITTEE ON EDUCATION, MARCH 27, 2019

AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in preliminary provisions, establishing the Higher Education Funding Commission and providing for its powers and duties.

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

Section 1. The General Assembly finds that:

(1) This Commonwealth has a diverse array of institutions of higher education with a variety of missions and strengths.

(2) Higher education is a critical mechanism for socioeconomic advancement among aspiring individuals and an important driver of economic mobility in our society.

(3) A well-educated workforce is vital to our future economic growth.

(4) Institutions of Higher Education contribute to the
quality of life in their communities and provide services such as medical facilities, research centers, libraries, sports, art and cultural events.

(5) All residents of this Commonwealth benefit from the skills and education gained by students at our institutions of higher education.

(6) To secure these benefits for its residents, the Commonwealth invests significant public resources to support these institutions.

(7) To maximize these benefits for residents, the Commonwealth should continue to partner with the institutions to promote greater accessibility, affordability and usability of postsecondary education in this Commonwealth.

(8) The future of this Commonwealth depends in part on the ability of public and private institutions of higher education to continue to fulfill their missions.

Section 2. The act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, is amended by adding a section to read:

Section 128. Higher Education Funding Commission.--(a) The Higher Education Funding Commission is established.

(b) The commission shall review and make recommendations related to higher education funding as provided in this section.

(c) (1) The commission shall consist of the following members:

(i) The chair and minority chair of the Education Committee of the Senate and the chair and minority chair of the Education Committee of the House of Representatives or their designees.

(ii) Two (2) legislators from each of the four (4) legislative caucuses, to be appointed by the President pro

20190HB0993PN1124 - 2 -
tempore of the Senate and the Speaker of the House of Representatives, in consultation with the Majority Leader and Minority Leader of the Senate and the Majority Leader and Minority Leader of the House of Representatives.

(iii) The Secretary of Education or a designee.

(iv) The Deputy Secretary for Higher Education or a designee.

(v) An individual appointed by the Governor from within the Governor's Administration.

(2) The commission shall appoint a member to serve as chair of the commission.

(d) The commission shall hold its first meeting within forty-five (45) days of the effective date of this section, regardless of whether the Governor or all legislators have been appointed.

(e) The commission shall hold meetings at the call of the chair.

(f) The members may not receive compensation for their services but shall be reimbursed for all necessary travel and other reasonable expenses incurred in connection with the performance of their duties as members of the commission.

(g) The General Assembly shall provide administrative support, meeting space and any other assistance required by the commission to carry out its duties under this section in cooperation with the department. The department shall provide the commission with data, research and other information upon request by the commission.

(h) The commission shall develop a higher education funding formula and identify factors that may be used to determine the distribution of higher education funding among the school
districts in this Commonwealth. The factors identified under this subsection may include all of the following:

(1) Projected revenue and expenses, including long-term debt and the current and projected cost and funding status of health and pension benefits for at least the next five (5) years.

(2) College affordability, including the effect on enrollment trends over the next five (5) years, taking into account the costs and fees levied on students who attend traditional classes and on students who take online courses.

(3) The potential for improved efficiencies and overall cost reductions between the public institutions of higher education.

(4) Current and future infrastructure needs at all the public institutions of higher education, including academic buildings, residence halls and other student-financed buildings, as well as a review of deferred maintenance projects and future information technology needs.

(5) The contributions made by any affiliates, subsidiaries, foundations, local sponsors or other entities.

(6) The adequacy of State support for institutions of higher education.

(7) Best practices undertaken by policymakers in other states to address enrollment and fiscal pressures in public higher education.

(8) An analysis of current efforts by institutions of higher education to improve financial literacy as it relates to the costs associated with the attainment of an associate degree or higher.

(9) The economic impact of institutions of higher education on their communities.

(10) Gaps and opportunities for collaboration with basic
education, work force development programs, economic development
and other related systems.

(11) Using data from the most recent year available, provide
a list of all public and private institutions of higher
education with students who receive grant money from the
Pennsylvania Higher Education Assistance Agency and the grant
amounts awarded to each institution.

(12) Geographic price differences identified for each
institution of higher education.

(13) Whether an institution of higher education has
experienced exceptionally high enrollment growth.

(14) Other factors related to the distribution of higher
education funding.

(i) The commission shall have all of the following powers
and duties:

(1) Review and make findings and recommendations related to
higher education funding in this Commonwealth.

(2) Consult with and utilize experts to assist the
commission in carrying out the duties under this subsection.

(3) Receive input from interested parties, including, but
not limited to, school districts and charter and cyber charter
school operators.

(4) Hold public hearings in different regions of this
Commonwealth.

(5) Review and consider higher education funding formulas
and factors utilized throughout the United States.

(6) In identifying the higher education funding factors
under subsection (h) and in completing the report required under
this subsection, consider the impact these factors may have on
the distribution of higher education funding among the
institutions of higher education.

(7) Review the administration of Federal and State higher education programs and services to determine if cost savings may be achieved and make recommendations to implement the savings.

(8) Prior to recommending a higher education funding formula under this section, consider the potential consequences of a higher education funding formula that does not allocate to each institution of higher education at least the same level or proportion of State higher education funding as the institution received in the prior school year.

(9) Prior to recommending a higher education funding formula under this section, consider nationally accepted accounting and budgeting standards.

(10) Develop a proposed higher education funding formula and factors pursuant to subsection (h).

(11) Draft proposed regulations and proposed legislation based on the commission's findings.

(12) Issue a report of the commission's findings and recommendations to the Governor, the State Board of Education, the Secretary of Education, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader and Minority Leader of the Senate, the Majority Leader and Minority Leader of the House of Representatives, the Education Committee of the Senate and the Education Committee of the House of Representatives not later than one year after the effective date of this section.

(j) The higher education formula developed by the commission shall not go into effect unless the formula is approved by an act of the General Assembly enacted after the effective date of this section.
(k) Every five (5) years the commission shall be reconstituted in accordance with subsection (c) and shall meet and hold public hearings to review the operation of the higher education funding provisions of this section, shall make a further report and shall issue the report to the recipients listed in subsection (i)(12).

(l) As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Commission." The Higher Education Funding Commission established by this section.

"Department." The Department of Education of the Commonwealth.

Section 3. This act shall take effect in 60 days.