

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1031 Session of
2004

INTRODUCED BY ERICKSON, C. WILLIAMS, THOMPSON, WAGNER, ORIE,
RAFFERTY, PILEGGI, SCHWARTZ, COSTA, LEMMOND, WAUGH,
WONDERLING, MOWERY, EARLL, GREENLEAF, CORMAN, TOMLINSON,
PICCOLA, PIPPY AND SCARNATI, MARCH 15, 2004

REFERRED TO EDUCATION, MARCH 15, 2004

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for cost of tuition
6 and maintenance of certain exceptional children in approved
7 institutions.

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

10 Section 1. Section 1376(b), (c.2) and (e) of the act of
11 March 10, 1949 (P.L.30, No.14), known as the Public School Code
12 of 1949, amended December 23, 2003 (P.L.304, No.48), are amended
13 to read:

14 Section 1376. Cost of Tuition and Maintenance of Certain
15 Exceptional Children in Approved Institutions.--* * *

16 (b) When any person less than school entry age or more than
17 twenty-one (21) years of age and resident in this Commonwealth,
18 who is blind or deaf, or has cerebral palsy and/or has
19 neurological impairment and/or has muscular dystrophy, or has

1 autism/pervasive developmental delay, and is enrolled, with the
2 approval of the Department of Education, as a pupil in an
3 approved private school approved by the Department of Education,
4 the Commonwealth shall pay to such school, out of moneys
5 appropriated to the department for special education, the actual
6 audited cost of tuition and maintenance of such person, as
7 determined by [the Department of Education] an independent audit
8 submitted by the approved private school in accordance with
9 subsection (c.2), subject to review and approval in accordance
10 with standards and regulations promulgated by the State Board of
11 Education in accordance with subsection (b.1), and in addition,
12 in the case of any child less than school entry age, who is
13 blind, the cost, as determined by the Department of Education of
14 instructing the parent of such blind child in caring for such
15 child.

16 * * *

17 (c.2) (1) Beginning with the 2004-2005 school year and each
18 school year thereafter, [the Department of Education shall
19 establish procedures and audit standards to govern the scope of
20 reportable costs and the methods used to examine and determine
21 allowability of costs. Cost reports shall be prepared in
22 accordance with the established procedures and audit standards
23 and submitted by the approved private school to the Department
24 of Education after the conclusion of the school year. The
25 Department of Education shall process these cost reports and
26 settle any outstanding payments due to or from the approved
27 private school within one (1) year of the cost report
28 submission. If the cost reports are subject to any appeals or
29 postsettlement resolution, the Department of Education shall
30 have an additional three (3) months to settle.] each approved

1 private school shall submit an audit to the Department of
2 Education for final reimbursement. Each audit must be performed
3 by a licensee in good standing qualified to perform such an
4 audit under the act of May 26, 1947 (P.L.318, No.140), known as
5 the "CPA Law." Each audit must be submitted within eighteen (18)
6 months after the end of each approved private school's fiscal
7 year. Within sixty (60) days of receiving an audit, the
8 Department of Education shall make final reimbursement to the
9 approved private school.

10 (2) Audits of cost reports submitted for school years prior
11 to the 2004-2005 school year shall be completed in a manner
12 consistent with prior audit practices. [An approved private
13 school may submit an audit prepared by an independent certified
14 public accountant provided the following have occurred:

15 (1) The Department of Education has failed to process and
16 settle the cost reports within twelve (12) months from
17 submission by the approved private school.

18 (2) The Department of Education has failed to settle any
19 appeals or postsettlement resolution within fifteen (15) months
20 from submission by the approved private school.

21 (3) The approved private school has responded to reasonable
22 requests for information and documents by the Department of
23 Education.]

24 Upon receipt of the independent audit, the Department of
25 Education shall have three (3) months to review the audit and
26 settle any outstanding payments due to or from the approved
27 private school.

28 (3) Pending a final settlement under paragraph (1) or (2),
29 the Department of Education may withhold a portion of the final
30 reimbursement, not to exceed ten percent (10%) per annum on any

1 amount due as part of the final cost settlement not paid within
2 sixty (60) days of the date when the approved private school's
3 audit is received by the Department of Education.

4 * * *

5 [(e) As used in this section, "independent certified public
6 accountant" means a member of the American Institute of
7 Certified Public Accountants that has a minimum of five (5)
8 years' verifiable experience in performing audits of government
9 funds for nonprofit organizations with a comparable or larger
10 annual budget.]

11 Section 2. This act shall take effect in 60 days.