THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL Session of 993 No. 2019

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

REFERRED TO COMMITTEE ON EDUCATION, MARCH 27, 2019

AN ACT

1 2 3 4 5 6 7	Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in preliminary provisions, establishing the Higher Education Funding Commission and providing for its powers and duties.
8	The General Assembly of the Commonwealth of Pennsylvania
9	hereby enacts as follows:
10	Section 1. The General Assembly finds that:
11	(1) This Commonwealth has a diverse array of
12	institutions of higher education with a variety of missions
13	and strengths.
14	(2) Higher education is a critical mechanism for
15	socioeconomic advancement among aspiring individuals and an
16	important driver of economic mobility in our society.
17	(3) A well-educated workforce is vital to our future
18	economic growth.
19	(4) Institutions of Higher Education contribute to the

quality of life in their communities and provide services
 such as medical facilities, research centers, libraries,
 sports, art and cultural events.

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

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

10 (7) To maximize these benefits for residents, the 11 Commonwealth should continue to partner with the institutions 12 to promote greater accessibility, affordability and usability 13 of postsecondary education in this Commonwealth.

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

17 Section 2. The act of March 10, 1949 (P.L.30, No.14), known 18 as the Public School Code of 1949, is amended by adding a 19 section to read:

20 <u>Section 128. Higher Education Funding Commission.--(a) The</u>
 21 <u>Higher Education Funding Commission is established.</u>

22 (b) The commission shall review and make recommendations

23 related to higher education funding as provided in this section.

24 (c) (1) The commission shall consist of the following

25 <u>members:</u>

26 (i) The chair and minority chair of the Education Committee

27 of the Senate and the chair and minority chair of the Education

28 <u>Committee of the House of Representatives or their designees.</u>

29 (ii) Two (2) legislators from each of the four (4)

30 legislative caucuses, to be appointed by the President pro

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1	tempore of the Senate and the Speaker of the House of
2	Representatives, in consultation with the Majority Leader and
3	Minority Leader of the Senate and the Majority Leader and
4	Minority Leader of the House of Representatives.
5	(iii) The Secretary of Education or a designee.
6	(iv) The Deputy Secretary for Higher Education or a
7	<u>designee.</u>
8	(v) An individual appointed by the Governor from within the
9	<u>Governor's Administration.</u>
10	(2) The commission shall appoint a member to serve as chair
11	of the commission.
12	(d) The commission shall hold its first meeting within
13	forty-five (45) days of the effective date of this section,
14	regardless of whether the Governor or all legislators have been
15	appointed.
16	(e) The commission shall hold meetings at the call of the
17	<u>chair.</u>
18	(f) The members may not receive compensation for their
19	services but shall be reimbursed for all necessary travel and
20	other reasonable expenses incurred in connection with the
21	performance of their duties as members of the commission.
22	(g) The General Assembly shall provide administrative
23	support, meeting space and any other assistance required by the
24	commission to carry out its duties under this section in
25	cooperation with the department. The department shall provide
26	the commission with data, research and other information upon
27	request by the commission.
28	(h) The commission shall develop a higher education funding
29	formula and identify factors that may be used to determine the
30	distribution of higher education funding among the school
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1	districts in this Commonwealth. The factors identified under
2	this subsection may include all of the following:
3	(1) Projected revenue and expenses, including long-term debt
4	and the current and projected cost and funding status of health
5	and pension benefits for at least the next five (5) years.
6	(2) College affordability, including the effect on
7	enrollment trends over the next five (5) years, taking into
8	account the costs and fees levied on students who attend
9	traditional classes and on students who take online courses.
10	(3) The potential for improved efficiencies and overall cost
11	reductions between the public institutions of higher education.
12	(4) Current and future infrastructure needs at all the
13	public institutions of higher education, including academic
14	buildings, residence halls and other student-financed buildings,
15	as well as a review of deferred maintenance projects and future
16	information technology needs.
17	(5) The contributions made by any affiliates, subsidiaries,
18	foundations, local sponsors or other entities.
19	(6) The adequacy of State support for institutions of higher
20	education.
21	(7) Best practices undertaken by policymakers in other
22	states to address enrollment and fiscal pressures in public
23	higher education.
24	(8) An analysis of current efforts by institutions of higher
25	education to improve financial literacy as it relates to the
26	costs associated with the attainment of an associate degree or
27	higher.
28	(9) The economic impact of institutions of higher education
29	<u>on their communities.</u>
30	(10) Gaps and opportunities for collaboration with basic
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1	education, work force development programs, economic development
2	and other related systems.
3	(11) Using data from the most recent year available, provide
4	a list of all public and private institutions of higher
5	education with students who receive grant money from the
6	Pennsylvania Higher Education Assistance Agency and the grant
7	amounts awarded to each institution.
8	(12) Geographic price differences identified for each
9	institution of higher education.
10	(13) Whether an institution of higher education has
11	experienced exceptionally high enrollment growth.
12	(14) Other factors related to the distribution of higher
13	education funding.
14	(i) The commission shall have all of the following powers
15	and duties:
16	(1) Review and make findings and recommendations related to
17	higher education funding in this Commonwealth.
18	(2) Consult with and utilize experts to assist the
19	commission in carrying out the duties under this subsection.
20	(3) Receive input from interested parties, including, but
21	not limited to, school districts and charter and cyber charter
22	<u>school operators.</u>
23	(4) Hold public hearings in different regions of this
24	Commonwealth.
25	(5) Review and consider higher education funding formulas
26	and factors utilized throughout the United States.
27	(6) In identifying the higher education funding factors
28	under subsection (h) and in completing the report required under
29	this subsection, consider the impact these factors may have on
30	the distribution of higher education funding among the
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1 institutions of higher education.

2	(7) Review the administration of Federal and State higher
3	education programs and services to determine if cost savings may
4	be achieved and make recommendations to implement the savings.
5	(8) Prior to recommending a higher education funding formula
6	under this section, consider the potential consequences of a
7	higher education funding formula that does not allocate to each
8	institution of higher education at least the same level or
9	proportion of State higher education funding as the institution
10	received in the prior school year.
11	(9) Prior to recommending a higher education funding formula
12	under this section, consider nationally accepted accounting and
13	budgeting standards.
14	(10) Develop a proposed higher education funding formula and
15	factors pursuant to subsection (h).
16	(11) Draft proposed regulations and proposed legislation
17	based on the commission's findings.
17 18	<u>based on the commission's findings.</u> (12) Issue a report of the commission's findings and
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18 19	(12) Issue a report of the commission's findings and recommendations to the Governor, the State Board of Education,
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 18 19 20 21 22 23 24 25 26 27 	(12) Issue a report of the commission's findings and recommendations to the Governor, the State Board of Education, the Secretary of Education, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader and Minority Leader of the Senate, the Majority Leader and Minority Leader of the House of Representatives, the Education Committee of the Senate and the Education Committee of the House of Representatives not later than one year after the effective date of this section. (j) The higher education formula developed by the commission
 18 19 20 21 22 23 24 25 26 27 28 	(12) Issue a report of the commission's findings and recommendations to the Governor, the State Board of Education, the Secretary of Education, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Majority Leader and Minority Leader of the Senate, the Majority Leader and Minority Leader of the House of Representatives, the Education Committee of the Senate and the Education Committee of the House of Representatives not later than one year after the effective date of this section. (j) The higher education formula developed by the commission shall not go into effect unless the formula is approved by an

1	(k) Every five (5) years the commission shall be
2	reconstituted in accordance with subsection (c) and shall meet
3	and hold public hearings to review the operation of the higher
4	education funding provisions of this section, shall make a
5	further report and shall issue the report to the recipients
6	<u>listed in subsection (i)(12).</u>
7	(1) As used in this section, the following words and phrases
8	shall have the meanings given to them in this subsection unless
9	the context clearly indicates otherwise:
10	"Commission." The Higher Education Funding Commission
11	established by this section.
12	"Department." The Department of Education of the
13	Commonwealth.

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