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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 564      Session of  
2003

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INTRODUCED BY BUNT, DeWEESE, HARPER, CURRY, BARD, BELFANTI,  
CAPPELLI, CIVERA, CLYMER, DAILEY, DALEY, DALLY, FREEMAN,  
GODSHALL, HARHART, HENNESSEY, HERMAN, HORSEY, JAMES, JOSEPHS,  
LaGROTTA, LAUGHLIN, LEH, MANN, MARKOSEK, NAILOR, ROSS,  
RUBLEY, SAYLOR, SEMMEL, E. Z. TAYLOR, THOMAS, TRAVAGLIO,  
TURZAI, VANCE, WEBER, WILT, YOUNGBLOOD, YUDICHAK, WASHINGTON,  
ROEBUCK, SCAVELLO, LEWIS, SAMUELSON, WOJNAROSKI AND ADOLPH,  
MARCH 3, 2003

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AS AMENDED ON THIRD CONSIDERATION, IN SENATE, JULY 28, 2003

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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," REQUIRING SCHOOL DISTRICTS TO REOPEN <—  
6 THEIR 2003-2004 BUDGETS; IMPOSING LIMITATIONS ON CERTAIN  
7 UNRESERVED FUND BALANCES; FURTHER PROVIDING FOR AUXILIARY  
8 SERVICES; DELETING PROVISIONS RELATING TO PROFESSIONAL  
9 TEACHER ASSESSMENT; FURTHER PROVIDING FOR COST OF TUITION AND  
10 MAINTENANCE OF CERTAIN EXCEPTIONAL CHILDREN IN APPROVED  
11 PRIVATE SCHOOLS AND FOR ACTUAL COST OF TUITION AND  
12 MAINTENANCE OF CERTAIN EXCEPTIONAL CHILDREN IN THE FOUR  
13 CHARTERED SCHOOLS FOR EDUCATION OF DEAF AND BLIND CHILDREN;  
14 PROVIDING FOR THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM;  
15 FURTHER PROVIDING FOR EDUCATION SUPPORT SERVICES PROGRAM, FOR  
16 EDUCATION EMPOWERMENT DISTRICTS, FOR SCHOOL IMPROVEMENT  
17 GRANTS AND FOR MANDATE WAIVER PROGRAM; further providing for  
18 community college financial programs and reimbursements;  
19 ~~establishing the Community College Nonmandated Capital Fund~~ <—  
20 ~~PROVIDING FOR NONMANDATED CAPITAL; and abrogating a~~ <—  
21 ~~regulation. AND FOR EFFECTIVE DATE OF REGULATIONS RELATING TO~~ <—  
22 ~~COMMUNITY COLLEGES. NONMANDATED CAPITAL AND FOR EFFECTIVE~~ <—  
23 ~~DATE OF REGULATIONS RELATING TO COMMUNITY COLLEGES; and~~ <—  
24 ~~abrogating a regulation REGULATIONS.~~ <—  
25 "EDUCATIONAL IMPROVEMENT ORGANIZATION" AND "SCHOLARSHIP  
26 ORGANIZATION"; FURTHER PROVIDING FOR EDUCATIONAL IMPROVEMENT

1 TAX CREDITS, FOR LIMITATIONS ON EDUCATIONAL IMPROVEMENT TAX  
2 CREDITS, FOR PAYMENTS ON ACCOUNT OF PUPILS ENROLLED IN  
3 VOCATIONAL CURRICULUMS AND FOR SMALL DISTRICT ASSISTANCE;  
4 PROVIDING FOR BASIC EDUCATION FUNDING FOR 2002-2003 SCHOOL  
5 YEAR; FURTHER PROVIDING FOR PAYMENTS TO INTERMEDIATE UNITS,  
6 FOR SPECIAL EDUCATION PAYMENTS TO SCHOOL DISTRICTS AND FOR  
7 COMMONWEALTH REIMBURSEMENTS FOR CHARTER SCHOOLS AND CYBER  
8 CHARTER SCHOOLS AND FOR POWERS AND DUTIES OF THE STATE BOARD  
9 OF EDUCATION; ABROGATING REGULATIONS; AND MAKING  
10 APPROPRIATIONS, REPEALS AND AN EDITORIAL CHANGE.

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

13 ~~Section 1. Section 1902 A of the act of March 10, 1949~~ <—  
14 ~~(P.L.30, No.14), known as the Public School Code of 1949, added~~  
15 ~~July 1, 1985 (P.L.103, No.31), is amended to read:~~

16 ~~Section 1902 A. Powers and Duties of State Board of~~  
17 ~~Education. (a) The State Board of Education shall have the~~  
18 ~~power, and its duty shall be:~~

19 ~~(1) To adopt such policies, standards, rules and regulations~~  
20 ~~formulated by the Council of Higher Education, as may be~~  
21 ~~necessary to provide for the establishment, operation and~~  
22 ~~maintenance of community colleges, including minimum~~  
23 ~~requirements for physical facilities and equipment, curriculum,~~  
24 ~~faculty, standards and professional requirements, qualifications~~  
25 ~~for admission and advancement of students, student enrollment,~~  
26 ~~student population of the area to be served by the community~~  
27 ~~college, requirements for satisfactory completion of a two year~~  
28 ~~program and the degrees or diplomas or certificates to be~~  
29 ~~awarded therefor, means of financing and financial resources for~~  
30 ~~the establishment and support of the community college, and all~~  
31 ~~matters necessary to effectuate the purposes of this act.~~

32 ~~(2) To approve or disapprove plans for the establishment or~~  
33 ~~operation of a community college.~~

34 ~~(3) To approve or disapprove petitions of school districts~~

~~or municipalities applying for participation in an established community college. No petition may be approved unless it is accompanied by the consent of the governing bodies of the majority of the members of the local sponsor of the established community college to the participation of the petitioning school district or municipality.~~

~~(b) In determining such policies, standards, rules and regulations, the State Board of Education may consider relevant all minimum requirements established by statute or by regulation with respect to the State colleges and universities of the Commonwealth and may consider relevant such minimum requirements established by statute or by regulation with respect to secondary and special education programs in the school district or districts of the area to be served by the community college. Regulations promulgated under this article shall take effect at the beginning of the school year following promulgation.~~

~~(c) In approving or disapproving such plans, the State Board of Education shall consider the needs of areas adjacent to the areas to be served by the community college and of the State with respect to higher education and long range plans therefor established by the State Board of Education. Other school districts and municipalities may petition the State Board of Education to become a part of a local sponsor as hereafter in this act provided.~~

~~(d) No plan for the establishment of a community college shall be approved unless the State Board of Education determines that the local sponsor has a population of a sufficient number to assure a sustained minimum enrollment, has sufficient wealth to financially support such college and is not adequately served by established institutions of higher learning. No plan for the~~

1 ~~establishment of a community college shall be approved unless it~~  
2 ~~contains an estimate of operating cost for administration,~~  
3 ~~instruction, operation and maintenance and such other accounts~~  
4 ~~as the State Board of Education may, from time to time,~~  
5 ~~determine. No plan for the establishment of a community college~~  
6 ~~shall be approved unless it contains an estimate of any proposed~~  
7 ~~capital improvements for the next following ten years.~~

8 ~~(e) To confer with and obtain the approval of the Governor's~~  
9 ~~Office as to the number of community colleges which can be~~  
10 ~~approved for participation during the ensuing fiscal period.~~

11 ~~(f) Wherever in this act the approval of the State Board of~~  
12 ~~Education is required in any matter, the State Board of~~  
13 ~~Education may require the Department of Education to make and~~  
14 ~~report its findings and recommendations on such matter to the~~  
15 ~~Council of Higher Education for the formulation of policies,~~  
16 ~~standards, rules and regulations for consideration by the State~~  
17 ~~Board of Education.~~

18 ~~Section 2. Section 1913 A of the act, amended or added July~~  
19 ~~1, 1985 (P.L.103, No.31), October 20, 1988 (P.L.827, No.110),~~  
20 ~~June 7, 1993 (P.L.49, No.16) and June 22, 2001 (P.L.530, No.35),~~  
21 ~~is amended to read:~~

22 ~~SECTION 1. SECTION 1913 A OF THE ACT OF MARCH 10, 1949~~ <—  
23 ~~(P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949,~~  
24 ~~AMENDED OR ADDED JULY 1, 1985 (P.L.103, NO.31), OCTOBER 20, 1988~~  
25 ~~(P.L.827, NO.110), JUNE 7, 1993 (P.L.49, NO.16) AND JUNE 22,~~  
26 ~~2001 (P.L.530, NO.35), IS AMENDED TO READ:~~

27 ~~SECTION 1. SECTION 687 OF THE ACT OF MARCH 10, 1949 (P.L.30,~~ <—  
28 ~~NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED BY~~  
29 ~~ADDING A SUBSECTION TO READ:~~

30 ~~SECTION 687. ANNUAL BUDGET; ADDITIONAL OR INCREASED~~

1 APPROPRIATIONS; TRANSFER OF FUNDS.--\* \* \*

2 (J) (1) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT,  
3 THE BOARD OF SCHOOL DIRECTORS OF EACH SCHOOL DISTRICT IS  
4 REQUIRED TO AND SHALL REOPEN ITS 2003-2004 BUDGET WITHIN SIXTY  
5 (60) DAYS OF THE EFFECTIVE DATE OF THIS SUBSECTION TO REFLECT  
6 ANY INCREASED STATE ALLOCATIONS UNDER SECTIONS 2502.13 AND  
7 2502.41 FOR FISCAL YEAR 2003-2004 PROVIDED BY THE GENERAL  
8 ASSEMBLY THROUGH THIS ACT AND TO COMPLY WITH SECTION 688.

9 (2) IN THOSE SCHOOL DISTRICTS WHICH LEVY TAXES AND WHERE THE  
10 INCREASED STATE ALLOCATIONS EXCEED THE STATE REVENUE FIGURES  
11 UTILIZED BY THE SCHOOL DISTRICT AT THE TIME OF ADOPTION OF ITS  
12 ORIGINAL FISCAL YEAR 2003-2004 BUDGET, THE BOARD OF SCHOOL  
13 DIRECTORS SHALL FIRST USE THE INCREASE IN STATE ALLOCATIONS TO  
14 DO ANY OF THE FOLLOWING:

15 (I) OFFSET THE INCREASE IN THE EMPLOYER CONTRIBUTION RATE ON  
16 BEHALF OF ACTIVE MEMBERS OF THE PUBLIC SCHOOL EMPLOYEES'  
17 RETIREMENT SYSTEM AS CALCULATED UNDER 24 PA.C.S. § 8328  
18 (RELATING TO ACTUARIAL COST METHOD). SUCH AMOUNT SHALL SUPPLANT  
19 ANY OTHER SCHOOL DISTRICT REVENUES ALLOCATED FOR THIS PURPOSE;

20 (II) ABATE ANY LOCAL TAXES WHICH WERE LEVIED AT THE TIME OF  
21 ORIGINAL BUDGET ADOPTION. SUCH TAX ABATEMENTS SHALL OCCUR WITHIN  
22 SIXTY (60) DAYS OF THE REOPENING OF THE SCHOOL DISTRICT'S BUDGET  
23 AND MAY TAKE THE FORM OF TAX REDUCTIONS, REBATES OR CREDITS;

24 (III) REDUCE OR RETIRE ANY OUTSTANDING INDEBTEDNESS OF THE  
25 SCHOOL DISTRICT; OR

26 (IV) RESTORE FUNDING TO ANY EDUCATIONAL PROGRAMS WHICH WERE  
27 REDUCED OR ELIMINATED FOR THE 2003-2004 SCHOOL YEAR.

28 (3) UNDER NO CIRCUMSTANCES SHALL ANY INCREASED STATE  
29 ALLOCATIONS BE USED TO INCREASE A SCHOOL DISTRICT'S RESERVED OR  
30 UNRESERVED FUND BALANCES.

SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 688. LIMITATIONS ON CERTAIN UNRESERVED FUND  
BALANCES.--(A) FOR THE 2003-2004 SCHOOL YEAR AND EACH SCHOOL  
YEAR THEREAFTER, NO SCHOOL DISTRICT SHALL APPROVE AN INCREASE IN  
REAL PROPERTY TAXES UNLESS IT HAS ADOPTED A BUDGET, OR A  
REOPENED BUDGET FOR THE 2003-2004 SCHOOL YEAR PURSUANT TO  
SECTION 687(J), THAT INCLUDES AN ESTIMATED, ENDING UNRESERVED  
UNDESIGNATED FUND BALANCE LESS THAN OR EQUAL TO THE APPLICABLE  
PERCENTAGE 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>
<u>GREATER THAN OR EQUAL TO \$19,000,000</u>	<u>8%</u>

(B) BY OCTOBER 15, 2003, AND AUGUST 15 OF EACH YEAR  
THEREAFTER, EACH SCHOOL DISTRICT THAT APPROVES AN INCREASE IN  
REAL PROPERTY TAXES SHALL PROVIDE THE DEPARTMENT OF EDUCATION  
WITH INFORMATION CERTIFYING COMPLIANCE WITH THIS SECTION. SUCH  
INFORMATION SHALL BE PROVIDED IN A FORM AND MANNER PRESCRIBED BY  
THE DEPARTMENT OF EDUCATION AND SHALL INCLUDE INFORMATION ON THE  
SCHOOL DISTRICT'S ESTIMATED, ENDING UNRESERVED UNDESIGNATED FUND  
BALANCE EXPRESSED AS A DOLLAR AMOUNT AND AS A PERCENTAGE OF THE  
SCHOOL DISTRICT'S TOTAL BUDGETED EXPENDITURES FOR THAT SCHOOL

1 YEAR.

2 (C) AS USED IN THIS SECTION, "ESTIMATED, ENDING UNRESERVED  
3 UNDESIGNATED FUND BALANCE" SHALL MEAN THAT PORTION OF THE FUND  
4 BALANCE, WHICH IS APPROPRIABLE FOR EXPENDITURE OR NOT LEGALLY OR  
5 OTHERWISE SEGREGATED FOR A SPECIFIC OR TENTATIVE FUTURE USE,  
6 PROJECTED FOR THE CLOSE OF THE SCHOOL YEAR FOR WHICH A SCHOOL  
7 DISTRICT'S BUDGET WAS ADOPTED AND HELD IN THE GENERAL FUND  
8 ACCOUNTS OF THE SCHOOL DISTRICT.

9 SECTION 3. SECTION 922.1-A OF THE ACT, AMENDED OR ADDED  
10 AUGUST 1, 1975 (P.L.180, NO.89), AUGUST 24, 1977 (P.L.199,  
11 NO.59), OCTOBER 10, 1980 (P.L.924, NO.159) AND MAY 10, 2000  
12 (P.L.44, NO.16), IS REENACTED TO READ:

13 SECTION 922.1-A. AUXILIARY SERVICES.--(A) LEGISLATIVE  
14 FINDING; DECLARATION OF POLICY. THE WELFARE OF THE COMMONWEALTH  
15 REQUIRES THAT THE PRESENT AND FUTURE GENERATION OF SCHOOL AGE  
16 CHILDREN BE ASSURED AMPLE OPPORTUNITY TO DEVELOP TO THE FULLEST,  
17 THEIR INTELLECTUAL CAPACITIES. IT IS THE INTENT OF THE GENERAL  
18 ASSEMBLY BY THIS ENACTMENT TO ENSURE THAT THE INTERMEDIATE UNITS  
19 IN THE COMMONWEALTH SHALL FURNISH ON AN EQUAL BASIS AUXILIARY  
20 SERVICES TO ALL PUPILS IN THE COMMONWEALTH IN BOTH PUBLIC AND  
21 NONPROFIT NONPUBLIC SCHOOLS.

22 (B) DEFINITIONS. THE FOLLOWING TERMS, WHENEVER USED OR  
23 REFERRED TO IN THIS SECTION, SHALL HAVE THE FOLLOWING MEANINGS,  
24 EXCEPT IN THOSE CIRCUMSTANCES WHERE THE CONTEXT CLEARLY  
25 INDICATES OTHERWISE:

26 "AUXILIARY SERVICES" MEANS GUIDANCE, COUNSELING AND TESTING  
27 SERVICES; PSYCHOLOGICAL SERVICES; VISUAL SERVICES AS DEFINED IN  
28 SECTION 923.2-A; SERVICES FOR EXCEPTIONAL CHILDREN; REMEDIAL  
29 SERVICES; SPEECH AND HEARING SERVICES; SERVICES FOR THE  
30 IMPROVEMENT OF THE EDUCATIONALLY DISADVANTAGED (SUCH AS, BUT NOT

1 LIMITED TO, THE TEACHING OF ENGLISH AS A SECOND LANGUAGE), AND  
2 SUCH OTHER SECULAR, NEUTRAL, NONIDEOLOGICAL SERVICES AS ARE OF  
3 BENEFIT TO ALL SCHOOL CHILDREN AND ARE PRESENTLY OR HEREAFTER  
4 PROVIDED FOR PUBLIC SCHOOL CHILDREN OF THE COMMONWEALTH.

5 "NONPUBLIC SCHOOL" MEANS NONPROFIT SCHOOL, OTHER THAN A  
6 PUBLIC SCHOOL WITHIN THE COMMONWEALTH OF PENNSYLVANIA, WHEREIN A  
7 RESIDENT OF THE COMMONWEALTH MAY LEGALLY FULFILL THE COMPULSORY  
8 SCHOOL ATTENDANCE REQUIREMENTS OF THIS ACT AND WHICH MEET THE  
9 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964  
10 (PUB.L.88-352; 42 U.S.C. SECTION 2000 ET SEQ).

11 (C) PROGRAM OF AUXILIARY SERVICES. STUDENTS ATTENDING  
12 NONPUBLIC SCHOOLS SHALL BE FURNISHED A PROGRAM OF AUXILIARY  
13 SERVICES WHICH ARE PROVIDED TO PUBLIC SCHOOL STUDENTS IN THE  
14 SCHOOL DISTRICT IN WHICH THEIR NONPUBLIC SCHOOL IS LOCATED. THE  
15 PROGRAM OF AUXILIARY SERVICES SHALL BE PROVIDED BY THE  
16 INTERMEDIATE UNIT IN WHICH THE NONPUBLIC SCHOOL IS LOCATED, IN  
17 ACCORDANCE WITH STANDARDS OF THE SECRETARY OF EDUCATION. BEFORE  
18 AN INTERMEDIATE UNIT MAKES ANY DECISION THAT AFFECTS THE  
19 OPPORTUNITIES FOR CHILDREN ATTENDING NONPUBLIC SCHOOLS TO  
20 PARTICIPATE IN THE AUXILIARY SERVICES PROVIDED UNDER THIS  
21 SECTION, THE INTERMEDIATE UNIT SHALL CONSULT WITH SUCH NONPUBLIC  
22 SCHOOLS TO DETERMINE AT A MINIMUM: WHICH GENERAL CATEGORIES OF  
23 CHILDREN SHALL RECEIVE SERVICES; WHAT SERVICES SHALL BE  
24 PROVIDED; HOW AND WHERE THE SERVICES SHALL BE PROVIDED; AND HOW  
25 THE SERVICES SHALL BE EVALUATED. SUCH SERVICES SHALL BE PROVIDED  
26 DIRECTLY TO THE NONPUBLIC SCHOOL STUDENTS BY THE INTERMEDIATE  
27 UNIT IN THE SCHOOLS WHICH THE STUDENTS ATTEND, IN MOBILE  
28 INSTRUCTIONAL UNITS LOCATED ON THE GROUNDS OF SUCH SCHOOLS OR IN  
29 ANY ALTERNATIVE SETTING MUTUALLY AGREED UPON BY THE SCHOOL AND  
30 THE INTERMEDIATE UNIT, TO THE EXTENT PERMITTED BY THE



1 CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE  
2 COMMONWEALTH OF PENNSYLVANIA.

3 SUCH AUXILIARY SERVICES SHALL BE PROVIDED DIRECTLY BY THE  
4 INTERMEDIATE UNITS AND NO AUXILIARY SERVICES PRESENTLY PROVIDED  
5 TO PUBLIC SCHOOL STUDENTS BY THE INTERMEDIATE UNITS AND/OR  
6 SCHOOL DISTRICTS BY MEANS OF STATE OR LOCAL REVENUES, DURING THE  
7 SCHOOL YEAR 1974-1975, SHALL BE ELIMINATED. NO SCHOOL DISTRICTS  
8 SHALL BE REQUIRED, PURSUANT TO ANY SECTION OF THIS ACT, TO OFFER  
9 AUXILIARY SERVICES PROVIDED BY ANY OTHER SCHOOL DISTRICTS WITHIN  
10 SUCH INTERMEDIATE UNITS.

11 (D) ALLOCATIONS. IN JULY OF 1977 AND ANNUALLY THEREAFTER IN  
12 JULY, THE SECRETARY OF EDUCATION SHALL ALLOCATE TO EACH  
13 INTERMEDIATE UNIT AN AMOUNT EQUAL TO THE NUMBER OF NONPUBLIC  
14 SCHOOL STUDENTS AS OF OCTOBER 1 OF THE PRECEDING SCHOOL YEAR WHO  
15 ARE ENROLLED IN NONPUBLIC SCHOOLS WITHIN THE INTERMEDIATE UNIT  
16 TIMES SEVENTY-TWO DOLLARS (\$72). THE SECRETARY OF EDUCATION  
17 SHALL INCREASE THIS FIGURE ON A PROPORTIONATE BASIS WHENEVER  
18 THERE IS AN INCREASE IN THE MEDIAN ACTUAL INSTRUCTION EXPENSE  
19 PER WADM AS DEFINED IN CLAUSE (12.1) OF SECTION 2501 OF THIS  
20 ACT. THE COMMONWEALTH SHALL PAY TO EACH INTERMEDIATE UNIT  
21 FIFTEEN PER CENTUM (15%) OF ITS ALLOCATION ON AUGUST 1, SEVENTY-  
22 FIVE PER CENTUM (75%) ON OCTOBER 1, AND THE REMAINING TEN PER  
23 CENTUM (10%) ON THE FIRST DAY OF FEBRUARY.

24 (E) LIMITATIONS. THE INTERMEDIATE UNIT SHALL NOT USE MORE  
25 THAN SIX PER CENTUM (6%) OF THE FUNDS IT RECEIVES FOR  
26 ADMINISTRATION OR EIGHTEEN PER CENTUM (18%) FOR RENTAL OF  
27 FACILITIES. THE DEPARTMENT OF EDUCATION SHALL NOT USE MORE THAN  
28 ONE PER CENTUM (1%) OF THE FUNDS IT ALLOCATES UNDER THIS SECTION  
29 FOR ADMINISTRATIVE EXPENSES. IF ALL FUNDS ALLOCATED BY THE  
30 INTERMEDIATE UNITS TO ADMINISTRATION, OR RENTAL FACILITIES ARE

1 NOT EXPENDED FOR THOSE PURPOSES, SUCH FUNDS MAY BE USED FOR THE  
2 PROGRAM COSTS.

3 (F) INTEREST. THERE SHALL BE NO ADJUSTMENT IN THE ALLOCATION  
4 AS PROVIDED IN SUBSECTION (D) BECAUSE OF INTEREST EARNED ON THE  
5 ALLOCATIONS BY THE INTERMEDIATE UNITS. INTEREST SO EARNED SHALL  
6 BE USED FOR THE PURPOSE OF THIS SECTION BUT SHALL NOT BE SUBJECT  
7 TO THE LIMITATIONS OF SUBSECTION (E).

8 (G) PRELIMINARY BUDGET. ANNUALLY, EACH INTERMEDIATE UNIT  
9 SHALL SUBMIT TO THE SECRETARY A PRELIMINARY BUDGET ON OR BEFORE  
10 JANUARY 31 AND A FINAL BUDGET ON OR BEFORE JUNE 15, FOR THE  
11 SUCCEEDING YEAR; AND SHALL FILE A FINAL FINANCIAL REPORT ON OR  
12 BEFORE OCTOBER 31 FOR THE PRECEDING YEAR.

13 SECTION 4. ARTICLE XII-A OF THE ACT IS REPEALED.

14 SECTION 5. SECTION 1376 OF THE ACT, AMENDED JUNE 7, 1993  
15 (P.L.49, NO.16), JUNE 30, 1995 (P.L.220, NO.26) AND JUNE 22,  
16 2001 (P.L.530, NO.35), IS AMENDED TO READ:

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

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

1 AS MAY BE NECESSARY TO DETERMINE THE REASONABLENESS OF COSTS FOR  
2 TUITION AND ROOM AND BOARD CONCERNING PENNSYLVANIA RESIDENT  
3 APPROVED REIMBURSED STUDENTS. THE DEPARTMENT OF EDUCATION SHALL  
4 EVALUATE SUCH DATA AND SHALL DISALLOW ANY COST DEEMED  
5 UNREASONABLE. ANY COSTS DEEMED UNREASONABLE BY THE DEPARTMENT OF  
6 EDUCATION FOR DISALLOWANCE SHALL BE CONSIDERED AN ADJUDICATION  
7 WITHIN THE MEANING OF TITLE 2 OF THE PA.C.S. (RELATING TO  
8 ADMINISTRATIVE LAW AND PROCEDURE) AND REGULATIONS PROMULGATED  
9 THEREUNDER.]

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

27 (B.1) FOR THE 2004-2005 SCHOOL YEAR AND EACH SCHOOL YEAR  
28 THEREAFTER, AN APPROVED PRIVATE SCHOOL SHALL SUBMIT TO THE  
29 DEPARTMENT OF EDUCATION ITS BUDGETED COSTS FOR THE UPCOMING  
30 SCHOOL YEAR. BASED UPON THIS INFORMATION AND THE PRIOR YEAR'S

1 SETTLED AUDIT, THE DEPARTMENT OF EDUCATION SHALL DEVELOP AN  
2 INTERIM REIMBURSEMENT RATE FOR THE APPROVED PRIVATE SCHOOL. THE  
3 DEPARTMENT OF EDUCATION SHALL PROVIDE THE APPROVED PRIVATE  
4 SCHOOL WITH MONTHLY PAYMENTS IN ADVANCE OF THE FINAL COST  
5 SETTLEMENT AS PROVIDED FOR IN SUBSECTION (C.2). THE DEPARTMENT  
6 OF EDUCATION SHALL ADOPT FINAL REIMBURSEMENT RATES BASED ON THE  
7 FINAL COST SETTLEMENT. THE DEPARTMENT OF EDUCATION MAY WITHHOLD  
8 A PORTION OF SUCH PAYMENTS NOT EXCEEDING FIVE PERCENT (5%) OF  
9 SUCH PAYMENT, PENDING FINAL COST SETTLEMENT. IN NO EVENT SHALL  
10 EITHER THE PAYMENTS MADE IN ADVANCE OF THE FINAL COST SETTLEMENT  
11 OR FINAL REIMBURSEMENTS BASED ON THE FINAL COST SETTLEMENT MADE  
12 BY THE DEPARTMENT OF EDUCATION EXCEED THE APPROPRIATION  
13 AVAILABLE FOR APPROVED PRIVATE SCHOOLS.

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

28 (C.1) ANY FUNDS REMAINING FROM THE APPROPRIATION LINE ITEMS  
29 "FOR SPECIAL EDUCATION - APPROVED PRIVATE SCHOOLS" OR FOR  
30 PENNSYLVANIA CHARTER SCHOOLS FOR THE DEAF AND BLIND FROM THE

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

22 (C.2) THE DEPARTMENT OF EDUCATION SHALL ESTABLISH PROCEDURES  
23 AND AUDIT STANDARDS TO GOVERN THE SCOPE OF REPORTABLE COSTS, THE  
24 METHODS USED TO EXAMINE COSTS AND DETERMINE ALLOWABILITY AND  
25 TIMELINESS OF COST REPORTING. FOR THE 2004-2005 SCHOOL YEAR AND  
26 EACH SCHOOL YEAR THEREAFTER, COST REPORTS SHALL BE PREPARED BY  
27 AN APPROVED PRIVATE SCHOOL AND AUDITED BY THE APPROVED PRIVATE  
28 SCHOOL'S INDEPENDENT PUBLIC ACCOUNTANT. SUCH COST REPORTS SHALL  
29 BE PREPARED IN ACCORDANCE WITH ESTABLISHED PROCEDURES AND AUDIT  
30 STANDARDS AND DELIVERED TO THE DEPARTMENT OF EDUCATION WITHIN

SIX (6) MONTHS AFTER THE CONCLUSION OF THE SCHOOL YEAR. THE  
DEPARTMENT OF EDUCATION SHALL HAVE SIX (6) MONTHS TO PROCESS  
THESE COST REPORTS AND SETTLE ANY OUTSTANDING PAYMENTS DUE TO OR  
FROM THE APPROVED PRIVATE SCHOOL. NOTHING IN THIS SUBSECTION  
SHALL BE CONSTRUED TO PRECLUDE THE DEPARTMENT OF EDUCATION FROM  
CONDUCTING ITS OWN AUDITS ON A PERIODIC BASIS. WHERE THE  
DEPARTMENT OF EDUCATION CONDUCTS SUCH AUDITS, THE AUDITS MUST BE  
COMPLETED WITHIN ONE (1) YEAR OF THE COST REPORT DEADLINE AND  
MAY NOT DELAY THE ALLOWABLE PERIOD FOR SETTLEMENT OF ANY  
PAYMENTS DUE TO OR FROM THE APPROVED PRIVATE SCHOOL. AUDITS OF  
COST REPORTS SUBMITTED FOR SCHOOL YEARS PRIOR TO THE 2004-2005  
SCHOOL YEAR SHALL BE COMPLETED IN A MANNER CONSISTENT WITH PRIOR  
AUDIT PRACTICES.

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

[(E) (1) THE EDUCATION COMMITTEES OF THE SENATE AND HOUSE  
OF REPRESENTATIVES ARE DIRECTED TO JOINTLY EXAMINE THE ISSUES OF  
THE FUNDING OF APPROVED PRIVATE SCHOOLS AND SPECIAL EDUCATION  
STUDENTS' ACCESS TO APPROVED PRIVATE SCHOOLS AS PART OF THE FULL  
CONTINUUM OF SPECIAL EDUCATION PLACEMENTS. THE COMMITTEES'  
EXAMINATION SHOULD ADDRESS, AT A MINIMUM, THE FOLLOWING ISSUES:

(I) THE FUNDING METHODOLOGY WHICH SUPPORTS THE SCHOOL  
DISTRICT'S RESPONSIBILITY FOR INDIVIDUALIZED, APPROPRIATE  
EDUCATIONAL SERVICES TO SPECIAL EDUCATION STUDENTS THROUGH  
ACCESS TO THE MOST COMPREHENSIVE CONTINUUM OF EDUCATIONAL

1 OPTIONS AND SETTINGS.

2 (II) THE ROLE OF THE APPROVED PRIVATE SCHOOL IN THE MANDATED  
3 CONTINUUM OF SPECIAL EDUCATION SERVICES AVAILABLE TO STUDENTS IN  
4 PENNSYLVANIA.

5 (III) THE RELATIVE ROLES OF THE DEPARTMENT OF EDUCATION AND  
6 SCHOOL DISTRICTS TO ENSURE FREE APPROPRIATE PUBLIC EDUCATION  
7 (FAPE) THROUGH ADEQUATE FUNDING AND APPROPRIATE DISTRIBUTION OF  
8 COMPREHENSIVE SERVICES.

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

16 (2) THE COMMITTEES SHALL REPORT BACK TO THE GENERAL ASSEMBLY  
17 BY NOVEMBER 15, 1993, WITH LEGISLATIVE AND/OR ADMINISTRATIVE  
18 RECOMMENDATIONS. THE COMMITTEES MAY HOLD SUCH MEETINGS AND  
19 HEARINGS AS THEY DEEM APPROPRIATE TO ACCOMPLISH THE PROVISIONS  
20 OF THIS SUBSECTION.]

21 SECTION 6. SECTION 1376.1 OF THE ACT, AMENDED JUNE 7, 1993  
22 (P.L.49, NO.16), IS AMENDED TO READ:

23 SECTION 1376.1. ACTUAL COST OF TUITION AND MAINTENANCE OF  
24 CERTAIN EXCEPTIONAL CHILDREN IN THE FOUR CHARTERED SCHOOLS FOR  
25 EDUCATION OF THE DEAF AND THE BLIND.--(A) THE FOLLOWING TERM,  
26 WHENEVER USED OR REFERRED TO IN THIS SECTION, SHALL HAVE THE  
27 FOLLOWING MEANING. "CHARTERED SCHOOL" SHALL MEAN ANY OF THE FOUR  
28 (4) CHARTERED SCHOOLS FOR THE EDUCATION OF THE DEAF OR THE  
29 BLIND: THE PENNSYLVANIA SCHOOL FOR THE DEAF; THE OVERBROOK  
30 SCHOOL FOR THE BLIND; THE WESTERN PENNSYLVANIA SCHOOL FOR BLIND



1 CHILDREN; AND THE WESTERN PENNSYLVANIA SCHOOL FOR THE DEAF.

2 (B) WHEN ANY CHILD OF SCHOOL AGE RESIDENT IN THIS

3 COMMONWEALTH, WHO IS BLIND OR DEAF, IS ENROLLED WITH THE

4 APPROVAL OF THE DEPARTMENT OF EDUCATION AS A PUPIL IN ANY OF THE

5 FOUR (4) CHARTERED SCHOOLS IN ACCORDANCE WITH STANDARDS AND

6 REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION, THE

7 SCHOOL DISTRICT IN WHICH SUCH CHILD IS RESIDENT SHALL PAY THE

8 GREATER OF EITHER TWENTY PERCENT (20%) OF THE ACTUAL COST OF

9 TUITION AND MAINTENANCE OF SUCH CHILD IN SUCH INSTITUTION, AS

10 DETERMINED BY THE DEPARTMENT OF EDUCATION; OR ITS "TUITION

11 CHARGE PER ELEMENTARY PUPIL" OR ITS "TUITION CHARGE PER HIGH

12 SCHOOL PUPIL," AND THE COMMONWEALTH SHALL PAY, OUT OF FUNDS

13 APPROPRIATED TO THE DEPARTMENT FOR SPECIAL EDUCATION, THE

14 BALANCE DUE FOR THE COSTS OF SUCH CHILD'S TUITION AND

15 MAINTENANCE, AS DETERMINED BY THE DEPARTMENT. FOR THE SCHOOL

16 YEARS 1989-90, 1990-91 AND 1991-92, THE SCHOOL DISTRICT PAYMENT

17 SHALL BE NO GREATER THAN FORTY PERCENT (40%) OF THE ACTUAL

18 AUDITED COSTS OF TUITION AND MAINTENANCE OF SUCH CHILD IN SUCH

19 SCHOOL. FOR THE 1992-1993 SCHOOL YEAR AND EACH SCHOOL YEAR

20 THEREAFTER, THE SCHOOL DISTRICT PAYMENT SHALL BE THE GREATER OF

21 FORTY PERCENT (40%) OF THE ACTUAL AUDITED COSTS OF TUITION AND

22 MAINTENANCE OF SUCH CHILD IN SUCH SCHOOL, AS DETERMINED BY THE

23 DEPARTMENT OF EDUCATION, OR ITS "TUITION CHARGE PER ELEMENTARY

24 PUPIL" OR ITS "TUITION CHARGE PER HIGH SCHOOL PUPIL," AND THE

25 COMMONWEALTH SHALL PAY OUT OF FUNDS APPROPRIATED TO THE

26 DEPARTMENT FOR CHARTERED SCHOOLS THE BALANCE DUE FOR THE COSTS

27 OF SUCH CHILD'S TUITION AND MAINTENANCE, AS DETERMINED BY THE

28 DEPARTMENT. THE DEPARTMENT WILL CREDIT THE DISTRICT OF RESIDENCE

29 WITH AVERAGE DAILY MEMBERSHIP FOR SUCH CHILD CONSISTENT WITH THE

30 RULES OF PROCEDURE DEVELOPED IN ACCORDANCE WITH SECTION 2501. IF

1 THE RESIDENCE OF SUCH CHILD IN A PARTICULAR SCHOOL DISTRICT  
2 CANNOT BE DETERMINED, THE COMMONWEALTH SHALL PAY, OUT OF MONEYS  
3 APPROPRIATED TO THE DEPARTMENT FOR SPECIAL EDUCATION, THE WHOLE  
4 COST OF TUITION AND MAINTENANCE OF SUCH CHILD. [THE DEPARTMENT  
5 OF EDUCATION SHALL BE PROVIDED WITH SUCH FINANCIAL DATA FROM  
6 EACH OF THE CHARTERED SCHOOLS AS MAY BE NECESSARY TO DETERMINE  
7 THE REASONABLENESS OF CHARGES FOR TUITION AND ROOM AND BOARD OF  
8 EACH OF THE CHARTERED SCHOOLS MADE ON PENNSYLVANIA RESIDENT  
9 APPROVED STUDENTS. THE DEPARTMENT OF EDUCATION SHALL EVALUATE  
10 SUCH DATA AND SHALL DISALLOW ANY CHARGES DEEMED UNREASONABLE.  
11 ANY CHARGE DEEMED UNREASONABLE BY THE DEPARTMENT OF EDUCATION  
12 FOR DISALLOWANCE SHALL BE CONSIDERED AN ADJUDICATION WITHIN THE  
13 MEANING OF TITLE 2 OF THE PA.C.S. (RELATING TO ADMINISTRATIVE  
14 LAW AND PROCEDURE) AND REGULATIONS PROMULGATED THEREUNDER.]

15 (C) WHEN ANY PERSON LESS THAN SCHOOL AGE RESIDENT IN THIS  
16 COMMONWEALTH WHO IS BLIND OR DEAF IS ENROLLED, WITH THE APPROVAL  
17 OF THE DEPARTMENT OF EDUCATION, AS A RESIDENTIAL PUPIL IN ANY OF  
18 THE FOUR (4) CHARTERED SCHOOLS, THE COMMONWEALTH SHALL PAY TO  
19 THE SCHOOL, OUT OF MONEYS APPROPRIATED TO THE DEPARTMENT FOR  
20 SPECIAL EDUCATION, THE ACTUAL COST OF TUITION AND MAINTENANCE OF  
21 SUCH PERSON, AS DETERMINED BY THE DEPARTMENT OF EDUCATION,  
22 SUBJECT TO REVIEW AND APPROVAL IN ACCORDANCE WITH STANDARDS AND  
23 REGULATIONS PROMULGATED BY THE STATE BOARD OF EDUCATION IN  
24 ACCORDANCE WITH SUBSECTION (E), AND IN ADDITION, IN THE CASE OF  
25 ANY CHILD LESS THAN SCHOOL AGE, WHO IS BLIND, THE COST, AS  
26 DETERMINED BY THE DEPARTMENT OF EDUCATION OF INSTRUCTING THE  
27 PARENT OF SUCH BLIND CHILD IN CARING FOR SUCH CHILD.

28 (D) NONE OF THE CHARTERED SCHOOLS RECEIVING PAYMENT IN  
29 ACCORDANCE WITH THIS SECTION SHALL IMPOSE ANY CHARGE ON THE  
30 STUDENT AND/OR PARENTS WHO ARE APPROVED REIMBURSABLE RESIDENTS

1 FOR A PROGRAM OF INSTRUCTION AND MAINTENANCE APPROPRIATE TO THE  
2 CHILD'S NEEDS; EXCEPT THAT CHARGES FOR PROGRAMS NOT PART OF THE  
3 NORMAL SCHOOL YEAR MAY BE MADE.

4 (E) FOR THE 2004-2005 SCHOOL YEAR AND EACH SCHOOL YEAR  
5 THEREAFTER, A CHARTERED SCHOOL SHALL SUBMIT TO THE DEPARTMENT OF  
6 EDUCATION ITS BUDGETED COSTS FOR THE UPCOMING SCHOOL YEAR. BASED  
7 UPON THIS INFORMATION AND THE PRIOR YEAR'S SETTLED AUDIT, THE  
8 DEPARTMENT OF EDUCATION SHALL DEVELOP AN INTERIM REIMBURSEMENT  
9 RATE FOR THE CHARTERED SCHOOL. THE DEPARTMENT OF EDUCATION SHALL  
10 PROVIDE THE CHARTERED SCHOOL WITH MONTHLY PAYMENTS IN ADVANCE OF  
11 THE FINAL COST SETTLEMENT AS PROVIDED FOR IN SUBSECTION (F). THE  
12 DEPARTMENT OF EDUCATION SHALL ADOPT FINAL REIMBURSEMENT RATES  
13 BASED ON THE FINAL COST SETTLEMENT. THE DEPARTMENT OF EDUCATION  
14 MAY WITHHOLD A PORTION OF SUCH PAYMENTS NOT EXCEEDING FIVE  
15 PERCENT (5%) OF SUCH PAYMENT, PENDING FINAL COST SETTLEMENT. IN  
16 NO EVENT SHALL EITHER THE PAYMENTS MADE IN ADVANCE OF THE FINAL  
17 COST SETTLEMENT OR FINAL REIMBURSEMENTS BASED ON THE FINAL COST  
18 SETTLEMENT MADE BY THE DEPARTMENT OF EDUCATION EXCEED THE  
19 APPROPRIATION AVAILABLE FOR CHARTERED SCHOOLS.

20 (F) THE DEPARTMENT OF EDUCATION SHALL ESTABLISH PROCEDURES  
21 AND AUDIT STANDARDS TO GOVERN THE SCOPE OF REPORTABLE COSTS, THE  
22 METHODS USED TO EXAMINE COSTS AND DETERMINE ALLOWABILITY AND  
23 TIMELINESS OF COST REPORTING. FOR THE 2004-2005 SCHOOL YEAR AND  
24 EACH SCHOOL YEAR THEREAFTER, COST REPORTS SHALL BE PREPARED BY A  
25 CHARTERED SCHOOL AND AUDITED BY THE CHARTERED SCHOOL'S  
26 INDEPENDENT PUBLIC ACCOUNTANT. SUCH COST REPORTS SHALL BE  
27 PREPARED IN ACCORDANCE WITH ESTABLISHED PROCEDURES AND AUDIT  
28 STANDARDS AND DELIVERED TO THE DEPARTMENT OF EDUCATION WITHIN  
29 SIX (6) MONTHS AFTER THE CONCLUSION OF THE SCHOOL YEAR. THE  
30 DEPARTMENT OF EDUCATION SHALL HAVE SIX (6) MONTHS TO PROCESS

1 THESE COST REPORTS AND SETTLE ANY OUTSTANDING PAYMENTS DUE TO OR  
2 FROM THE CHARTERED SCHOOL. NOTHING IN THIS SUBSECTION SHALL BE  
3 CONSTRUED TO PRECLUDE THE DEPARTMENT OF EDUCATION FROM  
4 CONDUCTING ITS OWN AUDITS ON A PERIODIC BASIS. WHERE THE  
5 DEPARTMENT OF EDUCATION CONDUCTS SUCH AUDITS, THE AUDITS MUST BE  
6 COMPLETED WITHIN ONE (1) YEAR OF THE COST REPORT DEADLINE AND  
7 MAY NOT DELAY THE ALLOWABLE PERIOD FOR SETTLEMENT OF ANY  
8 PAYMENTS DUE TO OR FROM THE CHARTERED SCHOOL. AUDITS OF COST  
9 REPORTS SUBMITTED FOR SCHOOL YEARS PRIOR TO THE 2004-2005 SCHOOL  
10 YEAR SHALL BE COMPLETED IN A MANNER CONSISTENT WITH PRIOR AUDIT  
11 PRACTICES.

12 SECTION 7. SECTION 1501-C OF THE ACT, AMENDED JUNE 29, 2002  
13 (P.L.524, NO.88), IS REENACTED AND AMENDED TO READ:

14 SECTION 1501-C. DEFINITIONS.

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

18 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE  
19 COMMONWEALTH.

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

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

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

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

4 "PROGRAM." THE EDUCATION SUPPORT SERVICES PROGRAM  
5 ESTABLISHED IN SECTION 1502-C.

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

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

17 SECTION 8. SECTIONS 1502-C AND 1503-C, OF THE ACT, ADDED MAY  
18 17, 2001 (P.L.4, NO.4), ARE REENACTED TO READ:

19 SECTION 1502-C. ESTABLISHMENT OF PROGRAM.

20 (A) ESTABLISHMENT.--THE EDUCATION SUPPORT SERVICES PROGRAM  
21 IS ESTABLISHED WITHIN THE DEPARTMENT TO PROVIDE INDIVIDUAL OR  
22 SMALL GROUP INSTRUCTION IN READING AND MATHEMATICS TO STRENGTHEN  
23 THE SKILLS THAT AN ELIGIBLE STUDENT NEEDS TO ACHIEVE THE  
24 STANDARDS IN 22 PA. CODE CH. 4 (RELATING TO ACADEMIC STANDARDS  
25 AND ASSESSMENT), WHICH SHALL BE PROVIDED AT A TIME OTHER THAN  
26 THE REGULARLY SCHEDULED SCHOOL HOURS.

27 (B) ELIGIBILITY.--THE DEPARTMENT SHALL UTILIZE THE  
28 PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST OR OTHER TEST  
29 RESULTS TO IDENTIFY ELIGIBLE STUDENTS UNDER THIS ARTICLE. SCORES  
30 USED TO DETERMINE ELIGIBLE STUDENTS IN EACH GRADE SHALL BE

1 PUBLISHED ANNUALLY IN THE PENNSYLVANIA BULLETIN.

2 (C) APPROVAL.--A PROVIDER MUST BE APPROVED BY THE DEPARTMENT  
3 IN ORDER TO PROVIDE EDUCATION SUPPORT SERVICES UNDER THIS  
4 ARTICLE.

5 SECTION 1503-C. APPLICATION AND APPROVAL.

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

10 (B) REQUIRED INFORMATION.--AN APPLICATION SUBMITTED UNDER  
11 THIS SECTION SHALL INCLUDE VERIFICATION OF THE ELIGIBILITY TEST  
12 RESULTS AND SUCH OTHER INFORMATION AS THE DEPARTMENT MAY  
13 REQUIRE.

14 SECTION 9. SECTION 1504-C OF THE ACT, ADDED MAY 17, 2001  
15 (P.L.4, NO.4), IS REENACTED AND AMENDED TO READ:

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

17 THE DEPARTMENT SHALL:

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

21 (2) APPROVE PROVIDERS OF EDUCATION SUPPORT SERVICES.

22 (3) ADOPT STANDARDS, PROCEDURES AND GUIDELINES TO BE  
23 USED TO APPROVE PROVIDERS OF EDUCATION SUPPORT SERVICES UNDER  
24 THIS ARTICLE.

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

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

29 (6) ESTABLISH PERIODS DURING WHICH APPLICATIONS WILL BE  
30 REVIEWED TO ACCOMMODATE THE DATES WHEN RESULTS OF APPROVED

1 ELIGIBILITY TESTS BECOME AVAILABLE.

2 SECTION 10. SECTION 1505-C OF THE ACT, AMENDED JUNE 29, 2002  
3 (P.L.524, NO.88), IS REENACTED TO READ:

4 SECTION 1505-C. PROVIDERS.

5 A PROSPECTIVE PROVIDER SHALL SUBMIT AN APPLICATION TO THE  
6 DEPARTMENT FOR APPROVAL TO PROVIDE EDUCATION SUPPORT SERVICES  
7 UNDER THIS ARTICLE. THE APPLICATION SHALL INCLUDE A DESCRIPTION  
8 OF THE SERVICES TO BE PROVIDED, THE COST OF THE SERVICES, THE  
9 QUALIFICATION OF ALL INDIVIDUALS PROVIDING THOSE SERVICES,  
10 INCLUDING EVIDENCE OF COMPLIANCE WITH SECTION 111 AND WITH 23  
11 PA.C.S. § 6355 (RELATING TO REQUIREMENT), AND SUCH OTHER  
12 INFORMATION AS MAY BE REQUIRED BY THE DEPARTMENT.

13 SECTION 11. SECTION 1506-C OF THE ACT, ADDED MAY 17, 2001  
14 (P.L.4, NO.4), IS REENACTED AND AMENDED TO READ:

15 SECTION 1506-C. NOTIFICATION OF PROGRAM.

16 A SCHOOL ENTITY IN THIS COMMONWEALTH WITH STUDENTS ENROLLED  
17 IN [THIRD, FOURTH, FIFTH OR SIXTH] KINDERGARTEN THROUGH EIGHTH  
18 GRADE SHALL NOTIFY PARENTS OF THE AVAILABILITY OF EDUCATION  
19 SUPPORT SERVICES AT SUCH TIME AS THE PARENTS RECEIVE THE RESULTS  
20 OF ANY ELIGIBILITY TEST.

21 SECTION 12. SECTIONS 1507-C, 1508-C, 1509-C, 1510-C AND  
22 1511-C OF THE ACT, ADDED MAY 17, 2001 (P.L.4, NO.4), ARE  
23 REENACTED TO READ:

24 SECTION 1507-C. PAYMENT OF GRANTS.

25 (A) CERTIFICATES.--A CERTIFICATE FOR EDUCATION SUPPORT  
26 SERVICES UNDER THIS ARTICLE SHALL BE ISSUED BY THE DEPARTMENT IN  
27 AN AMOUNT AUTHORIZING UP TO \$500 FOR EACH ELIGIBLE STUDENT  
28 IDENTIFIED ON THE CERTIFICATE. THE CERTIFICATE SHALL BE ISSUED  
29 TO THE GRANT RECIPIENT AND SHALL BE VALID ONLY FOR THE FISCAL  
30 YEAR IN WHICH IT IS ISSUED. AFTER RECEIVING THE CERTIFICATE FROM

1 A GRANT RECIPIENT, THE PROVIDER SHALL INCLUDE THE FOLLOWING  
2 INFORMATION ON THE CERTIFICATE: NAME OF ELIGIBLE STUDENT SERVED,  
3 TYPE OF INSTRUCTION, DATE AND LENGTH OF INSTRUCTION AND COST OF  
4 INSTRUCTION PROVIDED TO THE ELIGIBLE STUDENT. WHEN THE AMOUNT OF  
5 THE CERTIFICATE HAS BEEN UTILIZED OR WHEN THE ELIGIBLE STUDENT  
6 IS NO LONGER RECEIVING EDUCATION SUPPORT SERVICES FROM THE  
7 PROVIDER, THE PROVIDER SHALL RETURN THE COMPLETED CERTIFICATE TO  
8 THE GRANT RECIPIENT FOR SUBMISSION TO THE DEPARTMENT FOR  
9 PAYMENT. THE DEPARTMENT SHALL MAKE PAYMENT DIRECTLY TO THE GRANT  
10 RECIPIENT FOR THE AMOUNT DUE. GRANT RECIPIENTS MUST SEND ALL  
11 OUTSTANDING CERTIFICATES TO THE DEPARTMENT FOR PAYMENT NO LATER  
12 THAN 90 DAYS AFTER RECEIVING THE COMPLETED CERTIFICATE FROM THE  
13 PROVIDER.

14 (B) PENALTY FOR GRANT RECIPIENTS.--A GRANT RECIPIENT WHO  
15 KNOWINGLY DEFRAUDS THE COMMONWEALTH BY RECEIVING REIMBURSEMENT  
16 FOR EDUCATION SUPPORT SERVICES NOT RENDERED TO THE ELIGIBLE  
17 STUDENT AND GRANT RECIPIENT IDENTIFIED ON THE CERTIFICATE  
18 COMMITS A MISDEMEANOR OF THE THIRD DEGREE AND SHALL, UPON  
19 CONVICTION, BE SENTENCED TO PAY A FINE OF NOT MORE THAN \$1,000  
20 PER VIOLATION AND SHALL BE DISQUALIFIED FROM ELIGIBILITY FOR AN  
21 ADDITIONAL GRANT FOR A PERIOD OF NOT LESS THAN FIVE YEARS.

22 (C) PENALTY FOR PROVIDERS.--A PROVIDER THAT KNOWINGLY  
23 VIOLATES SECTION 1509-C OR KNOWINGLY DEFRAUDS THE COMMONWEALTH  
24 BY RECEIVING REIMBURSEMENT FOR EDUCATION SUPPORT SERVICES NOT  
25 RENDERED TO THE ELIGIBLE STUDENT AND GRANT RECIPIENT IDENTIFIED  
26 ON THE CERTIFICATE COMMITS A MISDEMEANOR OF THE THIRD DEGREE AND  
27 SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE OF NOT MORE  
28 THAN \$1,000 PER VIOLATION AND SHALL BE BARRED FROM PARTICIPATION  
29 IN THE PROGRAM FOR NOT LESS THAN FIVE YEARS.

30 SECTION 1508-C. LIMITATIONS.



1 (A) AMOUNT.--THE AMOUNT OF GRANTS PROVIDED UNDER THIS  
2 ARTICLE IN A FISCAL YEAR SHALL BE LIMITED TO THE FUNDS  
3 APPROPRIATED FOR THAT PURPOSE. NO MORE THAN 10% OF THE TOTAL  
4 FUNDS APPROPRIATED FOR THIS PROGRAM IN ANY FISCAL YEAR SHALL BE  
5 AWARDED TO GRANT RECIPIENTS WITHIN A SPECIFIC SCHOOL DISTRICT  
6 EXCEPT THAT, IF THE DEPARTMENT DETERMINES THAT ALL SCHOOL  
7 ENTITIES IN THE COMMONWEALTH HAVE HAD AN OPPORTUNITY TO  
8 PARTICIPATE IN THE PROGRAM AND THAT FUNDS REMAIN AVAILABLE, IT  
9 MAY WAIVE THE 10% LIMITATION UNDER THIS SUBSECTION.

10 (B) AVAILABILITY OF FUNDS.--IN THE EVENT THAT THE FUNDS  
11 APPROPRIATED IN ANY FISCAL YEAR ARE INSUFFICIENT TO PROVIDE  
12 GRANTS TO ALL GRANT RECIPIENTS, GRANTS SHALL BE AWARDED ON A  
13 FIRST-COME, FIRST-SERVED BASIS. THE DEPARTMENT SHALL HOLD A  
14 PORTION OF THE FUNDS IN RESERVE TO ENSURE THAT MONEY IS  
15 AVAILABLE FOR EACH APPLICATION PERIOD ESTABLISHED UNDER SECTION  
16 1504-C(6).

17 SECTION 1509-C. CONFIDENTIALITY.

18 NOTHING IN THIS ARTICLE SHALL AUTHORIZE THE DEPARTMENT, A  
19 SCHOOL ENTITY OR A PROVIDER TO RELEASE OR OTHERWISE UTILIZE  
20 STUDENT IDENTIFIABLE INFORMATION OR INDIVIDUAL STUDENT TEST  
21 SCORES FOR PURPOSES OTHER THAN THE ADMINISTRATION OF THIS  
22 ARTICLE.

23 SECTION 1510-C. NONTAXABLE INCOME.

24 A GRANT RECEIVED BY A GRANT RECIPIENT SHALL NOT BE CONSIDERED  
25 TO BE TAXABLE INCOME FOR THE PURPOSES OF ARTICLE III OF THE ACT  
26 OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF  
27 1971.

28 SECTION 1511-C. APPLICABILITY.

29 SERVICES PROVIDED UNDER THIS ARTICLE DO NOT CONSTITUTE  
30 TUTORING OR INSTRUCTION UNDER THE ACT OF JANUARY 28, 1988

(P.L.24, NO.11), KNOWN AS THE PRIVATE ACADEMIC SCHOOLS ACT.

SECTION 13. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

ARTICLE XV-D

HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM

SECTION 1501-D. 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.

"EXTENDED DAY SERVICES." HEAD START AND CHILD-CARE SERVICES PROVIDED TO CHILDREN ELIGIBLE FOR HEAD START BY A HEAD START PROVIDER OR THROUGH A COLLABORATIVE AGREEMENT BETWEEN A HEAD START PROVIDER AND A LICENSED CHILD-CARE CENTER, OR A REGISTERED FAMILY OR GROUP DAY-CARE HOME FOR THOSE HOURS AND DAYS BEYOND THE HOURS FUNDED THROUGH THE FEDERAL HEAD START PROGRAM.

"HEAD START." A PROGRAM FUNDED UNDER THE FEDERAL HEAD START ACT ESTABLISHED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981 (PUBLIC LAW 97-35, 95 STAT. 357) AND CARRIED OUT BY A HEAD START AGENCY OR DELEGATE AGENCY THAT PROVIDES ONGOING COMPREHENSIVE CHILD DEVELOPMENT SERVICES.

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

SECTION 1502-D. HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM.

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

(B) ADMINISTRATION.--THE DEPARTMENT SHALL ADMINISTER THE PROGRAM. SUCH ADMINISTRATION SHALL BE CONSISTENT WITH FEDERAL

1 HEAD START GUIDELINES AND SHALL PROVIDE SUPPLEMENTAL FINANCIAL  
2 ASSISTANCE TO EXISTING PROVIDERS OF FEDERAL HEAD START SERVICES.

3 (C) COORDINATION.--THE DEPARTMENT, TO EVERY EXTENT POSSIBLE,  
4 SHALL COORDINATE THE ADMINISTRATION OF THE PROGRAM WITH THE  
5 DEPARTMENT OF PUBLIC WELFARE AND THE DEPARTMENT OF HEALTH. THE  
6 PURPOSE OF THIS COORDINATION SHALL BE TO:

7 (1) IDENTIFY EDUCATIONAL, CHILD-CARE OR OTHER SERVICES  
8 UNDER THE JURISDICTION OF THE DEPARTMENT OF PUBLIC WELFARE  
9 AND THE DEPARTMENT OF HEALTH THAT CAN AUGMENT OR IMPROVE THE  
10 SERVICES AVAILABLE THROUGH HEAD START PROVIDERS.

11 (2) PROVIDE TECHNICAL ASSISTANCE TO HEAD START PROVIDERS  
12 ESTABLISHING CHILD-CARE SERVICES IN ORDER TO OFFER EXTENDED  
13 DAY SERVICES.

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

18 (D) CRITERIA FOR FUNDING.--TO IMPLEMENT THE PROGRAM, THE  
19 DEPARTMENT SHALL REQUEST PROPOSALS FROM EXISTING HEAD START  
20 PROVIDERS AND MAY AWARD GRANTS OR ENTER INTO SERVICE CONTRACTS  
21 WITH EXISTING HEAD START PROVIDERS THAT MEET ALL OF THE  
22 FOLLOWING CRITERIA:

23 (1) DEMONSTRATE THE NEED FOR ADDITIONAL HEAD START  
24 SERVICES IN THE PROVIDER'S SERVICE AREA, WHETHER THE NEED IS  
25 DETERMINED BY THE PERCENTAGE OF ELIGIBLE CHILDREN WHO ARE NOT  
26 SERVED IN THE PROVIDER'S SERVICE AREA OR BY THE DEMAND FOR  
27 EXTENDED DAY SERVICES.

28 (2) DEMONSTRATE THE ABILITY TO EXPAND STAFF, SPACE OR  
29 SERVICES EITHER:

30 (I) WITHIN THE HEAD START PROGRAM; OR

1           (II) IN COOPERATION WITH LICENSED CHILD-CARE CENTERS  
2           OR REGISTERED FAMILY OR GROUP DAY-CARE HOMES  
3           TO SERVE ADDITIONAL CHILDREN OR TO PROVIDE EXTENDED DAY  
4           SERVICES.

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

8           (4) DEMONSTRATE THE ABILITY TO ENTER INTO A  
9           COLLABORATIVE AGREEMENT WITH A CHILD-CARE SERVICE PROVIDER IF  
10          THE HEAD START PROVIDER INTENDS TO ENTER INTO A COLLABORATIVE  
11          AGREEMENT WITH A LICENSED CHILD-CARE CENTER OR A REGISTERED  
12          FAMILY OR GROUP DAY-CARE HOME TO OFFER EXTENDED DAY SERVICES.

13 SECTION 1503-D. PRIORITY IN FUNDING.

14          THE DEPARTMENT SHALL GIVE PRIORITY IN FUNDING TO HEAD START  
15          PROVIDERS APPLYING FOR GRANTS TO SERVE ADDITIONAL ELIGIBLE  
16          CHILDREN.

17 SECTION 1504-D. ANNUAL REPORT.

18          THE DEPARTMENT SHALL COMPILE AN ANNUAL REPORT ON THE PROGRAM  
19          FOR SUBMISSION TO THE GOVERNOR, THE CHAIRMEN OF THE  
20          APPROPRIATIONS COMMITTEE AND THE EDUCATION COMMITTEE OF THE  
21          SENATE AND THE CHAIRMEN OF THE APPROPRIATIONS COMMITTEE AND  
22          EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT  
23          SHALL INCLUDE:

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

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

29           (3) THE NUMBER OF EXTENDED DAY PROGRAMS AND THE NUMBER  
30           OF ELIGIBLE CHILDREN ENROLLED IN EXTENDED DAY PROGRAMS AS OF

1     THE EFFECTIVE DATE OF THIS ARTICLE.

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

6             (5) A SUMMARY OF THE TYPES OF ACTIVITIES FUNDED UNDER  
7     THE PROGRAM.

8     SECTION 14. SECTION 1705-B(H)(4) OF THE ACT, AMENDED JUNE  
9     29, 2002 (P.L.524, NO.88) AND DECEMBER 9, 2002 (P.L.1472,  
10    NO.187), IS AMENDED TO READ:

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

12     (H) \* \* \*

13     (4) THE DEPARTMENT MAY UTILIZE UP TO \$2,000,000 OF  
14    UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR COMMITTED FROM  
15    APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT  
16    TO ASSIST SCHOOL DISTRICTS CERTIFIED AS AN EDUCATION EMPOWERMENT  
17    DISTRICT UNDER PARAGRAPH (3). THERE IS HEREBY ESTABLISHED A  
18    RESTRICTED ACCOUNT FROM WHICH PAYMENTS UNDER THIS PARAGRAPH  
19    SHALL BE PAID. FUNDS SHALL BE TRANSFERRED BY THE SECRETARY OF  
20    THE BUDGET TO THE RESTRICTED ACCOUNT TO THE EXTENT NECESSARY TO  
21    MAKE PAYMENTS UNDER THIS PARAGRAPH. FUNDS IN THE RESTRICTED  
22    ACCOUNT ARE HEREBY APPROPRIATED TO CARRY OUT THE PURPOSES OF  
23    THIS PARAGRAPH. THE SUBSIDY PAYMENT FROM THIS ACCOUNT SHALL BE  
24    UTILIZED TO SUPPLEMENT THE OPERATIONAL BUDGET OF THE ELIGIBLE  
25    SCHOOL DISTRICTS. THIS PARAGRAPH SHALL APPLY TO FISCAL YEARS  
26    2000-2001, 2001-2002 [AND], 2002-2003 AND 2003-2004 AND SHALL  
27    EXPIRE JUNE 30, [2003] 2004.

28     SECTION 15. SECTION 1709-B OF THE ACT, ADDED MAY 10, 2000  
29    (P.L.44, NO.16), IS REENACTED TO READ:

30     SECTION 1709-B. SCHOOL IMPROVEMENT GRANTS.--(A) THE

1 DEPARTMENT SHALL ESTABLISH A PROGRAM OF ANNUAL SCHOOL  
2 IMPROVEMENT GRANTS FOR SCHOOL DISTRICTS ON THE EDUCATION  
3 EMPOWERMENT LIST OR CERTIFIED AS AN EDUCATION EMPOWERMENT  
4 DISTRICT TO ASSIST IN THE IMPLEMENTATION OF THEIR SCHOOL  
5 DISTRICT IMPROVEMENT PLANS.

6 (B) GRANTS SHALL BE LIMITED TO THE AMOUNT APPROPRIATED FOR  
7 THAT PURPOSE.

8 (C) GRANTS SHALL BE PROVIDED ANNUALLY TO THE SCHOOL DISTRICT  
9 FOR USE AS DIRECTED BY THE SCHOOL DISTRICT EMPOWERMENT TEAM OR  
10 THE BOARD OF CONTROL IN IMPLEMENTING THE SCHOOL DISTRICT  
11 IMPROVEMENT PLAN DEVELOPED PURSUANT TO SECTIONS 1703-B AND 1706-  
12 B AS FOLLOWS:

13 (1) TO PURCHASE INSTRUCTIONAL MATERIALS, INCLUDING  
14 TEXTBOOKS, TECHNOLOGY AND RELATED EDUCATIONAL MATERIALS AND  
15 SUPPLIES.

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

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

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

20 (5) TO FUND CURRICULUM DEVELOPMENT.

21 (6) TO FUND ENHANCED STAFF PROFESSIONAL DEVELOPMENT.

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

24 (D) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, EACH  
25 QUALIFYING SCHOOL DISTRICT SHALL RECEIVE A BASE ANNUAL GRANT OF  
26 FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000) AND AN ADDITIONAL  
27 GRANT OF UP TO SEVENTY-FIVE DOLLARS (\$75) PER AVERAGE DAILY  
28 MEMBERSHIP FOR THE PRIOR SCHOOL YEAR OF THE SCHOOL DISTRICT. THE  
29 SCHOOL DISTRICT OR THE BOARD OF CONTROL SHALL GIVE PRIORITY IN  
30 ALLOCATING THE GRANT FUNDING RECEIVED UNDER THIS SECTION TO THE

1 INDIVIDUAL SCHOOLS IDENTIFIED PURSUANT TO SECTIONS 1703-B(B) AND  
2 1706-B(B).

3 (E) THE DEPARTMENT SHALL SET FORTH THE SPECIFIC ALLOWABLE  
4 USES FOR GRANT FUNDS AND PLACE CONDITIONS, AS NECESSARY, ON THE  
5 USE OF GRANT FUNDS. THE DEPARTMENT SHALL ESTABLISH  
6 ACCOUNTABILITY PROCEDURES AND AUDITING GUIDELINES TO ENSURE THAT  
7 GRANT FUNDS ARE UTILIZED IN ACCORDANCE WITH THE ALLOWABLE USES  
8 AND CONDITIONS.

9 (F) A SCHOOL DISTRICT RECEIVING A GRANT UNDER THIS SECTION  
10 SHALL BE REQUIRED TO MAINTAIN SEPARATE ACCOUNTS IN THAT SCHOOL  
11 DISTRICT'S BUDGET TO FACILITATE MONITORING THE USE OF THESE  
12 GRANT FUNDS. IN NO CASE SHALL A SCHOOL DISTRICT USE MORE THAN  
13 FIVE PER CENTUM OF THE GRANT FUNDS FOR ADMINISTRATIVE COSTS.

14 (G) THE DEPARTMENT SHALL REDUCE THE AMOUNT OF A STATE  
15 SUBSIDY PAYMENT TO A SCHOOL DISTRICT BY THE AMOUNT OF ANY GRANT  
16 FUNDS PROVIDED UNDER THIS SECTION IF THE SCHOOL DISTRICT DOES  
17 NOT USE THE GRANT FUNDS IN ACCORDANCE WITH THE ALLOWABLE USES  
18 AND CONDITIONS SET FORTH BY THE DEPARTMENT.

19 SECTION 16. SECTION 1714-B(G) OF THE ACT, ADDED MAY 10, 2000  
20 (P.L.44, NO.16), IS AMENDED TO READ:

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

22 (G) THE FOLLOWING PROVISIONS OF THIS ACT SHALL NOT BE  
23 SUBJECT TO WAIVER PURSUANT TO THIS SECTION: SECTIONS 108, 110,  
24 111, 321, 322, 323, 324, 325, 326, 327, 431, 436, 437, 440.1,  
25 443, 510, 513, 518, 527, 687, 688, 701.1, 708, 736, 737, 738,  
26 739, 740, 741, 752, 753, 755, 771, 776, 777, 808, 809, 810,  
27 1303(A), 1310, 1317, 1317.1, 1317.2, 1318, 1327, 1327.1, 1330,  
28 1332, 1361, 1366, 1501, 1502, 1513, 1517, 1518, 1521, 1523, 1546  
29 AND 1547; PROVISIONS PROHIBITING DISCRIMINATION; ARTICLES VI,  
30 XI, XI-A, XII, XIII-A, XIV AND XVII-A AND THIS ARTICLE.

1       \* \* \*

2       SECTION 17.   SECTION 1913-A OF THE ACT, AMENDED OR ADDED JULY  
3   1, 1985 (P.L.103, NO.31), OCTOBER 20, 1988 (P.L.827, NO.110),  
4   JUNE 7, 1993 (P.L.49, NO.16) AND JUNE 22, 2001 (P.L.530, NO.35),  
5   IS AMENDED TO READ:

6       Section 1913-A.   Financial Program; Reimbursement of  
7   Payments.--(a)   The plan submitted by the local sponsor shall  
8   set forth a financial program for the operation of the community  
9   college. The plan shall provide that the local sponsor shall  
10  appropriate or provide to the community college an amount at  
11  least equal to the community college's annual operating costs  
12  less the student tuition as determined in section 1908-A(a) less  
13  the Commonwealth's payment as determined in subsection (b)(1) of  
14  this section. The plan shall also provide that one-half of the  
15  annual capital expenses shall be appropriated or provided by the  
16  local sponsor to the community college. The local sponsor's  
17  appropriation for annual operating costs and annual capital  
18  expenses may in part be represented by real or personal property  
19  or services made available to the community college. The plan  
20  shall indicate whether the appropriation shall come from general  
21  revenues, loan funds, special tax levies or from other sources,  
22  including student tuitions.

23       (b)   (1)   The Commonwealth shall pay to a community college  
24  on behalf of the sponsor on account of its operating costs  
25  during the fiscal year from funds appropriated for that purpose  
26  an amount equal to:

27       (i)   for the 1993-1994 fiscal year through the 2000-2001  
28  fiscal year, the lesser of such college's variable State share  
29  ceiling as determined in clause (1.3) or such college's  
30  equivalent full-time student reimbursement as determined in



1 clause (1.4); and

2 (ii) for the 2001-2002 fiscal year and each fiscal year  
3 thereafter, the college's equivalent full-time student  
4 reimbursement as determined in clause (1.4).

5 (1.2) The Secretary of Education, in consultation with the  
6 community colleges, shall promulgate standards for credit  
7 courses and for noncredit courses that will be eligible for  
8 Commonwealth reimbursement. The standards shall specifically  
9 exclude from eligibility for reimbursement any course or program  
10 in avocational or recreational pursuits. The standards shall be  
11 promulgated by the beginning of the 1994-1995 fiscal year. Until  
12 such standards are promulgated, no community college will be  
13 reimbursed for any credit course which was offered by such  
14 college as a noncredit course during the college's 1992-1993  
15 fiscal year.

16 (1.3) The variable State share ceiling of a community  
17 college shall be determined as follows:

18 (i) Subtract the taxable income per person of the local  
19 sponsor from the highest taxable income per person of any county  
20 in the Commonwealth.

21 (ii) Divide the amount determined under subclause (i) by the  
22 difference between the highest taxable income per person of any  
23 county in the Commonwealth and the lowest taxable income per  
24 person of any county in the Commonwealth.

25 (iii) Multiply the quotient determined under subclause (ii)  
26 by one-sixth.

27 (iv) Add one-third to the product determined under paragraph  
28 (iii).

29 (v) Multiply the sum determined under subclause (iv) by the  
30 community college's operating costs in the year for which

1 reimbursement is being claimed.

2 (vi) The taxable income per person data used in the  
3 preceding calculation shall be data certified to the Secretary  
4 of Education by the Secretary of Revenue under section 2501(9.1)  
5 for school district local sponsors or data otherwise published  
6 by the Secretary of Revenue for a municipal local sponsor.

7 (1.4) The equivalent full-time student reimbursement of a  
8 community college shall be the sum of credit course, noncredit  
9 course and stipend reimbursements. These reimbursements shall be  
10 calculated using a reimbursement factor of one thousand and  
11 forty dollars (\$1,040) for the 1993-1994 fiscal year, of one  
12 thousand eighty dollars (\$1,080) for the 1994-1995 fiscal year  
13 and of one thousand one hundred eighty dollars (\$1,180) for the  
14 1995-1996 fiscal year and one thousand and two hundred and ten  
15 dollars (\$1,210) for the 1996-1997 fiscal year and one thousand  
16 two hundred sixty dollars (\$1,260) for the 1997-1998 fiscal year  
17 and the 1998-1999 fiscal year and one thousand three hundred  
18 dollars (\$1,300) for the 1999-2000 fiscal year and one thousand  
19 four hundred dollars (\$1,400) for the 2000-2001 fiscal year and  
20 one thousand five hundred dollars (\$1,500) for the 2001-2002  
21 fiscal year and for each year thereafter and shall be determined  
22 as follows:

23 (i) Credit course reimbursement shall be calculated by  
24 multiplying the reimbursement factor by the number of equivalent  
25 full-time students enrolled in credit courses as determined by  
26 an audit to be made in a manner prescribed by the State Board of  
27 Education. The following apply:

28 (A) Course enrollment is to be determined by the standards  
29 of the community college.

30 (B) Computer-based documentation or paper-based

1 documentation may be used to verify enrollment.

2 (C) Enrollment in a program of study is to be determined  
3 solely by the declaration of the student.

4 (ii) Noncredit course reimbursement shall be calculated as  
5 follows:

6 (A) [eighty] Eighty percent (80%) of the reimbursement  
7 factor multiplied by the number of equivalent full-time students  
8 enrolled in eligible noncredit courses for the 1993-1994 fiscal  
9 year, as determined by the audit referred to in paragraph

10 (i)[;].

11 (B) ~~[seventy] Seventy~~ EXCEPT AS PROVIDED IN CHAPTER 15 OF <—  
12 THE ACT OF DECEMBER 18, 2001 (P.L.949, NO.114), KNOWN AS THE  
13 "WORKFORCE DEVELOPMENT ACT," SEVENTY percent (70%) of the  
14 reimbursement factor multiplied by the number of equivalent  
15 full-time students enrolled in eligible noncredit courses for  
16 the 1994-1995 fiscal year and for each year thereafter, as  
17 determined by the audit referred to in paragraph (i)[; or].

18 (C) [one] One hundred percent (100%) of the reimbursement  
19 factor multiplied by the number of equivalent full-time students  
20 enrolled in eligible noncredit public safety courses that  
21 provide training for volunteer firefighters and emergency  
22 medical services for the 1995-1996 fiscal year and for each year  
23 thereafter, as determined by the audit referred to in paragraph

24 (i). ~~In calculating the number of equivalent full time students~~ <—  
25 ~~enrolled in eligible noncredit courses, each fifteen hours of~~  
26 ~~classroom work and laboratory work shall be equated to one~~  
27 ~~semester credit for reimbursement purposes.~~

28 ~~(D) Ninety percent (90%) of the reimbursement factor~~  
29 ~~multiplied by the number of full time students enrolled in~~  
30 ~~eligible noncredit work force development courses; adult~~

~~literacy courses, including, but not limited to, adult basic education, the general educational development (GED) diploma and English as a second language; and continuing professional education courses for the 2003-2004 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i). For purposes of reimbursement under this section, "work force development course" shall have the meaning given in section 1502 of the act of December 18, 2001 (P.L.949, No.114), known as the Workforce Development Act.~~

~~(E)~~ (D) A noncredit course is eligible for reimbursement if any of the following apply:

(I) The course is in the area of public safety; adult basic education or adult literacy; work force development; occupational skills; academics; or a program for certification in accordance with standards established by statute, regulation or appropriate industry.

(II) Regardless of whether the instructor's compensation is paid directly by the community college or paid by an entity that contracts with the community college, the community college is responsible for selecting; supervising; and, if appropriate, dismissing the instructor.

~~(F)~~ (E) Course enrollment is to be determined by the standards of the community college.

(iii) Stipend reimbursement on account of a community college's operating costs for all equivalent full-time students enrolled in the following categories of two-year or less than two-year occupational or technical programs, shall be the sum of the following:

(A) One thousand one hundred dollars (\$1,100) per full-time equivalent student enrolled in advanced technology programs. For

1 the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
2 reimbursement rate shall be calculated at one thousand one  
3 hundred seventy-five dollars (\$1,175) per full-time equivalent  
4 student enrolled in advanced technology programs. For the fiscal  
5 year 1998-1999 and each year thereafter, the reimbursement rate  
6 shall be calculated at one thousand four hundred sixty dollars  
7 (\$1,460) per full-time equivalent student enrolled in advanced  
8 technology programs. Advanced technology programs are programs  
9 using new or advanced technologies which hold promise for  
10 creating new job opportunities, including such fields as  
11 robotics, biotechnology, specialized materials and engineering  
12 and engineering-related programs.

13 (B) One thousand dollars (\$1,000) per full-time equivalent  
14 student enrolled in programs designated as Statewide programs.  
15 For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
16 reimbursement rate shall be calculated at one thousand seventy-  
17 five dollars (\$1,075) per full-time equivalent student enrolled  
18 in programs designated as Statewide programs. For the fiscal  
19 year 1998-1999 and each year thereafter, the reimbursement rate  
20 shall be calculated at one thousand three hundred sixty dollars  
21 (\$1,360) per full-time equivalent student enrolled in programs  
22 designated as Statewide programs. A Statewide program is a  
23 program which meets one or more of the following criteria:

24 (I) Program enrollment from out-of-sponsor area is twenty  
25 per cent or more of the enrollment for the program.

26 (II) A consortial arrangement exists with another community  
27 college to cooperatively operate a program or share regions in  
28 order to avoid unnecessary program duplication.

29 (C) Five hundred dollars (\$500) per full-time equivalent  
30 student enrolled in other occupational or technical programs.

1 For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
2 reimbursement rate shall be calculated at five hundred seventy-  
3 five dollars (\$575) per full-time equivalent student enrolled in  
4 other occupational or technical programs. For the fiscal year  
5 1998-1999 and each year thereafter, the reimbursement rate shall  
6 be calculated at eight hundred sixty dollars (\$860) per full-  
7 time equivalent student enrolled in other occupational or  
8 technical programs.

9 (2) For the 1993-1994 fiscal year, each community college  
10 shall be reimbursed under clause (1) in an amount which is at  
11 least equal to a one percent (1%) increase over its 1992-1993  
12 operating cost and stipend reimbursement. In no case shall a  
13 community college's 1993-1994 reimbursement under clause (1) per  
14 full-time equivalent student, insofar as said reimbursement does  
15 not include a proportionate share attributable to stipend  
16 reimbursement under clause (1.4)(iii), exceed its 1992-1993  
17 operating cost reimbursement per full-time equivalent student by  
18 more than ten percent (10%).

19 (2.1) For the 1994-1995 fiscal year, each community college  
20 shall be reimbursed under clause (1) in an amount which is at  
21 least equal to a one percent (1%) increase over its 1993-1994  
22 reimbursement under clause (1). In no case shall a community  
23 college's 1994-1995 reimbursement under clause (1) per full-time  
24 equivalent student, insofar as said reimbursement does not  
25 include the proportionate share attributable to stipend  
26 reimbursement under clause (1.4)(iii), exceed its 1993-1994  
27 reimbursement under clause (1) per full-time equivalent student,  
28 insofar as said reimbursement does not include the proportionate  
29 share attributable to stipend reimbursement under clause  
30 (1.4)(iii) by more than ten percent (10%).

1 (2.2) For the 1995-1996 fiscal year, each community college  
2 shall be reimbursed under clause (1) in an amount which is at  
3 least equal to its 1994-1995 reimbursement under clause (1).

4 (3) The [Secretary] Department of Education [annually] shall  
5 [establish] promulgate regulations establishing criteria to be  
6 used to determine eligibility of programs for each of the above  
7 stipend categories[,]. The department shall approve programs for  
8 funding [in the following fiscal year] according to these  
9 [criteria and] regulations. The Secretary of Education shall  
10 submit to chairmen of the committees of education in the House  
11 of Representatives and Senate a report setting forth [the  
12 established criteria,] any programs approved for funding under  
13 these [criteria] regulations and the recipient community  
14 colleges.

15 (4) Each community college shall maintain such accounting  
16 and student attendance records on generally accepted auditing  
17 principles and standards [as will lend themselves to  
18 satisfactory audit]. Beginning with the 2003-2004 fiscal year  
19 and each year thereafter, the department must complete an audit  
20 of a community college for a school year within one year after  
21 the completion of that school year. If the department does not  
22 meet the time requirement of this clause, the community college  
23 affected shall be required to forfeit reimbursement only for an  
24 intentional violation or for a violation of previously cited and  
25 resolved findings. The Commonwealth shall pay to a community  
26 college on behalf of the sponsor on account of its capital  
27 expenses an amount equal to one-half of such college's annual  
28 capital expenses from funds appropriated for that purpose to the  
29 extent that said capital expenses have been approved as herein  
30 provided.

1 (5) For purposes of determining Commonwealth reimbursement  
2 of operating costs, Federally funded expenditures for those  
3 programs in which the Commonwealth participates in the cost  
4 shall be deducted from total operating expenditures to determine  
5 net reimbursable operating costs.

6 (c) Capital expenses shall mean only such expenses as are  
7 incurred with the approval of the Department of Education for  
8 amortization of the purchase of lands; purchase, construction or  
9 improvement of buildings for administrative and instructional  
10 purposes, including libraries; the lease of lands or buildings,  
11 or for rentals to an authority for the same purpose; and for the  
12 purchase, lease or rental of capital equipment and furniture  
13 used for instructional or administrative purposes. Capital  
14 expenses shall include library books and complementary audio-  
15 visual equipment purchased during the first five years after  
16 establishment. For the purpose of calculating the Commonwealth's  
17 share of operating, and capital costs incurred prior to the  
18 actual admission of students to a community college, all such  
19 costs shall be interpreted as capital costs. No costs and  
20 expenses incurred in the establishment, construction, operation  
21 or maintenance of dormitories, or the equipment or furnishings  
22 for such purposes, shall be included in capital expenses or  
23 operating costs for purposes of Commonwealth reimbursement. The  
24 provisions of this subsection shall not prevent the Commonwealth  
25 from reimbursing a community college for capital expenses  
26 incurred prior to the effective date of this act. Such  
27 reimbursement must have approval of the Secretary of Education.

28 (d) The State Board of Education shall adopt policies,  
29 standards, rules and regulations for determining reimbursable  
30 capital expenses and operating costs, and the Department of



1 Education shall approve such expenses and costs for the purpose  
2 of reimbursement by the Commonwealth.

3 (e) The State Board of Education shall apply for, receive  
4 and administer, subject to any applicable regulations or laws of  
5 the Federal Government or any agency thereof, any Federal  
6 grants, appropriations, allocations and programs to fulfill the  
7 purpose of this act.

8 (f) All administrative personnel, faculty, and other  
9 employees of the community colleges in the Commonwealth shall be  
10 eligible for inclusion in the Public School Employees'  
11 Retirement System of Pennsylvania, the Pennsylvania State  
12 Employees' Retirement System, or any independent retirement  
13 program approved by the Board of Trustees of a community  
14 college, and the Secretary of Education.

15 (g) The community college in the Commonwealth shall be  
16 eligible for participation in the act of July 5, 1947 (P.L.1217,  
17 No.498), known as the "State Public School Building Authority  
18 Act," and [the act of May 2, 1945 (P.L.382, No.164), known as  
19 the "Municipality Authorities Act of 1945."] 53 Pa.C.S. Ch. 56  
20 (relating to municipal authorities).

21 (h) In all cases where the board of trustees of any  
22 community college fails to pay or provide for the payment of any  
23 rental or rentals due the State Public School Building Authority  
24 or any municipality authority for any period in accordance with  
25 the terms of any lease entered into between the board of  
26 trustees of any community college and the State Public School  
27 Building Authority or any municipality authority, or fails to  
28 pay or to provide for the payment of any other indebtedness when  
29 due, upon written notice thereof from the State Public School  
30 Building Authority or any municipality authority, or in such

1 cases where an audit reveals any unpaid indebtedness due, the  
2 Secretary of Education shall notify the board of trustees of its  
3 obligation and shall withhold out of any State appropriation  
4 that may be due to such community college an amount equal to the  
5 amount of rental or rentals owing by such board of trustees to  
6 the State Public School Building Authority or any municipality  
7 authority, or an amount equal to the amount of any other  
8 indebtedness owing by such board of trustees, and shall pay over  
9 the amount or amounts so withheld to the State Public School  
10 Building Authority or any municipality authority or to  
11 whomsoever any other indebtedness is due and owing.

12 (i) The amount payable to each community college Board of  
13 Trustees on behalf of the sponsor shall be paid in the year in  
14 which the costs and expenses are incurred in quarterly  
15 installments and the Secretary of Education shall draw his  
16 requisition quarterly upon the State Treasurer in favor of each  
17 community college for the amount of reimbursement to which it is  
18 entitled. Reimbursement or payment by the Commonwealth for the  
19 operational expenses and capital equipment and the furnishings  
20 shall be made on or before the end of the fiscal quarters ended  
21 on September 30, December 31, March 31 and June 30 of each  
22 Commonwealth fiscal year. Reimbursements or payments shall be  
23 made semi-annually for the Commonwealth's share of the annual  
24 rentals to an authority or the sponsor or sinking fund or debt-  
25 service payments and other leases upon submission of a community  
26 college requisition in the form required by the Commonwealth,  
27 the reimbursement or payment to be made from funds appropriated  
28 for that purpose. Money that is appropriated under this  
29 subsection but not expended by a community college Board of  
30 Trustees shall not be distributed to a local sponsor.

(j) In no event shall the payments or final reimbursement made by the department following audit exceed the appropriation available for community colleges.

(k) (1) Unless otherwise prescribed by the State Board of Education, the Commonwealth's fiscal audits of community colleges under this section shall be conducted in accordance with "Government Auditing Standards," latest revision, promulgated by the United States General Accounting Office.

Written audit reports will be produced and will be sent to the community college by the Commissioner of Postsecondary/Higher Education. Any cost disallowed under findings contained in the audit report shall be considered an adjudication within the meaning of 2 Pa.C.S. (relating to administrative law and procedure) and regulations promulgated thereunder.

(2) The Secretary of Education is hereby specifically authorized and shall be required to resolve audit findings involving disallowed costs that are contested by community colleges except for audit findings that involve mathematical errors, violation of regulations or alleged illegal activities. The proposed resolution of the Secretary of Education shall not be subject to the provisions of 2 Pa.C.S. The Secretary of Education's notice to resolve audit findings shall be sent to the community college in writing. The Secretary of Education may resolve the audit findings by reducing the disallowed costs related thereto in whole or in part.

(3) The Secretary of Education's notice to resolve an audit finding by reducing or eliminating the disallowed costs must be made contingent upon the community college developing and implementing a corrective action plan to address the audit finding. The community college must submit a corrective action

1 plan to the Secretary of Education within 60 business days after  
2 receipt of the Secretary of Education's written notice to  
3 resolve the audit finding. The Secretary of Education shall  
4 approve, reject or alter the plan submitted by the community  
5 college within thirty (30) days of submission. After the  
6 community college receives written notice of approval or agrees  
7 in writing to the Secretary of Education's alterations of the  
8 corrective action plan, said plan shall be implemented and shall  
9 be binding on the community college. Implementation of the  
10 approved or agreed upon corrective action plan will be verified  
11 by an audit conducted by the department no later than the end of  
12 the fiscal year following the fiscal year during which the plan  
13 is implemented. If no agreed upon corrective action plan is in  
14 place within one year after the date of the Secretary of  
15 Education's written notice to resolve audit findings or if the  
16 agreed upon corrective action has not been implemented within  
17 one year after the date of the Secretary of Education's written  
18 notice to resolve the audit findings, then the Secretary of  
19 Education is authorized to adjust payments to the community  
20 college to collect any amounts due based upon the findings  
21 contained in the audit report that was issued to the college by  
22 the commissioner.

23 (4) The department shall deduct any amounts due the  
24 Commonwealth as a result of audit findings that are resolved  
25 under this subsection from any future payment due to the  
26 community college from the Commonwealth. The Secretary of  
27 Education is authorized to approve a payment schedule in cases  
28 where immediate repayment of the full amount due the  
29 Commonwealth would jeopardize the ability of the community  
30 college to continue operations.

1       (5) Resolution authority provided to the Secretary of  
2 Education in this subsection shall be limited to disallowed cost  
3 findings relating to policy and/or administrative practices. The  
4 resolution authority shall not be used for audit findings in  
5 which the audited community college data and documentation is in  
6 error, where a violation of applicable law or regulation is  
7 found or where criminal violations are suspected by the  
8 Commonwealth auditors and brought to the Secretary of  
9 Education's attention in writing. Notwithstanding the  
10 limitations of this subsection, until June 30, 1995, the  
11 Secretary of Education is authorized to resolve audit findings  
12 involving disallowed costs for fiscal years prior to and  
13 including 1992-1993 when such disallowed costs result from  
14 violation of regulations.

15       (6) The department, through the Secretary of Education, is  
16 authorized to issue guidelines for the operation of the  
17 community college educational and financial programs. The  
18 department shall amend these guidelines on an annual basis to  
19 reflect the department's position on issues that require  
20 resolution under this subsection.

21       (7) The provisions of subsection (d) are repealed insofar as  
22 they are inconsistent with the provisions of this subsection.

23       [(1) For the fiscal year 1992-1993, if insufficient funds <—  
24 are appropriated to make Commonwealth payments pursuant to this  
25 section, such payments shall be made on a pro rata basis.] <—

26       ~~Section 3. The act is amended by adding a section to read:~~ <—

27       SECTION 2 18. THE ACT IS AMENDED BY ADDING SECTIONS TO READ: <—

28       ~~Section 1916 A. Community College Nonmandated Capital <—~~

29       ~~Fund. (a) The Community College Nonmandated Capital Fund is~~  
30       ~~established as a separate fund in the State Treasury.~~

~~(b) The sources of the fund are as follows:~~

~~(1) Reimbursements repaid by community colleges to the Commonwealth pursuant to audits under section 1913-A and regulations under that section.~~

~~(2) Appropriations.~~

~~(3) Earnings on money in the fund.~~

~~(c) The fund shall be used for nonmandated capital projects in community colleges. Guidelines for disbursement shall be developed by the Department of Education in consultation with community colleges.~~

~~(d) The money in the fund is continuously appropriated to the fund and shall not lapse at the end of any fiscal year.~~

SECTION 1916-A. NONMANDATED CAPITAL.--REIMBURSEMENTS REPAID BY COMMUNITY COLLEGES TO THE COMMONWEALTH PURSUANT TO AUDITS UNDER SECTION 1913-A AND REGULATIONS UNDER THAT SECTION SHALL BE USED ONLY FOR NONMANDATED CAPITAL PROJECTS IN COMMUNITY COLLEGES. GUIDELINES FOR DISBURSEMENT SHALL BE DEVELOPED BY THE DEPARTMENT OF EDUCATION IN CONSULTATION WITH COMMUNITY COLLEGES.

SECTION 1917-A. EFFECTIVE DATE OF REGULATIONS.--REGULATIONS PROMULGATED UNDER THIS ARTICLE SHALL TAKE EFFECT AT THE BEGINNING OF THE SCHOOL YEAR FOLLOWING THEIR PROMULGATION.

SECTION 19. THE DEFINITIONS OF "EDUCATIONAL IMPROVEMENT ORGANIZATION" AND "SCHOLARSHIP ORGANIZATION" IN SECTION 2002-B OF THE ACT, ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO READ:

SECTION 2002-B. 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:

\* \* \*

"EDUCATIONAL IMPROVEMENT ORGANIZATION." A NONPROFIT ENTITY  
WHICH:

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

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

FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY  
"CONTRIBUTES" ITS ANNUAL CASH RECEIPTS WHEN IT EXPENDS OR  
OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS FOR EXPENDITURE  
DURING THE THEN CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR  
DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.

\* \* \*

"SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

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

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

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

\* \* \*

SECTION 20. SECTION 2006-B OF THE ACT, ADDED MAY 17, 2001  
(P.L.4, NO.4), IS AMENDED TO READ:  
SECTION 2006-B. LIMITATIONS.

1 (A) AMOUNT.--THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
2 APPROVED SHALL NOT EXCEED [\$30,000,000] \$36,000,000 IN A FISCAL  
3 YEAR. NO LESS THAN [\$20,000,000] \$24,000,000 OF THE TOTAL  
4 AGGREGATE AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR  
5 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP ORGANIZATIONS.  
6 NO LESS THAN [\$10,000,000] \$12,000,000 OF THE TOTAL AGGREGATE  
7 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR CONTRIBUTIONS  
8 FROM BUSINESS FIRMS TO EDUCATIONAL IMPROVEMENT ORGANIZATIONS.

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

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

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

17 (E) NONTAXABLE INCOME.--A SCHOLARSHIP RECEIVED BY AN  
18 ELIGIBLE STUDENT SHALL NOT BE CONSIDERED TO BE TAXABLE INCOME  
19 FOR THE PURPOSES OF ARTICLE III OF THE ACT OF MARCH 4, 1971  
20 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

21 SECTION 21. SECTION 2502.8 OF THE ACT, AMENDED JUNE 22, 2001  
22 (P.L.530, NO. 35), IS REENACTED TO READ:

23 SECTION 2502.8. PAYMENTS ON ACCOUNT OF PUPILS ENROLLED IN  
24 VOCATIONAL CURRICULUMS.--(A) FOR THE PURPOSE OF REIMBURSEMENT  
25 IN ACCORDANCE WITH THIS SECTION, VOCATIONAL CURRICULUMS ARE  
26 AGRICULTURE EDUCATION, DISTRIBUTIVE EDUCATION, HEALTH  
27 OCCUPATIONS EDUCATION, HOME ECONOMICS EDUCATION (GAINFUL),  
28 BUSINESS EDUCATION, TECHNICAL EDUCATION, TRADE AND INDUSTRIAL  
29 EDUCATION, OR ANY OTHER OCCUPATIONAL ORIENTED PROGRAM APPROVED  
30 BY THE SECRETARY OF EDUCATION.



1 (B) FOR THE 1981-1982 SCHOOL YEAR THROUGH THE 1984-1985  
2 SCHOOL YEAR, EACH SCHOOL DISTRICT SO ENTITLED SHALL BE PAID, IN  
3 ADDITION TO ANY OTHER SUBSIDY TO WHICH IT IS ENTITLED, AN AMOUNT  
4 ON ACCOUNT OF RESIDENT PUPILS ENROLLED IN VOCATIONAL  
5 CURRICULUMS; FOR THE 1985-1986 SCHOOL YEAR THROUGH THE 1999-2000  
6 SCHOOL YEAR, EACH SCHOOL DISTRICT AND AREA VOCATIONAL-TECHNICAL  
7 SCHOOL SHALL BE PAID AN AMOUNT ON ACCOUNT OF STUDENTS ENROLLED  
8 IN VOCATIONAL CURRICULUMS; FOR THE 2000-2001 SCHOOL YEAR AND  
9 EACH SCHOOL YEAR THEREAFTER, EACH SCHOOL DISTRICT, AREA  
10 VOCATIONAL-TECHNICAL SCHOOL AND CHARTER SCHOOL SHALL BE PAID AN  
11 AMOUNT ON ACCOUNT OF STUDENTS ENROLLED IN VOCATIONAL  
12 CURRICULUMS, DETERMINED AS FOLLOWS:

13 (1) DETERMINE THE INCREASE IN THE WEIGHTED AVERAGE DAILY  
14 MEMBERSHIP BY MULTIPLYING THE NUMBER OF STUDENTS IN AVERAGE  
15 DAILY MEMBERSHIP IN VOCATIONAL CURRICULUMS IN AREA VOCATIONAL-  
16 TECHNICAL SCHOOLS BY TWENTY-ONE HUNDREDTHS (.21) AND THE NUMBER  
17 OF STUDENTS IN AVERAGE DAILY MEMBERSHIP IN SCHOOL DISTRICT AND  
18 CHARTER SCHOOL VOCATIONAL CURRICULUMS BY SEVENTEEN HUNDREDTHS  
19 (.17).

20 (2) MULTIPLY THE LESSER OF THE DISTRICT'S ACTUAL INSTRUCTION  
21 EXPENSE PER WEIGHTED AVERAGE DAILY MEMBERSHIP OR THE BASE EARNED  
22 FOR REIMBURSEMENT BY THE MARKET VALUE/INCOME AID RATIO OR BY  
23 THREE HUNDRED SEVENTY-FIVE THOUSANDTHS (.375), WHICHEVER IS  
24 GREATER.

25 (3) MULTIPLY THE INCREASE IN WEIGHTED AVERAGE DAILY  
26 MEMBERSHIP DETERMINED IN CLAUSE (1) BY THE RESULT OF CLAUSE (2).

27 (4) FOR THE 1985-1986 THROUGH 1999-2000 SCHOOL YEARS, THE  
28 COMMONWEALTH SHALL PAY THE AMOUNT REQUIRED BY THIS SECTION TO  
29 THE SCHOOL DISTRICT OR AREA VOCATIONAL-TECHNICAL SCHOOL WHICH  
30 PROVIDES THE PROGRAM UPON WHICH REIMBURSEMENT IS BASED.

1 (5) FOR THE 2000-2001 SCHOOL YEAR AND EACH SCHOOL YEAR  
2 THEREAFTER, THE COMMONWEALTH SHALL PAY THE AMOUNT REQUIRED UNDER  
3 THIS SECTION TO THE SCHOOL DISTRICT, AREA VOCATIONAL-TECHNICAL  
4 SCHOOL OR CHARTER SCHOOL WHICH PROVIDES THE PROGRAMS UPON WHICH  
5 REIMBURSEMENT IS BASED.

6 (C) FOR THE SCHOOL YEAR 1998-1999, ANY ADDITIONAL FUNDING  
7 PROVIDED BY THE COMMONWEALTH OVER THE AMOUNT PROVIDED FOR THE  
8 SCHOOL YEAR 1997-1998 WILL BE DISTRIBUTED TO AREA VOCATIONAL-  
9 TECHNICAL SCHOOLS AND TO SCHOOL DISTRICTS WITH EIGHT (8) OR MORE  
10 VOCATIONAL PROGRAMS BASED ON SUBSECTION (B).

11 (D) FOR THE SCHOOL YEAR 1999-2000, ANY ADDITIONAL FUNDING  
12 PROVIDED BY THE COMMONWEALTH OVER THE AMOUNT PROVIDED FOR THE  
13 SCHOOL YEAR 1998-1999 WILL BE DISTRIBUTED TO AREA VOCATIONAL-  
14 TECHNICAL SCHOOLS, TO SCHOOL DISTRICTS WITH EIGHT (8) OR MORE  
15 VOCATIONAL PROGRAMS AND TO SCHOOL DISTRICTS OFFERING A  
16 VOCATIONAL AGRICULTURAL EDUCATION PROGRAM, BASED ON SUBSECTION  
17 (B).

18 (E) FOR THE SCHOOL YEAR 2000-2001 AND EACH SCHOOL YEAR  
19 THEREAFTER, ANY ADDITIONAL FUNDING PROVIDED BY THE COMMONWEALTH  
20 OVER THE AMOUNT PROVIDED FOR THE SCHOOL YEAR 1998-1999 WILL BE  
21 DISTRIBUTED TO AREA VOCATIONAL-TECHNICAL SCHOOLS, TO SCHOOL  
22 DISTRICTS AND CHARTER SCHOOLS WITH EIGHT (8) OR MORE VOCATIONAL  
23 PROGRAMS AND TO SCHOOL DISTRICTS AND CHARTER SCHOOLS OFFERING A  
24 VOCATIONAL AGRICULTURAL EDUCATION PROGRAM BASED ON SUBSECTION  
25 (B).

26 SECTION 22. SECTION 2502.13 OF THE ACT, AMENDED JUNE 29,  
27 2002 (P.L.524, NO.88), IS AMENDED TO READ:

28 SECTION 2502.13. SMALL DISTRICT ASSISTANCE.--FOR THE 1984-  
29 1985 AND 1985-1986 SCHOOL YEARS, THE COMMONWEALTH SHALL PAY TO  
30 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF

1 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET  
2 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)  
3 OR GREATER, AN AMOUNT EQUAL TO FIFTY DOLLARS (\$50) MULTIPLIED BY  
4 THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE 1985-1986  
5 SCHOOL YEAR, NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF  
6 THIS SECTION THAN IT DID FOR THE 1984-1985 SCHOOL YEAR. FOR THE  
7 SCHOOL YEAR 1986-1987, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL  
8 DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND  
9 FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET VALUE/INCOME AID  
10 RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR  
11 RECEIVED PAYMENTS UNDER THIS SECTION FOR THE 1985-1986 SCHOOL  
12 YEAR, AN AMOUNT EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED  
13 BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR  
14 1987-1988, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT  
15 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE  
16 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF  
17 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED  
18 PAYMENTS UNDER THIS SECTION FOR THE 1986-1987 SCHOOL YEAR, AN  
19 AMOUNT EQUAL TO EIGHTY-FIVE DOLLARS (\$85) MULTIPLIED BY THAT  
20 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR 1988-  
21 1989, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH  
22 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED  
23 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE  
24 THOUSAND TEN THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED  
25 PAYMENTS UNDER THIS SECTION FOR THE 1987-1988 OR 1988-1989  
26 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIVE DOLLARS (\$105).  
27 FOR THE SCHOOL YEAR 1989-1990, THE COMMONWEALTH SHALL PAY TO  
28 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF  
29 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A MARKET  
30 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)

1 OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR THE  
2 1987-1988 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIFTEEN  
3 DOLLARS (\$115) MULTIPLIED BY THE DISTRICT'S AVERAGE DAILY  
4 MEMBERSHIP AS PROVIDED FOR IN SECTION 212 OF THE ACT OF JULY 1,  
5 1990 (P.L.1591, NO.7A), KNOWN AS THE "GENERAL APPROPRIATION ACT  
6 OF 1990." FOR THE SCHOOL YEAR 1990-1991, THE COMMONWEALTH SHALL  
7 PAY TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY  
8 MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A  
9 MARKET VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS  
10 (0.5000) OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR  
11 THE PRIOR SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED SEVENTY  
12 DOLLARS (\$170) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY  
13 MEMBERSHIP. FOR THE SCHOOL YEAR 1990-1991, EACH SCHOOL DISTRICT  
14 WITH A POPULATION PER SQUARE MILE OF LESS THAN NINETY (90),  
15 WHICH OTHERWISE MEETS THE AVERAGE DAILY MEMBERSHIP AND MARKET  
16 VALUE/INCOME AID RATIO REQUIREMENTS OF THIS SECTION, OR RECEIVED  
17 PAYMENTS UNDER THIS SECTION FOR THE PRIOR SCHOOL YEAR, SHALL  
18 INSTEAD RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED NINETY DOLLARS  
19 (\$190) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP.  
20 FOR THE 1987-1988 SCHOOL YEAR THROUGH THE 1990-1991 SCHOOL YEAR,  
21 NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF THIS SECTION  
22 THAN IT DID FOR THE PRIOR SCHOOL YEAR. FOR THE SCHOOL YEAR 1994-  
23 1995, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH  
24 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED  
25 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE  
26 THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, AN AMOUNT EQUAL TO  
27 NINETY FIVE DOLLARS (\$95) MULTIPLIED BY THAT DISTRICT'S AVERAGE  
28 DAILY MEMBERSHIP. FOR EACH OF THE SCHOOL YEARS 1997-1998 THROUGH  
29 1999-2000, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT  
30 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE

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

10 SECTION 23. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

11 SECTION 2502.41. BASIC EDUCATION FUNDING FOR 2002-2003  
12 SCHOOL YEAR.--FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH  
13 SHALL PAY TO EACH SCHOOL DISTRICT A BASIC EDUCATION FUNDING  
14 ALLOCATION WHICH SHALL CONSIST OF THE FOLLOWING:

15 (1) AN AMOUNT EQUAL TO THE BASIC EDUCATION FUNDING  
16 ALLOCATION FOR THE 2001-2002 SCHOOL YEAR PURSUANT TO SECTIONS  
17 2502.13 AND 2502.40.

18 (2) A BASE SUPPLEMENT CALCULATED AS FOLLOWS:

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

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

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

28 (3) A POVERTY SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL  
29 DISTRICTS AS FOLLOWS:

30 (I) TO QUALIFY FOR THE POVERTY SUPPLEMENT, A SCHOOL

DISTRICT'S 2003-2004 MARKET VALUE/INCOME AID RATIO SHALL BE  
EQUAL TO OR GREATER THAN 0.6500 AND ITS PERSONAL INCOME  
VALUATION WHEN DIVIDED BY ITS 2002-2003 AVERAGE DAILY MEMBERSHIP  
SHALL BE EQUAL TO OR LESS THAN ONE HUNDRED THREE THOUSAND FIVE  
HUNDRED SEVENTY-ONE DOLLARS (\$103,571).

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

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

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

(4) A TAX EFFORT SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL  
DISTRICTS AS FOLLOWS:

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

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

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

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

(5) A GROWTH SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL  
DISTRICTS AS FOLLOWS:

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

(II) THE GROWTH SUPPLEMENT SHALL BE CALCULATED FOR

1 QUALIFYING SCHOOL DISTRICTS AS FOLLOWS:

2 (A) SUBTRACT THE SCHOOL DISTRICT'S 2001-2002 AVERAGE DAILY  
3 MEMBERSHIP FROM ITS 2002-2003 AVERAGE DAILY MEMBERSHIP.

4 (B) MULTIPLY THE DIFFERENCE FROM CLAUSE (A) BY FIVE MILLION  
5 DOLLARS (\$5,000,000).

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

8 (6) EACH SCHOOL DISTRICT SHALL RECEIVE ADDITIONAL FUNDING AS  
9 NECESSARY SO THAT THE SUM OF THE AMOUNTS UNDER SECTION 2502.13  
10 AND UNDER PARAGRAPHS (2), (3), (4), (5) AND THIS PARAGRAPH WILL  
11 EQUAL AT LEAST TWO PERCENT (2%) OF THE AMOUNT IN PARAGRAPH (1).

12 SECTION 24. SECTIONS 2509.1 AND 2509.5 OF THE ACT ARE  
13 AMENDED BY ADDING SUBSECTIONS TO READ:

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

15 (B.11) UP TO NINE MILLION FIVE HUNDRED THOUSAND DOLLARS  
16 (\$9,500,000) MAY BE UTILIZED FOR PROGRAMS ADMINISTERED AND  
17 OPERATED BY INTERMEDIATE UNITS DURING THE 2003-2004 SCHOOL YEAR  
18 FOR INSTITUTIONALIZED CHILDREN AS ESTABLISHED IN SUBSECTION  
19 (B.1).

20 \* \* \*

21 SECTION 2509.5. SPECIAL EDUCATION PAYMENTS TO SCHOOL  
22 DISTRICTS.--\* \* \*

23 (LL) DURING THE 2003-2004 SCHOOL YEAR, EACH SCHOOL DISTRICT  
24 SHALL BE PAID THE AMOUNT IT RECEIVED DURING THE 2002-2003 SCHOOL  
25 YEAR UNDER SUBSECTION (KK).

26 (MM) DURING THE 2003-2004 SCHOOL YEAR, THIRTY-SIX MILLION  
27 ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-SEVEN  
28 DOLLARS (\$36,149,587) OF THE FUNDS APPROPRIATED TO THE  
29 DEPARTMENT OF EDUCATION FOR SPECIAL EDUCATION SHALL BE USED TO  
30 PROVIDE SUPPLEMENTAL FUNDING FOR SPECIAL EDUCATION TO ALL SCHOOL

DISTRICTS. THE SUPPLEMENTAL FUNDING SHALL BE CALCULATED AS  
FOLLOWS:

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

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

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

SECTION 25. SECTION 2591.1 OF THE ACT, ADDED JUNE 29, 2002  
(P.L.524, NO.88), IS AMENDED TO READ:

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

(B) FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH SHALL  
PAY TO EACH SCHOOL DISTRICT THAT RECEIVED FUNDING UNDER  
SUBSECTION (A) FOR THE 2001-2002 SCHOOL YEAR AND THAT HAD  
RESIDENT STUDENTS ENROLLED IN A CHARTER SCHOOL, A CHARTER SCHOOL  
APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES



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

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

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

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

17 SECTION 26. SECTION 2603-B(D)(10) OF THE ACT, ADDED JUNE 29,  
18 2002 (P.L.524, NO.88), IS REENACTED AND AMENDED TO READ:

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

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

21 \* \* \*

22 (10) (I) APPROVE OR DISAPPROVE STANDARDS PROPOSED BY THE  
23 DEPARTMENT IN ORDER TO COMPLY WITH THE PROVISIONS OF THE NO  
24 CHILD LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT.  
25 1425) TO MAINTAIN THE ELIGIBILITY OF THIS COMMONWEALTH TO  
26 RECEIVE FEDERAL FUNDING FOR EDUCATION PROGRAMS. THE BOARD SHALL  
27 APPROVE OR DISAPPROVE THE STANDARDS WITHIN 30 DAYS OF SUBMISSION  
28 TO THE BOARD'S OFFICE OR AT ITS NEXT SCHEDULED MEETING,  
29 WHICHEVER IS SOONER. FAILURE OF THE BOARD TO APPROVE OR  
30 DISAPPROVE THE STANDARDS WITHIN THE TIME ESTABLISHED UNDER THIS

1 SECTION SHALL BE DEEMED AN APPROVAL OF THE STANDARDS.

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

4 (III) THESE STANDARDS SHALL BE EXEMPT FROM:

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

8 (B) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980 (P.L.950,  
9 NO.164), KNOWN AS THE "COMMONWEALTH ATTORNEYS ACT."

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

12 (D) THIS SUBCLAUSE SHALL EXPIRE [JUNE 30, 2003] DECEMBER 31,  
13 2003.

14 \* \* \*

15 Section ~~4-3~~ 27. The following provisions of 22 Pa. Code are <—  
16 abrogated:

17 (1) Section 35.61(f)(2).

18 (2) Section 335.22(3).

19 ~~Section 5-4. This act shall take effect in 60 days~~ <—  
20 ~~IMMEDIATELY.~~ <—

21 SECTION 28. THE FOLLOWING AMOUNTS ARE HEREBY APPROPRIATED <—  
22 FROM THE GENERAL FUND TO THE DEPARTMENT OF EDUCATION FOR THE  
23 FISCAL PERIOD JULY 1, 2003, TO JUNE 30, 2004, AS FOLLOWS:

24 (1) THE SUM OF \$25,000,000 IS HEREBY APPROPRIATED FOR  
25 PAYMENTS TO ANY SCHOOL DISTRICT OF THE FIRST CLASS WHICH HAS  
26 BEEN DECLARED DISTRESSED PURSUANT TO SECTION 691(C) OF THE  
27 ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC  
28 SCHOOL CODE OF 1949, PROVIDED THAT SUCH SCHOOL DISTRICT  
29 SUBMITS A QUARTERLY ITEMIZATION OF ALL FEDERAL, STATE AND  
30 LOCAL FUNDS DISTRIBUTED TO EACH SCHOOL IN THE SCHOOL

1 DISTRICT, INCLUDING SCHOOLS GOVERNED BY AGREEMENTS CURRENTLY  
2 IN EFFECT PURSUANT TO SECTION 696(I)(2) OF THE PUBLIC SCHOOL  
3 CODE OF 1949 AND SCHOOLS DESIGNATED AS PARTNERSHIP SCHOOLS  
4 UNDER THE SCHOOL REFORM COMMISSION RESOLUTION NUMBER 10 OF  
5 APRIL 17, 2002, TO THE DEPARTMENT OF EDUCATION AND TO THE  
6 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF  
7 THE SENATE AND TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
8 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES. IF THE  
9 DEPARTMENT OF EDUCATION DETERMINES THAT THE REPORT IS NOT  
10 BEING SUBMITTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS  
11 PARAGRAPH, THE DEPARTMENT OF EDUCATION SHALL WITHHOLD FROM  
12 ANY AND ALL PAYMENTS TO WHICH THAT SCHOOL DISTRICT OF THE  
13 FIRST CLASS MAY BE ENTITLED UNDER THE ACT AN AMOUNT EQUAL TO  
14 THE FUNDS RECEIVED FROM THIS APPROPRIATION.

15 (2) THE SUM OF \$15,000,000 IS HEREBY APPROPRIATED FOR  
16 THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM ESTABLISHED  
17 UNDER ARTICLE XV-D OF THE PUBLIC SCHOOL CODE OF 1949.

18 (3) THE SUM OF \$56,762,000 IS HEREBY APPROPRIATED FOR  
19 PAYMENTS ON ACCOUNT OF VOCATIONAL EDUCATION AS PROVIDED FOR  
20 UNDER SECTION 2502.8 OF THE PUBLIC SCHOOL CODE OF 1949,  
21 PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF  
22 EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN THE  
23 AMOUNT OF \$55,378,000 FOR VOCATIONAL EDUCATION UNDER SECTION  
24 212 OF THE ACT OF MARCH 20, 2003 (P.L. , NO.1A), KNOWN AS  
25 THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM  
26 THE SUM APPROPRIATED IN THIS PARAGRAPH.

27 (4) THE SUM OF \$895,177,000 IS HEREBY APPROPRIATED FOR  
28 PAYMENTS ON ACCOUNT OF SPECIAL EDUCATION OF EXCEPTIONAL  
29 CHILDREN, PROVIDED THAT THIS AMOUNT INCLUDES \$563,000 FOR  
30 COMMUNITY SUPPORT SERVICES WHICH IS NOT TO BE INCLUDED IN THE

1 BASE CALCULATIONS OF THE SPECIAL EDUCATION PROGRAM  
2 COMPONENTS, AND PROVIDED FURTHER THAT ANY AMOUNTS EXPENDED BY  
3 THE DEPARTMENT OF EDUCATION PURSUANT TO THE FORMER STATE  
4 APPROPRIATION IN THE AMOUNT OF \$874,319,000 FOR PAYMENTS ON  
5 ACCOUNT OF SPECIAL EDUCATION OF EXCEPTIONAL CHILDREN UNDER  
6 SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003 SHALL BE  
7 DEDUCTED FROM THE SUM APPROPRIATED IN THIS PARAGRAPH.

8 (5) THE SUM OF \$4,204,407,000 IS HEREBY APPROPRIATED FOR  
9 BASIC EDUCATION FUNDING TO SCHOOL DISTRICTS, PROVIDED THAT  
10 THE SECRETARY OF EDUCATION, WITH THE APPROVAL OF THE  
11 GOVERNOR, MAY MAKE PAYMENTS FROM THIS APPROPRIATION IN  
12 ADVANCE OF THE DUE DATE PRESCRIBED BY LAW TO SCHOOL DISTRICTS  
13 WHICH ARE FINANCIALLY HANDICAPPED WHENEVER THE SECRETARY OF  
14 EDUCATION SHALL DEEM IT NECESSARY TO MAKE SUCH ADVANCE  
15 PAYMENTS TO ENABLE THE SCHOOL DISTRICTS TO KEEP THEIR SCHOOLS  
16 OPEN.

17 (6) THE SUM OF \$26,249,000 IS HEREBY APPROPRIATED FOR  
18 PAYMENTS TO PENNSYLVANIA CHARTER SCHOOLS FOR THE DEAF AND  
19 BLIND, PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT  
20 OF EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN  
21 THE AMOUNT OF \$25,749,000 FOR PAYMENTS TO PENNSYLVANIA  
22 CHARTER SCHOOLS FOR THE DEAF AND BLIND UNDER SECTION 212 OF  
23 THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM  
24 THE SUM APPROPRIATED IN THIS PARAGRAPH.

25 (7) THE SUM OF \$63,950,000 IS HEREBY APPROPRIATED FOR  
26 SPECIAL EDUCATION - APPROVED PRIVATE SCHOOLS, PROVIDED THAT  
27 ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT  
28 TO THE FORMER STATE APPROPRIATION IN THE AMOUNT OF  
29 \$63,450,000 FOR SPECIAL EDUCATION - APPROVED PRIVATE SCHOOLS  
30 UNDER SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003,

1 SHALL BE DEDUCTED FROM THE SUM APPROPRIATED IN THIS  
2 PARAGRAPH.

3 (8) THE SUM OF \$25,380,000 IS HEREBY APPROPRIATED FOR  
4 SCHOOL IMPROVEMENT GRANTS AS PROVIDED FOR UNDER SECTION 1709-  
5 B OF THE PUBLIC SCHOOL CODE OF 1949.

6 (9) THE SUM OF \$19,000,000 IS HEREBY APPROPRIATED FOR  
7 EDUCATION SUPPORT SERVICES AS PROVIDED FOR UNDER ARTICLE XV-C  
8 OF THE PUBLIC SCHOOL CODE OF 1949.

9 (10) THE SUM OF \$73,992,000 IS HEREBY APPROPRIATED FOR  
10 SERVICES TO NONPUBLIC SCHOOLS AS PROVIDED UNDER SECTION  
11 922.1-A OF THE PUBLIC SCHOOL CODE OF 1949, PROVIDED THAT ANY  
12 AMOUNTS EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT TO  
13 THE FORMER STATE APPROPRIATION IN THE AMOUNT OF \$71,976,000  
14 FOR SERVICES TO NONPUBLIC SCHOOLS UNDER SECTION 212 OF THE  
15 GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM THE  
16 SUM APPROPRIATED IN THIS PARAGRAPH.

17 SECTION 29. THE FOLLOWING ACTS AND PARTS OF ACTS ARE  
18 REPEALED TO THE EXTENT SPECIFIED:

19 (1) SECTION 2509.8 OF THE ACT OF MARCH 10, 1949 (P.L.30,  
20 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, ABSOLUTELY.

21 (2) AS MUCH AS RELATES TO THE STATE APPROPRIATIONS IN  
22 THE AMOUNT OF \$55,378,000 FOR VOCATIONAL EDUCATION, IN THE  
23 AMOUNT OF \$874,319,000 FOR PAYMENTS ON ACCOUNT OF SPECIAL  
24 EDUCATION OF EXCEPTIONAL CHILDREN, IN THE AMOUNT OF  
25 \$25,749,000 FOR PAYMENTS TO PENNSYLVANIA CHARTER SCHOOLS FOR  
26 THE DEAF AND BLIND, IN THE AMOUNT OF \$63,450,000 FOR SPECIAL  
27 EDUCATION - APPROVED PRIVATE SCHOOLS, AND IN THE AMOUNT OF  
28 \$71,976,000 FOR SERVICES TO NONPUBLIC SCHOOLS IN SECTION 212  
29 OF THE ACT OF MARCH 20, 2003 (P.L. , NO.1A), KNOWN AS THE  
30 GENERAL APPROPRIATION ACT OF 2003.

1       SECTION 30.   THIS ACT SHALL TAKE EFFECT IMMEDIATELY.