

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1248 Session of  
2024

INTRODUCED BY COSTA, JUNE 12, 2024

REFERRED TO EDUCATION, JUNE 12, 2024

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," providing for institutions of higher  
6 education.

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

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known  
10 as the Public School Code of 1949, is amended by adding an  
11 article to read:

12 ARTICLE XX-L

13 INSTITUTIONS OF HIGHER EDUCATION

14 SUBARTICLE A

15 PRELIMINARY PROVISIONS

16 Section 2001-L. Definitions.

17 The following words and phrases when used in this article  
18 shall have the meanings given to them in this section unless the  
19 context clearly indicates otherwise:

20 "Agency." The Pennsylvania Higher Education Assistance

1 Agency.

2 "Board." The State Board of Higher Education established  
3 under section 2010-L.

4 "Community college." An institution created under Article  
5 XIX-A or the act of August 24, 1963 (P.L.1132, No.484), known as  
6 the Community College Act of 1963.

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

9 "Financial aid." Funding to help a student pay for  
10 postsecondary education, including grants, work study, loans and  
11 scholarships.

12 "Grant program." The Pennsylvania Tuition Assistance Grant  
13 Program established under section 2040-L.

14 "High-priority occupation." An occupation identified by the  
15 Department of Labor and Industry under the act of December 18,  
16 2001 (P.L.949, No.114), known as the Workforce Development Act.

17 "Higher Education Scholarship Law." The act of January 25,  
18 1966 (1965 P.L.1546, No.541), referred to as the Higher  
19 Education Scholarship Law.

20 "Independent institution of higher education." An  
21 institution of higher education which is operated not for  
22 profit, located in and incorporated or chartered by the  
23 Commonwealth and entitled to confer degrees as specified in 24  
24 Pa.C.S. § 6505 (relating to power to confer degrees) and to  
25 apply to itself the designation "college" or "university" as  
26 provided for by the standards and qualifications prescribed by  
27 the State Board of Education under 24 Pa.C.S. Ch. 65 (relating  
28 to private colleges, universities and seminaries).

29 "Institution of higher education." As defined in section  
30 1501-L.

1 "Institutional aid." Financial aid offered to an eligible  
2 student directly by an institution of higher education,  
3 including merit aid, gift aid and athletic awards.

4 "Pell Grant." The Federal Pell Grant or any successor  
5 program.

6 "Pennsylvania State grant." A grant or scholarship awarded  
7 under the Higher Education Scholarship Law.

8 "Private scholarship." Financial aid awards funded by  
9 entities other than the Federal or State Government, including  
10 awards by companies, service groups, foundations, organizations  
11 and individuals.

12 "Program." The State-Related University Grant Program  
13 established under section 2032-L.

14 "Public institution of higher education." A State-owned  
15 university, community college or State-related university.

16 "State-owned university." An institution which is part of  
17 the State System of Higher Education under Article XX-A.

18 "State-related university." The Pennsylvania State  
19 University, the University of Pittsburgh, Temple University,  
20 Lincoln University and the Pennsylvania College of Technology.

21 "State System of Higher Education." The system established  
22 under Article XX-A.

23 Section 2002-L. Findings and purpose.

24 The General Assembly finds and declares as follows:

25 (1) Pennsylvanians deserve the freedom to chart their  
26 own course and the opportunity to succeed by entering the  
27 workforce or pursuing higher education.

28 (2) Accessible, affordable higher education is a  
29 critical component to prepare our workforce and serve as the  
30 foundation of Pennsylvania's economic success.



1 (a) Establishment.--The State Board of Higher Education is  
2 established within the department.

3 (b) Purpose.--The purpose of the board is to provide  
4 direction, coordination and support to ensure that institutions  
5 of higher education fully meet the workforce and economic  
6 development needs of this Commonwealth and ensure that all  
7 residents of this Commonwealth have access to affordable, world-  
8 class postsecondary education.

9 (c) Membership and appointment.--The board shall consist of  
10 15 voting members. In making appointments to the board, the  
11 Governor shall ensure that the appointee is a Pennsylvania  
12 resident and has the background and experience suitable for  
13 performing the statutory responsibility of a member of the  
14 board. Membership of the board shall be as follows:

15 (1) The Secretary of Education or a designee who shall  
16 be an employee of the department.

17 (2) The Secretary of Labor and Industry or a designee  
18 who shall be an employee of the Department of Labor and  
19 Industry.

20 (3) One member of the Senate appointed by the President  
21 pro tempore of the Senate or a designee who shall be an  
22 employee of the Senate.

23 (4) One member of the Senate appointed by the Minority  
24 Leader of the Senate or a designee who shall be an employee  
25 of the Senate.

26 (5) One member of the House of Representatives appointed  
27 by the Speaker of the House of Representatives or a designee  
28 who shall be an employee of the House of Representatives.

29 (6) One member of the House of Representatives appointed  
30 by the Minority Leader of the House of Representatives or a

1 designee who shall be an employee of the House of  
2 Representatives.

3 (7) Nine members shall be appointed by the Governor as  
4 follows:

5 (i) One representative of a State-owned university,  
6 including a president, administrator or local trustee.

7 (ii) One representative of a community college,  
8 including a president, administrator or board member.

9 (iii) One representative of an independent  
10 institution of higher education, including a president,  
11 administrator or board member.

12 (iv) One representative of a State-related  
13 university, including a president, administrator or local  
14 trustee.

15 (v) One representative of a historically black  
16 college and university, including a president,  
17 administrator or board member.

18 (vi) One representative of a union representing  
19 employees at public institutions of higher education.

20 (vii) One representative of business.

21 (viii) Two students who attend an institution of  
22 higher education.

23 (d) Term.--The term of office of appointed members under  
24 subsection (c) (7) (i), (ii), (iii), (iv), (v), (vi) and (vii)  
25 shall be for a period of six years or until a successor is  
26 appointed and qualified, except that, of the initial appointees,  
27 the Governor shall designate two members to serve terms of two  
28 years, two members to serve terms of four years and three  
29 members to serve terms of six years. The Secretary of Education  
30 and the Secretary of Labor and Industry shall serve as long as

1 they continue in office. Members of the board appointed by the  
2 General Assembly shall serve a term of office concurrent with  
3 their respective elective terms as members of the General  
4 Assembly. A student's term shall be for a period of two years or  
5 upon graduation, separation or failure to maintain good academic  
6 standing at the institution of higher education in which the  
7 student is enrolled.

8 (e) Organization.--The Governor shall designate a chair and  
9 vice chair of the board. The members shall select from among  
10 themselves such officers as they deem necessary.

11 (f) Quorum and meetings.--

12 (1) A majority of members shall constitute a quorum for  
13 the transaction of any business.

14 (2) The board shall meet to conduct official business no  
15 less than once every three months or by the call of the  
16 chair.

17 (g) Expenses.--Members shall receive no compensation for  
18 their services but shall be reimbursed for the expenses  
19 necessarily incurred by them in the performance of their duties.

20 (h) Initial appointment and vacancies.--An appointing  
21 authority shall appoint members to the board within 30 days of  
22 the establishment of the board. If a vacancy occurs on the  
23 board, the appointing authority shall appoint a successor member  
24 within 30 days of the vacancy.

25 (i) Removal of board members.--An appointed member who fails  
26 to attend three consecutive board meetings shall forfeit their  
27 membership on the board, unless the chair, upon written request  
28 from the member, determines that the member should be excused  
29 from a meeting or meetings for good cause.

30 (j) Administrative services and staff.--

1       (1) The board shall select an individual to serve as the  
2 executive director to advise the board on the formulation of  
3 the board's policies, oversee the implementation of the  
4 board's policies and responsibilities and supervise the  
5 board's development of the higher education strategic plan,  
6 the collection and analysis of data, the development of  
7 policy recommendations and the production of annual reports  
8 and other activities.

9       (2) The department shall, in consultation with the  
10 executive director, provide administrative services and  
11 additional staff to the board. The board shall be entitled to  
12 legal counsel as designated by the Office of General Counsel.

13       (k) Applicability.--The following acts shall apply to the  
14 board:

15       (1) The act of July 19, 1957 (P.L.1017, No.451), known  
16 as the State Adverse Interest Act.

17       (2) The act of February 14, 2008 (P.L.6, No.3), known as  
18 the Right-to-Know Law.

19       (3) The provisions of 65 Pa.C.S. Chs. 7 (relating to  
20 open meetings) and 11 (relating to ethics standards and  
21 financial disclosure).

22 Section 2011-L. Powers and duties of State Board of Higher  
23 Education.

24       (a) General rule.--The board is charged with the duty to  
25 take an active part in promoting quality, accessible and  
26 affordable postsecondary education throughout this Commonwealth  
27 by:

28       (1) Providing planning and policy leadership, including  
29 setting the Commonwealth's higher education policy agenda.

30       (2) Developing and advancing the higher education policy



1 agenda of the Commonwealth to address the challenges facing  
2 Pennsylvania.

3 (3) Developing public consensus and awareness for the  
4 Commonwealth's higher education policy agenda.

5 (b) General powers.--The board shall have and may exercise  
6 all powers appropriate to carry out and effectuate the board's  
7 purposes under this article, including, but not limited to:

8 (1) Adopt bylaws, if necessary.

9 (2) Make and execute contracts, grants and other  
10 instruments.

11 (3) Apply for and receive money from any source  
12 consistent with the purposes of this article.

13 (4) Establish subcommittees composed of members of the  
14 board as the chair or board deems necessary.

15 (5) Establish advisory committees composed of nonmembers  
16 of the board to consult with and advise the board.

17 (6) Hold public hearings, solicit public comment and  
18 seek stakeholder input on the direction of higher education  
19 in this Commonwealth.

20 (7) Perform other operational activities necessary or  
21 appropriate to further the purposes of this article.

22 (c) Duties.--The board shall perform all duties appropriate  
23 to carry out and effectuate the board's purposes under this  
24 article, including, but not limited to:

25 (1) Develop and implement a higher education strategic  
26 plan.

27 (2) Develop policy recommendations, including:

28 (i) Recommendations related to the alignment to the  
29 higher education strategic plan that promote greater  
30 postsecondary access, quality, affordability and

1 accountability.

2 (ii) Recommendations related to tuition and fees at  
3 public institutions of higher education.

4 (iii) Recommendations related to new programs at  
5 institutions of higher education to assist in avoiding  
6 duplication and aligning to workforce needs.

7 (iv) Recommendations related to financial aid  
8 policies of the Commonwealth.

9 (v) Recommendations related to the efficient and  
10 effective use of State money for higher education.

11 (vi) Recommendations related to private licensed  
12 schools, including recommended updates to the act of  
13 December 15, 1986 (P.L.1585, No.174), known as the  
14 Private Licensed Schools Act.

15 (3) Create a comprehensive data system for the  
16 collection and analysis of postsecondary data to inform  
17 policy recommendations and regularly assess progress against  
18 strategic plan goals and performance against key outcomes.

19 The following apply:

20 (i) The board may require institutions of higher  
21 education to report data for the purposes of this  
22 paragraph in a form and manner prescribed by the board.

23 (ii) The provisions of section 118 shall not apply  
24 to data collected under this paragraph.

25 (4) Facilitate the coordination and cooperation of  
26 institutions of higher education to:

27 (i) Ensure broad access to high quality and  
28 affordable postsecondary credentials and degrees.

29 (ii) Ensure the seamless transfer of credits and  
30 credentials.

1           (iii) Utilize dual enrollment and credit to create  
2           strong pathways to postsecondary education and reduce  
3           time to degree.

4           (iv) Increase postsecondary credential attainment.

5           (v) Meet the economic and workforce development  
6           needs of this Commonwealth with a focus on meeting the  
7           needs of high-priority occupations.

8           (5) In conjunction with the K-12 sector, coordinate  
9           workforce development and economic development sectors, with  
10          a focus on meeting the needs of high-priority occupations, to  
11          develop affordable pathways to postsecondary credentials that  
12          are aligned to current and future workforce and economic  
13          needs.

14          (6) Oversee the implementation of the higher education  
15          funding formulas established under section 2030-L.

16          (7) Assist institutions of higher education with  
17          assessing their fiscal health and provide technical support  
18          as needed.

19          (d) Transfer of powers and duties.--

20           (1) All powers and duties of the State Board of  
21          Education and the Council of Higher Education under Article  
22          XIX-A shall be transferred to the board. This paragraph does  
23          not apply to any application for a withdrawal of sponsorship  
24          under section 1910-A filed prior to the effective date of  
25          this paragraph.

26           (2) All powers and duties of the State Board of  
27          Education and the Council of Higher Education under Article  
28          XXVI-B related to community colleges shall be transferred to  
29          the board.

30           (3) All files, records, contracts, agreements and other

1 materials which are used by the State Board of Education or  
2 the Council of Higher Education in connection with the  
3 powers, duties or functions exercised by the State Board of  
4 Education or the Council of Higher Education related to  
5 community colleges are hereby transferred to the board.

6 (4) A regulation adopted under Article XIX-A shall be  
7 enforced by the board in collaboration with the State Board  
8 of Education and shall continue to have the same force and  
9 effect until modified or revised by the board.

10 (5) The board may promulgate regulations in order to  
11 implement this subsection.

12 (6) The board, in consultation with the State Board of  
13 Education, shall make recommendations to the Governor and  
14 General Assembly no later than May 1, 2025, regarding the  
15 appropriate delineation of roles and responsibilities of the  
16 board, State Board of Education and department related to  
17 higher education, including recommended legislation to update  
18 Articles XIX-A and XXVI-B, and other related provisions of  
19 this act.

20 (e) Coordination with State and local entities.--The board  
21 shall:

22 (1) In consultation with the department, promote strong  
23 pathways from grades K-12 through postsecondary credentials  
24 and degrees.

25 (2) In consultation with the State Board of Education,  
26 promote greater postsecondary access, quality and  
27 affordability, including the use and quality of dual credit  
28 and career and technical pathways.

29 (3) In consultation with the Pennsylvania Workforce  
30 Development Board and local workforce development boards,

1 support institutions of higher education to offer programs in  
2 high-priority occupations that meet this Commonwealth's  
3 current and future workforce needs.

4 Section 2012-L. Annual funding request.

5 In addition to the submission required under section 610 of  
6 the act of April 9, 1929 (P.L.177, No.175), known as The  
7 Administrative Code of 1929, a public institution of higher  
8 education shall provide a copy of its budget request to the  
9 board.

10 Section 2013-L. Long-term strategic planning.

11 (a) Development of strategic plan.--The board shall be  
12 responsible for developing a higher education strategic plan for  
13 the Commonwealth. The plan shall:

14 (1) Establish long-term, measurable goals and provide  
15 strategies for implementing those goals.

16 (2) Assess the higher education needs of this  
17 Commonwealth as well as each region of this Commonwealth.

18 (3) Include all components required of the master plan  
19 for higher education under section 2603-B(h).

20 (b) Adoption of strategic plan.--No later than September 1,  
21 2025, the board shall adopt a higher education strategic plan.  
22 The plan shall be reviewed and revised, as necessary, every five  
23 years.

24 (c) Consultation.--In development of the strategic plan, the  
25 board shall:

26 (1) Consult with and seek input from stakeholders,  
27 including, but not limited to, faculty, staff, students and  
28 administrators from institutions of higher education and  
29 other stakeholders.

30 (2) Make the strategic plan available for review and

1 public comment for a period of not less than 30 days.

2 (3) Hold at least six regional public hearings as part  
3 of the public comment process under paragraph (2).

4 (d) Annual reports.--Beginning May 1, 2026, and each May 1  
5 thereafter, the board shall develop an annual report on the  
6 status of the board and institutions of higher education. The  
7 report shall include an update on the progress of the  
8 implementation of the higher education strategic plan. As part  
9 of the first annual report, the board shall include a review and  
10 make recommendations related to the efficacy of the structure  
11 and operation of the board.

12 (e) Transmittal of strategic plan and annual reports.--The  
13 board shall post the strategic plan and annual reports on its  
14 publicly accessible Internet website and transmit them to the  
15 following individuals:

16 (1) The Governor.

17 (2) The General Assembly.

18 (3) The president of each institution of higher  
19 education.

20 (4) The president of each bargaining unit that  
21 represents employees at public institutions of higher  
22 education.

23 SUBARTICLE C

24 ACCOUNTABILITY

25 Section 2030-L. Performance-based funding formulas.

26 (a) Duty of department.--The department shall develop  
27 performance-based funding formulas to distribute State funding  
28 to public institutions of higher education. In developing  
29 performance-based funding formulas, the department shall:

30 (1) Consult with and solicit meaningful feedback and

1 guidance from presidents of public institutions of higher  
2 education, faculty, staff and business leaders.

3 (2) Develop formulas based on methodology which allocate  
4 State funding for public institutions of higher education in  
5 a manner that provides the resources and incentives for  
6 institutions of higher education to achieve desired outcomes.

7 (b) Goals of formulas.--The department shall consider the  
8 following goals in the development of the formulas:

9 (1) Predictability to avoid dramatic changes over time  
10 to the individual institutions of higher education or the  
11 overall sector.

12 (2) Outcomes driven to align to the priorities of the  
13 Commonwealth.

14 (3) Transparency to increase public trust.

15 (4) Differentiation by mission or sector to recognize  
16 and reward institutions of higher education for outcomes  
17 aligned with their unique missions.

18 (5) Resources and incentives to address systemic  
19 inequities in student access and attainment.

20 (6) Flexibility to allow resources to be deployed to  
21 address urgent or unpredictable priorities.

22 (7) The department may adjust the metrics in subsections  
23 (c), (d) and (e) to accomplish the goals of this subsection.

24 (c) Metrics for community colleges.--The following metrics  
25 shall be considered by the department in the development of the  
26 formula for community colleges and included in the formula as  
27 deemed appropriate by the department:

28 (1) A fixed amount per community college to support  
29 basic operations. The fixed amount shall include a small  
30 school adjustment to account for economies of scale.

1       (2) No less than 50% of the formula shall be based on  
2 each community college's share of the total full-time  
3 equivalent enrollment and headcount for all community  
4 colleges. Total enrollment shall include in-State and out-of-  
5 State students, degree-seeking and non-degree-seeking  
6 students and graduate and undergraduate students in credit-  
7 bearing courses.

8       (3) No less than 20% but no more than 25% of the formula  
9 shall be based on student success outcomes. The formula shall  
10 include outcome metrics as follows:

11       (i) The number of students reaching 15, 30 and 45  
12 credit hour thresholds.

13       (ii) The number of students transferring from a  
14 community college to a four-year institution of higher  
15 education with at least 24 credit hours completed. An  
16 additional weight shall be given for students  
17 transferring to a State-owned university.

18       (iii) The number of students completing credit-  
19 bearing credentials weighted to differentiate between  
20 degree type.

21       (iv) The number of students completing credit-  
22 bearing credentials aligned to high-priority occupations.

23       (4) Weights for priority populations shall be applied to  
24 enrollment and outcome metrics, including weights for low-  
25 income, under-represented student groups and students from  
26 high schools with low college matriculation rates.

27       (d) Metrics for State-owned universities.--The following  
28 metrics shall be considered by the department in the development  
29 of the formula for State-owned universities and included in the  
30 formula as deemed appropriate by the department:



1           (1) A fixed amount per State-owned university to support  
2 basic operations. The fixed amount shall include:  
3           (i) A small school adjustment to account for  
4 economies of scale.  
5           (ii) Set-asides for State-owned universities  
6 consolidated under section 2002-A to account for multi-  
7 campus costs.  
8           (iii) An additional amount for a historically black  
9 college and university.  
10          (2) No less than 50% of the formula shall be based on  
11 each State-owned university's share of the system's total  
12 full-time equivalent enrollment and headcount. Total  
13 enrollment shall include in-State and out-of-State students,  
14 degree-seeking and non-degree-seeking students and graduate  
15 and undergraduate students in credit-bearing courses.  
16          (3) No less than 20% but no more than 25% of the formula  
17 shall be based on student success outcomes. The formula shall  
18 include outcome metrics as follows:  
19           (i) The number of students reaching 30, 60 and 90  
20 credit hour thresholds.  
21           (ii) The number of students transferring from a  
22 community college to a State-owned university with at  
23 least 24 credit hours completed.  
24           (iii) The number of students completing credit-  
25 bearing credentials weighted to differentiate between  
26 degree type.  
27           (iv) The number of students completing credit-  
28 bearing credentials aligned to high-priority occupations.  
29          (4) Weights for priority populations shall be applied to  
30 enrollment and outcome metrics, including weights for low-

1 income, under-represented student groups and students from  
2 high schools with low college matriculation rates.

3 (e) Metrics for State-related universities.--The following  
4 metrics shall be considered by the department in the development  
5 of the formula for State-related universities and included in  
6 the formula as deemed appropriate by the department:

7 (1) A set-aside for a historically black college or  
8 university.

9 (2) No more than 50% of the formula shall be based on  
10 each State-related university's share of the total full-time  
11 equivalent enrollment for all State-related universities. The  
12 following apply:

13 (i) Total enrollment shall include in-State and out-  
14 of-State students, degree-seeking and non-degree-seeking  
15 students and graduate and undergraduate students in  
16 credit-bearing courses.

17 (ii) Out-of-State students shall be weighted less  
18 than in-State students.

19 (3) No less than 30% of the formula shall be based on  
20 student success outcomes. The formula shall include outcome  
21 metrics as follows:

22 (i) The number of students reaching 30, 60 and 90  
23 credit hour thresholds.

24 (ii) The number of students completing credit-  
25 bearing credentials.

26 (iii) The number of students completing credit-  
27 bearing credentials aligned to high-priority occupations.

28 (4) Weights for priority populations shall be applied to  
29 enrollment and outcome metrics, including weights for low-  
30 income, under-represented student groups and students from

1 high schools with low college matriculation rates.

2 (f) Transmittal.--The department shall transmit a copy of  
3 the performance-based funding formulas created under this  
4 section to the following no later than March 1, 2025, and  
5 include a timeline for implementation:

6 (1) The Governor.

7 (2) The President pro tempore of the Senate.

8 (3) The Speaker of the House of Representatives.

9 (4) The Majority Leader and the Minority Leader of the  
10 Senate.

11 (5) The Majority Leader and the Minority Leader of the  
12 House of Representatives.

13 (6) The chairperson and minority chairperson of the  
14 Appropriations Committee of the Senate.

15 (7) The chairperson and minority chairperson of the  
16 Appropriations Committee of the House of Representatives.

17 (8) The chairperson and minority chairperson of the  
18 Education Committee of the Senate.

19 (9) The chairperson and minority chairperson of the  
20 Education Committee of the House of Representatives.

21 (g) Publication and effective date.--The department shall  
22 submit a notice containing the performance-based funding  
23 formulas to the Legislative Reference Bureau for publication in  
24 the next available issue of the Pennsylvania Bulletin. The  
25 performance-based funding formulas shall become effective on the  
26 date specified in the notice in the Pennsylvania Bulletin.

27 (h) Periodic review.--The board shall review and revise, if  
28 necessary, the performance-based funding formulas every five  
29 years. The review process shall include consultation and input  
30 from public institutions of higher education. If the board

1 adopts changes to the performance-based funding formulas, the  
2 board shall transmit a notice containing the updated  
3 performance-based funding formulas to the Legislative Reference  
4 Bureau for publication in the next available issue of the  
5 Pennsylvania Bulletin. The changes to the performance-based  
6 funding formulas shall become effective on the date specified in  
7 the notice in the Pennsylvania Bulletin.

8 (i) Annual distribution.--

9 (1) Beginning in the fiscal year in which a performance-  
10 based funding formula for State-owned universities or  
11 community colleges becomes effective under subsection (g),  
12 the department shall annually distribute performance-based  
13 funding to each State-owned university or community college  
14 which shall consist of the following:

15 (i) An amount equal to the State-owned university or  
16 community college's allocation for the 2024-2025 fiscal  
17 year under section 2031-L.

18 (ii) An additional amount to be calculated pursuant  
19 to the performance-based funding formula under subsection  
20 (c) or (d).

21 (2) For the 2024-2025 fiscal year, funding to the State  
22 System of Higher Education and its institutions and community  
23 colleges shall be distributed under section 2031-L(b) and  
24 (c).

25 (3) Beginning in the fiscal year in which a performance-  
26 based funding formula for State-related universities becomes  
27 effective under subsection (g), the department shall annually  
28 distribute performance-based funding to each State-related  
29 university under section 2032-L which shall consist of the  
30 following:

1           (i) An amount equal to the State-related  
2           university's allocation for the 2024-2025 fiscal year  
3           under section 2031-L.

4           (ii) An additional amount to be calculated pursuant  
5           to the performance-based funding formula under subsection  
6           (e).

7           (4) For the 2024-2025 fiscal year, the department shall  
8           distribute performance-based funding to State-related  
9           universities under section 2031-L(d).

10          (j) Exemption.--The performance-based funding formulas  
11          developed under this section shall not be subject to:

12           (1) Sections 201, 202, 203, 204 and 205 of the act of  
13           July 31, 1968 (P.L.769, No.240), referred to as the  
14           Commonwealth Documents Law.

15           (2) Sections 204(b) and 301(10) of the act of October  
16           15, 1980 (P.L.950, No.164), known as the Commonwealth  
17           Attorneys Act.

18           (3) The act of June 25, 1982 (P.L.633, No.181), known as  
19           the Regulatory Review Act.

20          (k) Data.--The data used to calculate the formulas in this  
21          section shall be based on the most recent years for which data  
22          is available as determined by the department and be fixed as of  
23          the first day of June preceding the fiscal year in which the  
24          allocation occurs. Data fixed on the first day of June shall be  
25          revised by the department if it is subsequently found to be  
26          incorrect.

27          Section 2031-L. Interim funding for public institutions of  
28                   higher education.

29          (a) General rule.--For the 2024-2025 fiscal year, public  
30          institutions of higher education shall receive funding in

1 accordance with this section.

2 (b) State System of Higher Education funding.--From the  
3 appropriation for public college and university funding under  
4 the act of (P.L. , No. ), known as the General  
5 Appropriation Act of 2024, \$673,461,000 shall be appropriated to  
6 the State System of Higher Education.

7 (c) Community college funding.--From the appropriation for  
8 public college and university funding under the General  
9 Appropriation Act of 2024, each community college shall receive  
10 an amount equal to the following:

11 (1) An amount equal to the reimbursement for operating  
12 costs received in fiscal year 2023-2024 under section 1913-  
13 A(b) (1.6) (xviii) (A) and (C).

14 (2) An amount equal to the economic development stipend  
15 received in fiscal year 2023-2024 under section 1913-A(b)  
16 (1.6) (xviii) (B).

17 (3) For each community college that receives funding  
18 under paragraph (1) or (2), an additional amount for  
19 operating costs determined for each community college as  
20 follows:

21 (i) For a community college established after July  
22 1, 2020, \$436,671.

23 (ii) For a community college established before July  
24 1, 2020:

25 (A) Multiply the audited full-time equivalent  
26 enrollment as verified under section 1913-A(k.1) for  
27 the most recent year available for the community  
28 college by \$38,809,329.

29 (B) Divide the product in clause (A) by the sum  
30 of the audited full-time equivalent enrollment as

1 verified under section 1913-A(k.1) for the most  
2 recent year available for community colleges that  
3 receive funding under paragraphs (1) and (2)  
4 excluding the enrollment of a community college  
5 subject to subparagraph (i).

6 (d) State-related university funding.--For the 2024-2025  
7 fiscal year, each State-related university shall be eligible to  
8 receive a grant under section 2032-L in an amount based on the  
9 sum of the following:

10 (1) the amount appropriated to the State-related  
11 university for the 2023-2024 fiscal year; and

12 (2) an additional amount determined for each State-  
13 related university based on the following:

14 (i) divide the amount appropriated to the State-  
15 related university for the 2023-2024 fiscal year by the  
16 total amount appropriated to State-related universities  
17 for the 2023-2024 fiscal year; and

18 (ii) multiply the amount calculated under  
19 subparagraph (i) for each State-related university by the  
20 difference in the amount appropriated for grants to  
21 State-related universities for the 2024-2025 fiscal year  
22 and the total amount appropriated to State-related  
23 universities for the 2023-2024 fiscal year.

24 Section 2032-L. State-Related University Grant Program.

25 (a) Establishment.--The State-Related University Grant  
26 Program is established in the department. Beginning in the 2024-  
27 2025 fiscal year and each fiscal year thereafter, the program  
28 shall provide funding to State-related universities from the  
29 appropriation for grants to State-related universities.

30 (b) Approval process.--The department shall prescribe the

1 form and manner in which a State-related university may apply  
2 for funding under this section.

3 (c) Eligible uses.--Funding received by a State-related  
4 university shall be used for costs directly related to the  
5 provision of instruction for graduate or undergraduate students  
6 and costs incurred in providing student-related services and  
7 community outreach services consistent with the laws of this  
8 Commonwealth.

9 (d) Form of application.--To be eligible to receive funding  
10 under this section, a State-related university must submit a  
11 plan for the use of the funding to the department.

12 (e) Monthly payment.--Payments shall be made to a State-  
13 related university under this section on a monthly basis during  
14 the fiscal year.

15 (f) Reporting requirements.--

16 (1) A State-related university that receives funding  
17 under this section from the department shall ensure its  
18 financial statements are in accordance with:

19 (i) The generally accepted accounting principles as  
20 prescribed by the National Association of College and  
21 University Business Officers, the American Institute of  
22 Certified Public Accountants or their successors or by  
23 any other recognized authoritative body.

24 (ii) The "Commonwealth of Pennsylvania Budget  
25 Instructions for the State System of Higher Education,  
26 State-related Universities and Non-State-related Colleges  
27 and Universities."

28 (iii) The financial reporting policies and standards  
29 promulgated by the Federal Government and by the  
30 Commonwealth that apply to the State-related university.



1       (2) The department shall require that a State-related  
2 university provide information necessary to develop and  
3 implement the performance-based funding formula for State-  
4 related universities under section 2033-L.

5       (3) A State-related university shall maintain proper  
6 records showing the application of the money received under  
7 this section. The State-related university shall provide  
8 full, complete and accurate information as may be requested  
9 by the department.

10       (4) Upon request, the department shall provide  
11 information required under this subsection to the chairperson  
12 or minority chairperson of the Appropriations Committee of  
13 the Senate or the chairperson or minority chairperson of the  
14 Appropriations Committee of the House of Representatives.  
15 Section 2033-L. Performance-based funding formula reporting.

16       (a) Requirements.--Notwithstanding any other provision of  
17 law, for the purposes of developing and implementing a  
18 performance-based funding formula, the following information  
19 shall be reported to the department by public institutions of  
20 higher education:

21       (1) Student enrollment, including in-State and out-of-  
22 State students, disaggregated by demographics, enrollment  
23 status and degree type and level.

24       (2) Students reaching credit hour thresholds under  
25 section 2030-L.

26       (3) Students completing credentials, including  
27 credentials aligned to high-priority occupations.

28       (4) Students included in priority populations, including  
29 low-income students, underrepresented minority students and  
30 academically unprepared students.



1 Section 2040-L. Pennsylvania Tuition Assistance Grant Program.

2 (a) Establishment.--The Pennsylvania Tuition Assistance  
3 Grant Program is established within the agency.

4 (b) Duties.--The agency, in consultation with the  
5 department, shall administer the grant program and award grants  
6 to eligible students beginning in the 2025-2026 school year and  
7 each year thereafter.

8 (c) Application.--No later than 90 days after the effective  
9 date of this section, the agency shall develop guidelines,  
10 including instructions for how an eligible student may apply for  
11 a grant.

12 (d) Administrative fee.--The agency may take no more than 3%  
13 of the funding appropriated for the grant program as an  
14 administrative fee for direct costs associated with the  
15 implementation, administration and servicing of the grant  
16 program.

17 Section 2041-L. Eligible grant recipients.

18 (a) Eligibility requirements.--To receive a grant under  
19 section 2040-L, an eligible student must:

20 (1) Meet the following requirements of the State Grant  
21 Program under the Higher Education Scholarship Law:

22 (i) The domicile requirements.

23 (ii) The high school graduation requirements.

24 (iii) Not have received the maximum number of  
25 Pennsylvania State grant awards permitted.

26 (2) Make satisfactory academic progress for Federal  
27 student aid purposes.

28 (3) Have an adjusted gross income at or below the median  
29 household income for the State as determined by the most  
30 recent five-year estimate of the United States Census

1 Bureau's American Community Survey.

2 (4) Be enrolled or will be enrolled in a community  
3 college or State-owned university.

4 (b) Additional money.--If the Secretary of the Budget makes  
5 a determination that additional money is available for  
6 Pennsylvania Tuition Assistance grants that exceeds the needs of  
7 the students eligible under subsection (a), the agency shall  
8 increase the total annual household income requirement under  
9 subsection (a)(3).

10 Section 2042-L. Grant awards.

11 (a) Grant amount.--The agency shall calculate the grant  
12 amount for each eligible full-time student so that the eligible  
13 full-time student's remaining tuition and fees are no more than  
14 \$1,000 per semester after other financial aid is awarded. The  
15 agency shall prorate the amount of the award if a student is not  
16 a full-time student.

17 (b) Grant calculation.--The grant amount under subsection  
18 (a) shall be calculated after Pell Grant, Pennsylvania State  
19 grant, institutional aid and private scholarships are applied.

20 (c) Prohibition.--A State-owned university or community  
21 college may not reduce a student's institutional financial aid  
22 as a result of receiving a grant under this subarticle.

23 Section 2043-L. Annual report.

24 (a) Report.--The agency, in consultation with the  
25 department, shall prepare and submit a report to the Governor,  
26 the General Assembly, the board and the Secretary of Education  
27 no later than December 31 of each year that funding is awarded  
28 under the program.

29 (b) Contents.--The report shall include the number of grant  
30 recipients, programs of study pursued and graduate rates and

1 award type, disaggregated by institution and student group.

2 Section 2044-L. Pennsylvania State grant supplement.

3 (a) Grant supplement.--Beginning in the 2025-2026 fiscal  
4 year and each year thereafter, the agency shall use money  
5 appropriated for the purpose of this section to provide a  
6 Pennsylvania State grant supplement to eligible students.

7 (b) Eligible students.--In order to receive a Pennsylvania  
8 State grant supplement, an individual must meet all of the  
9 following requirements:

10 (1) Be a recipient of a Pennsylvania State grant.

11 (2) Be enrolled in a State-grant-approved institution of  
12 higher education that is also a State-related university,  
13 independent institution of higher education or Thaddeus  
14 Stevens College of Technology.

15 (3) Have an adjusted gross income at or below the median  
16 household income for the State as determined by the most  
17 recent five-year estimate of the United States Census  
18 Bureau's American Community Survey.

19 (c) Amount.--The Pennsylvania State grant supplement shall  
20 be in an amount up to \$1,000. The agency shall prorate the  
21 amount of the award if a student is not a full-time student.

22 (d) Limit.--A Pennsylvania State grant supplement may not  
23 exceed the student's tuition or fees after all other financial  
24 aid has been applied to a student's account.

25 (e) Annual report.--

26 (1) The agency, in consultation with the department,  
27 shall prepare and submit a report to the Governor, the  
28 General Assembly, the board and the Secretary of Education no  
29 later than December 31 of each year that Pennsylvania State  
30 grant supplements are awarded.

1           (2) The report shall include the number of Pennsylvania  
2           State grant supplement recipients, programs of study pursued  
3           and graduation rates and award type, disaggregated by  
4           institution and student group.

5           Section 2. This act shall take effect immediately.