



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1352

PRINTERS NO. 2227

PRIME SPONSOR: Stephens

COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
General Fund	See Fiscal Impact Section Below	

SUMMARY: House Bill 1352 makes numerous changes and adds sections to the Public School Code. Included among these are provisions implementing the 2011 General Appropriations Act.

ANALYSIS: The following sections of the School Code are affected:

Section 111 (e) - Background checks – Imposes a time period for employment based upon degree of offense

Section 118. Collection of Identifying Information of Students Attending Institutions of Higher Education – Limits the department of education from collecting identifiable information and requires student notification and approval

Section 221.1 Moratorium on certain data collection systems and data sets – Places a moratorium on the personal data collected by the departments of public welfare and education except for those data points needed to comply with federal law, distribute funds and maintain the health and safety of children.

Section 223 – Certified Safety Committees – Transfers the required certified safety committees created through past fiscal codes and incorporates into the Public School Code.

Section 615 – School Budget Reopener – Gives school districts the authority to reopen their budget due to changes in federal and state allocations.

Section 703. Acquisition of Buildings, Sites for School Buildings and Playgrounds and Disposing Thereof - Clarifies that school districts will not be required to comply with the PLANCON process when they are not seeking State reimbursement.

Section 731.1 – Approval of Lease Agreements – PLANCON process not necessary when there is no State reimbursement

Section 907-A – Subsidies for Services Intermediate Unit Transparency – Requires the posting of financial and contract information for Intermediate Units.

Section 921-A – Financial Reports – Brings the intermediate units in line with other education agencies with regard to posting of financial reports.

Article X – District Superintendents and Assistant District Superintendents – Allows individuals who have a master's degree in business or finance from an accredited higher education institution to be hired as superintendents or assistant superintendents. Candidate must also complete an approved school leadership program.

Section 1134 – Transfer of entities – Transfers the language included in the fiscal code in the last two fiscal years with respect to the closure of Scotland School and the Scranton school in order to meet terms of the agreement. Fiscal year 2011-12 is the last year of the agreement.

Section 1201. Certificates Qualifying Persons to Teach - Creates a new avenue for mid-career professionals to join the teaching ranks through the use of “residency” teaching certificates.

Section 1203 – Kinds of State Certificates creates a new certificate for teaching known as the “residency” teaching certificate which is designed to attract mid-career professionals to teaching. The residency teaching programs will create a streamlined process for professionals with expertise in key fields, such as science and mathematics, to earn a teaching certificate and bring their knowledge into the classroom.

Section 1205.1 Continuing Professional Development - Establishes a moratorium on Act 48/45 teacher professional development to provide mandate relief for school districts.

Section 1206 Certificates Issued by Other States - Provide that a candidate holding a valid instructional certificate issued by another state may be eligible for a comparable Pennsylvania certificate upon satisfying certain requirements, degree from accredited institution, years of teaching experience, subject matter expertise, etc.

Section 1207.1 Postbaccalaureate Certification - Grants the Secretary of Education specific powers and duties with respect to post baccalaureate certification programs for residency teaching certificate programs, intern certificate programs and administrative certification programs.

Section 1304 – Admission of Beginners- Clarifies that school districts shall admit students during at least the first two weeks of school.

Section 1376 – Repeal of APS Audit Resolution- The audits for the approved private schools have been completed and this section is no longer necessary.

Section 1303-A - School safety report language – Clarifies that school safety reports must be filed with the department on an annual basis.

Section 1310-A Safe School Advocates in School Districts of the First Class – Transfers the Safe Schools Advocate of the School District of the 1st Class from the department to the PA Commission on Crime and Delinquency (PCCD).

Section 1602-B Concurrent Enrollment Programs – Eliminates certain administrative requirements for participation, program changes.

Section 1604-A. Council Recommendations and Standards. - Requires the PIAA to develop a policy which allows student participation in sports programs when programs in the resident school district have been discontinued (no red shirt).

Section 1705-B –Provides the authority to the department to access unused and unencumbered funds for school districts certified as empowerment school districts as of June 30, 2010.

Section 1724-A – Removes provisions requiring the State to reimburse charter and cyber charter schools for a portion of the employer’s share of social security payments.

Section 1913-A Community College Reimbursements. Provides funding for the operating costs and capital project costs for community colleges, \$212,167,000 and \$46,369,000, respectively. With respect to operating costs, ensures that funding reductions are evenly applied across all community colleges (different than Governor’s proposal); an across the board reduction of 10%.

Section 2002-C – Incorporates the community college - higher education transfer and articulation into the School Code (had been included in fiscal code last two years.)

Section 2006.1-C Participation by State-Related Institutions – transfers the transfer and articulation components for state-related institutions from the fiscal code.

Section 2318 State Aid for Libraries – Transfers the language for the fiscal code to the Public School Code which provides for the distribution of library funds and for the waiver of standards due to funding constraints.

Section 2501 – Revise ADM definition – Revises the definition to make the definition effective for multiple years.

Section 2502-48 – Basic Education Funding for Student Achievement - Repeals the language specific to the funding goals since the formula is no longer in use.

Section 2502.49 – Accountability to Commonwealth Taxpayers – Repeals the section of the School Code which dictates how school districts must spend funds above the index.

Section 2502.50 - Basic education subsidy The budget includes \$5,354,629,000 State funds for the 2011-2012 basic education Funding appropriation. The fiscal year 2011-12 line item includes a student focused supplement that includes the following components: a base amount, number of English language learners, concentration of free and reduced lunch students and changes to a school districts adjusted average daily membership.

Supplements are totaled and a funding amount is determined based upon a school districts aid ratio and taxing effort. Various other supplements are included in the appropriation such as the funds added to ensure each school district receives at least what they received in fiscal year 2008-09 in State funds.

The bill also requires that \$25 million of the basic education funds appropriated to the school districts of the first class be used to pay costs related to alternative education programs operated by the district or under contract between the district and a private alternative education institution.

Section 2509.1 - Special education payments to intermediate units. Consistent with past practice, the Special Education appropriation includes funding for core special education services provided by intermediate units with a slight distribution adjustment as follows:

- 5.5% of special education appropriation to intermediate unit for special education services;
- Of this amount, 35% shall be equally distributed to intermediate unit; the remaining 65% shall be distributed to each intermediate unit in proportion to the number of average daily membership of the component school districts as compared to statewide average daily membership.

Section 2509.1 - Payments to IUs for institutionalized children The bill includes \$9 million within the appropriation to cover the IU costs to operate and administer classes or schools for institutionalized children.

Section 2509.5 Special education payments to school districts The budget provides level state funding for special education in the amount of \$1,026,815,000; therefore each school district will receive an amount equal to its 2010-2011 Special Education Funding allocation.

The appropriation also continues the set aside for extraordinary special education expenses at 1% of the appropriation (\$10,263,000).

Section 2510.1 – Payments to Homebound Children – Transfer language from the fiscal code which provides for the payment of instruction to homebound children.

Section 2541 – Transportation – Corrects the reference to the section which addresses student transportation for former Duquesne HS students.

Section 2599.2 Accountability Block Grants – Provides for the distribution of Accountability Block Grant funds to school districts after July 1, 2011.

FISCAL IMPACT: The Department of Education has identified \$20,000 in nonrecurring information technology costs related to creating the electronic link used to allow college students to opt-out of the Pennsylvania Information Management System (PIMS).

The administrative responsibilities of the Office of Safe School Advocate in the School District of the First Class within the Pennsylvania Commission on Crime and Delinquency are estimated to cost approximately \$400,000 annually, which is contained in the 2011 General Appropriations Act.

The provisions providing the distribution of funding for Community Colleges, Library Funding, Basic Education Funding, Intermediate Unit Funding, Special Education Funding, Social Security Reimbursements and Pennsylvania Accountability Grants implement the funding contained in the General Appropriations Act and have no fiscal impact beyond the appropriations contained therein.

Other responsibilities delegated to the Department of Education in this legislation related to criminal background checks, intermediate unit financial reporting, and alternative certification are routine and can be accomplished within its existing operating budget.

The provisions requiring the Legislative Budget and Finance Committee to conduct a study of the costs and benefits of the continuing professional education program should be minimal and can be accomplished within its existing operating budget.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: June 29, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.