



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1141

PRINTERS NO. 2200

PRIME SPONSOR: Saylor

COST / (SAVINGS)

FUND	FY 2012/13	FY 2013/14
General Fund	\$0	\$6,771,186,000

SUMMARY: House Bill 1141, Printers number 2200, makes numerous changes and adds sections to the Public School Code, including provisions implementing the 2013 General Appropriations Act. Effective dates vary by provision.

ANALYSIS: Below is a list of the sections of the School Code added or amended by this legislation, including an analysis of the fiscal impact where necessary.

Section 122 Special Education Funding Commission - This section is amended to extend the due date of the report of the Special Education Funding Commission from September 30, 2013 to November 30, 2013.

Section 616.1 Reopening of School District Annual Budget - This new section gives school districts the authority to reopen their budgets during a period of 30 days after the annual state General Appropriation Act is enacted to account for changes in federal and state allocations.

Section 687 Annual Budget; Additional or Increased Appropriations; Transfer of Funds - This section is amended to require school districts to file budgets with the House and Senate Education Committees electronically.

Section 732.1 Limitation on New Applications for Department of Education Approval of Public School Building Projects - This section is amended to extend the moratorium on PDE's acceptance of new PlanCon projects through the 2013-14 fiscal year. It also requires PDE to submit a preliminary report on school facilities and future capital needs by May 1, 2014.

Section 1209 Disqualifications - This section is amended to eliminate a duplicative health screening from the teacher certification process.

Section 1216.1 Professional Educator Discipline Fee - This new section adds a \$25 professional educator discipline fee to the current fees paid by teacher certification candidates. This would raise the most commonly paid fees to \$125. This section requires this additional fee be placed in

the newly created Professional Educator Discipline Account, a restricted account within the General Fund. The money would be appropriated to PDE for administration, enforcement and adjudication by the Department and the Professional Standards and Practices Commission. **The Department estimates this would raise and allow the Department to spend an additional \$775,000.**

Section 1913-A Financial Program; Reimbursement of Payments - Provides for the disbursement of the Community College appropriation in the same manner and amounts in 2013-14 as was provided in 2012-13. **This will require the expenditure of \$212,167,000, which is provided for in the General Appropriation bill for 2013-14.**

Section 1905-D State Funding - Changes to this section provide for the distribution of Community Education Council (CEC) funding for 2013-14. Each CEC will receive an amount equal to the amount it received in 2012-13 plus a pro rata share of \$227,000. **This will require the expenditure of \$2,300,000, which is provided for in the General Appropriation bill for 2013-14.**

Section 2133 Budget Reports - Requires school districts of the first class to submit budget reports electronically to the minority and majority chairs of the House and Senate education committees.

Section 2502.52 Basic Education Funding for 2012-2013 School Year - This new section states that for the 2013-14 fiscal year the Commonwealth shall pay to each school district a basic education funding allocation which shall consist of an amount equal to the basic education funding allocation for the 2012-13 fiscal year. Additional funding will be disbursed through a Student-Focused Supplement and a series of supplements for distressed and stressed school districts. Any undistributed funds will be deposited into the Financial Recovery School District Transitional Loan Account to assist distressed school districts. **This will require the expenditure of \$5,526,129,000, which is provided for in the General Appropriation bill for 2013-14.**

Section 2508.5 Payment on Account of Equipment Purchased for Area Vocational-Technical Schools and School Districts - This new section establishes a grant program for career and technical centers and school districts to purchase equipment for career and technical education. **It requires the expenditure of \$3,000,000, which is provided for in the General Appropriations bill for 2013-14.**

Section 2509.1 Payments to Intermediate Units & Section 2509.5 Special Education Payments to School Districts - These sections provide for the disbursement of the state Special Education Subsidy in the same manner and amounts in 2013-14 as was provided in 2012-13. **This will require the expenditure of \$1,026,815,000, which is provided for in the General Appropriation bill for 2013-14.**

Section 2510.3 Assistance to School Districts Declared to be in Financial Recovery Status or Identified for Financial Watch Status - This new section allows the Department of Education, for the 2013-14 fiscal year, to use up to \$4,500,000 of undistributed funds not expended,

encumbered or committed from appropriations for grants and subsidies, to assist school districts declared to be in financial recovery status or financial watch status, and requires \$7,500,000 of such funds be transferred to the Financial Recovery Transitional Loan Account.

Section 2599.2 Pennsylvania Accountability Grants - Permits the Department of Education to distribute Pennsylvania Accountability Grants on a pro rata basis in fiscal year 2013-14 if insufficient funds are appropriated.

Section 2599.5 Distance Education Program - This new section establishes a pilot program to provide students grants for distance education through the Pennsylvania Higher Education Assistance Agency (PHEAA). The program last from 2013-14 through 2017-18 and would allow students who take more than half of their postsecondary credits via distance education, usually on-line, to qualify for PHEAA student grants. The total amount to be disbursed through such grants is limited to \$10 million and will come from PHEAA's earnings, not from the state General Fund.

FISCAL IMPACT: Enactment of this legislation will require the expenditure of \$6,771,186,000 in 2013-14, which is provided for in the General Appropriation bill for 2013-14.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: July 1, 2013

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