



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1448

PRINTERS NO. 3811

PRIME SPONSOR: Cutler

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 1448 amends the Public School Code concerning higher education accountability and transparency, and makes extensive changes in numerous other areas. It would take effect July 1, 2018 or immediately, whichever is later.

ANALYSIS:

This legislation makes extensive revisions and additions to provisions found throughout the Public School Code. Below is a list of the sections and articles of the School Code added or significantly amended by this legislation.

Section 121. Keystone Exams - This section is amended to delay the use of the Keystone Exams as a graduation requirement an additional year until the 2020-2021 school year.

Section 425. Executive Sessions - This new section permits a public school entity to hold an executive session to plan, review or discuss matters related to school safety if a public discussion would be reasonably likely to impair the effectiveness of such measures; or create a likelihood of jeopardizing the safety or security of an individual or a school, including a building, public utility, resource, infrastructure, facility or information storage system.

Section 528. Third-Party Services - This new section adds conditions on contracts school districts enter into with third parties for non-instructional services.

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 the acceptance of new Plancon projects through the 2018-19 fiscal year.

Section 742. Lead Testing - This new section provides that, beginning in the 2018-19 school year, and every school year thereafter, school facilities where children attend school may be tested for lead levels in the drinking water. If excessive lead levels are discovered in any school facility, the facility must immediately implement a plan to ensure no child or adult is exposed to lead contaminated drinking water, and that alternative sources of drinking water are made available.

In addition, the elevated lead levels must be reported to the Department of Education (PDE) and posted on their website. If a school entity chooses not to test lead levels, the issue of lead levels must be discussed at a public meeting.

Section 803. Time and Manner of Adopting and Furnishing Textbooks and Supplementary Books – Dates restricting when school boards can order text books are removed from this section.

Section 1125.1. Persons to be Suspended – This section is amended to require a school entity to realign its professional staff so as to ensure that more senior employees are provided with the opportunity to fill any positions within the school entity for which they are certified and which are being filled by less senior employees.

Section 1204.2. Vocational Education Instructional Certificates – Changes to this section concern requirements for Vocational Intern, Vocational I, and Vocational II certificates. For Vocational Interns the State Board of Education must require at least four years of wage-earning experience in the occupation to be taught, in addition to other requirements currently in regulation. Vocational I certificates will require an applicant to have completed not more than 18 credit hours in an approved program of vocational teacher education, and will entitle the individual to teach for eight annual school terms. Vocational II certificates shall require an applicant to have completed not more than 60 credit hours in an approved program of vocational teacher education, including the 18 credit hours necessary for the Vocational I certificate.

It also requires the Department of Education to form a professional advisory committee to review vocational instructional certification program guidelines every five years to ensure the requirements for program design and delivery pertain to the professional responsibilities of a vocational educator.

Section 1326. Definitions – Changes are made to the definition of “Educational entity.”

Section 1327.3. Attendance Policy at Nonpublic Schools – This new section requires nonpublic schools to establish attendance policies that are at least as strict as those for public schools established in the School Code. It also clarifies issues surrounding citation proceedings for students who are habitually truant.

Section 1329. Excuses from Attending School – This section is amended to allow a school district to excuse a student from school attendance to participate in a musical performance in conjunction with a national veterans’ organization or incorporated unit for an event or funeral. The organization or unit must provide the student with a signed excuse detailing the date, location, and time of the event or funeral. The student must furnish the excuse to the school district prior to being excused.

Section 1333.3. Penalties for Violating Compulsory School Attendance Requirements – Makes a clarification concerning when a citation may be filed against a child, or the parent or guardian of a child, who violates compulsory attendance laws.

Section 1337. Nonprofit School Food Program - Two clarifications are made to this section. If a student is enrolled in grade 9 through 12, the school district may require the schools to direct communications regarding a low balance or money owed for school meals to the student if the communications are made individually and discreetly to the student by appropriate school personnel. It also clarifies that it does not constitute public identification or stigmatization of a student for a school to restrict privileges and activities of students who owe money for school meals if those same restrictions apply to students who owe money for other school-related purposes.

Section 1406-A. Term of Drug and Alcohol Recovery High School Pilot Program and Section 1407-A. Reporting - Due to a delay in the implementation of this program, these sections are amended with date changes to allow for the continuation of the pilot program for an additional year.

Section 1517. Fire and Emergency Evacuation Drills - Under current law, school entities are permitted, but not required, to conduct one school security drill per school year in each school building in place of a required fire drill. This section is amended to make this security drill a requirement. It would also permit, but not require, school entities to conduct two additional school security drills per school year in each school building in place of two required fire drills.

Section 1913-A. Financial Program; Reimbursement of Payments - This section is amended to provide for a community college funding formula for the 2018-19 fiscal year. Any appropriation increase for 2018-19 will be distributed using a formula based on each community college's most recent audited full time equivalent enrollment.

Section 2002-B. Definitions - The maximum annual household income for the Educational Improvement Tax Credit is increased from \$75,000 to \$85,000

Section 2003-B. Qualification and application by organizations - Annual reporting dates in this section are adjusted. In addition, scholarship organizations are required to include a means to verify annual household income in their application process.

Section 2004-B. Application by business firms - Provides that, in the event a business firm does not make a minimum of 50% of the full amount of the approved contribution and does not notify the Department of Community and Economic Development (DCED) of the amount of unused contributions within 14 days of approval, the business may not be approved in the immediately succeeding fiscal year for more than 150% of the actual amount contributed in the previous fiscal year.

Section 2005-B. Tax credits - Adds that, in order to be eligible for the early application date under this paragraph, the contributions included in the second year of a two-year commitment or renewal of a two-year commitment must be made to the same type of organization. It also allows that, should DCED fail, for a period of at least 10 days, to timely transmit any of the written notices required by the EITC program, the affected business may bring an action for injunction or other appropriate relief in Commonwealth Court.

Section 2006-B Limitations - This section currently provides for a total of \$135 million in Educational Improvement Tax Credits (EITC) and a total of \$50 million in Opportunity Scholarship Tax Credits (OSTC). This legislation increases the amount of tax credits available under the EITC program to \$160 million, a total increase in Educational Tax Credits of \$25 million. The additional \$25 million in tax credits made available under the EITC program is provided to scholarship organizations.

Article XX-H. Higher Education Accountability and Transparency - This new article in the Public School Code concerns higher education accountability and transparency. It requires the Pennsylvania Department of Education (PDE) to make available at a single location on its website, links to the federal government's College Navigator Website and the Department of Labor and Industry's High Priority Occupations website. In addition, the Pennsylvania Higher Education Assistance Agency must include a link on its website to this page on the PDE website, and school entities must provide this information to students in grades nine through twelve.

The remainder of the new article details the required contents of an internet search tool that allows an individual to compare institutions of higher education that meet certain criteria selected by the individual, including the offering of a particular major or program of study. It will be the duty of PDE to create this internet search tool only if the United States Department of Education (USDOE) discontinues the publication of the College Navigator website, which is currently required by federal statute.

Section 2322 State Aid for Fiscal Year 2018-2019 - This new section provides for a library funding formula for the 2018-19 fiscal year which distributes funding in the same manner as in the 2017-18 fiscal year. It also allows the State Librarian, in the event of a change in direct service area from one library to another, upon agreement of the affected libraries, to redistribute the local library share of aid to the library currently servicing the area.

Section 2509.1 Payments to Intermediate Units - This section provides for the distribution of funding for intermediate units for the 2018-19 fiscal year.

Section 2510.3 Assistance to School District Declared to be in Financial Recovery Status or Identified for Financial Watch Status - This section is amended to extend, for the 2018-19 fiscal year, the amount of unencumbered funds PDE may utilize to pay for technical assistance to Financial Watch and Financial Recovery School Districts. The amount is \$5 million.

Section 2599.6 Ready to Learn Block Grant - This section is amended to provide for the distribution of the Ready to Learn Block Grant for the 2018-19 fiscal year. Each district will receive an amount not less than what was received in the 2017-18 fiscal year.

FISCAL IMPACT:

The amended formula for community colleges in Section 1913-A requires a minimum of \$232,111,000 for 2018-19.

Concerning Section 2006-B, based on information provided by the Department of Revenue, approximately 75% of the Educational Tax Credits awarded in a fiscal year are claimed on a tax return filed within that same fiscal year. Assuming that the full amount of tax credits are awarded, enactment of this legislation will result in a reduction of revenues estimated to be \$18.75 million in 2018-19 and \$25 million a year thereafter.

The addition of Article XX-H will have no adverse impact on Commonwealth funds, as long as the USDOE continues the College Navigator website as currently required by federal statute.

The library funding formula for 2018-19 in Section 2322 requires a minimum of \$54,470,000 for 2018-19.

The Ready to Learn Block Grant formula in Section 2599.6 requires a minimum of \$250,000,000 for 2018-19.

The other provisions of this legislation will have a minimal impact on Commonwealth funds.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: June 21, 2018

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