



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1642

PRINTERS NO. 3374

PRIME SPONSOR: White

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	See Fiscal Impact	

SUMMARY:

House Bill 1642 amends various provisions of the Public School Code of 1949. It would take effect immediately.

ANALYSIS:

This legislation makes extensive revisions, deletions 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 and Graduation Requirements. – Amended to require that, no later than the beginning of the 2022-2023 school year, an industry-recognized credential attained by a student must be included on the student's transcript.

Section 121.1. Special Provisions Applicable to the Keystone Exams, Graduation Requirements and Alternative Competency Assessment. – Provides an alternative path to proficiency in any school year in which a demonstration of proficiency on a Keystone Exam is required for high school graduation.

Section 122. Special Education Funding Commission. – This section is amended to reconstitute the Commission on January 15, 2024, with a report due no later than November 30, 2024.

Section 123.1. Commission on Education and Economic Competitiveness. – This new section establishes the Commission on Education and Economic Competitiveness, consisting of the following members:

- The Secretary of Education.
- The Secretary of Labor and Industry.
- The majority and minority chairs of the Education Committees of the House and Senate.
- The majority and minority chairs of the Labor and Industry Committees of the House and Senate.

- Two legislators from each of the four caucuses to be appointed by the President pro tempore of the Senate and the Speaker of the House, in consultation with the majority and minority leaders of the House and Senate.

The Subcommittee on Education Planning is established within the Commission, and the Subcommittee will consult with the Commission on the long term educational goals of the Commonwealth. The membership of the subcommittee will include:

- The Secretary of Community and Economic Development.
- The Deputy Secretary of the Office of Child Development and Early Learning.
- The Deputy Secretary of the Office of Elementary and Secondary Education.
- The Deputy Secretary of the Office of Postsecondary and Higher Education.
- The Deputy Secretary for Workforce Development.
- Two members of the Commission.
- One member from each of 33 organizations and institutions listed in this section.
- Any members added to the Subcommittee by the Commission.

Members of the Commission may not receive compensation for their services but will be reimbursed for necessary travel and other reasonable expenses incurred in connection with the performance of their duties for the Commission. The Commission must meet by February 17, 2023 and quarterly thereafter. The Subcommittee must meet by March 6, 2023, and monthly thereafter. The Departments of Education, Labor and Industry, and Community and Economic Development will pay equal shares of the costs associated with the Commission from money appropriated for general government operations. These Departments and the General Assembly will provide administrative support, meeting space and any other assistance required by the Commission.

The Subcommittee will hold monthly meetings and a series of hearings throughout the Commonwealth to gather information and make recommendations regarding educational goals for various aspects of the Commonwealth's educational system as enumerated in the section. At the completion of the work of the Subcommittee and Commission, within 18 months of its creation, the Commission must issue a final report with legislative recommendations to the General Assembly. The Commission will then terminate and be reconstituted with the start of the first legislative session of each decade.

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 2022-23 fiscal year.

Section 1115. Locally Titled Positions. - This new section provides for school mental health specialists and behavioral specialists working under the supervision of Certified School Social Worker.

Section 1204.3. Out-of-State Applicants for Career and Technical Education Certification. - This new section concerns out-of-state applicants for career and technical education certificates. It would require the Department of Education to issue Career and Technical Instructional I Certificates to out-of-State candidates who hold a valid career and technical instructional

certificate or equivalent certificate from another state, have completed at least four years wage-earning experience in the occupation to be taught, have at least two years of satisfactory teaching experience, and meet all other requirements in the School Code. The Career and Technical Instructional I Certificate will be valid for eight annual school terms, after which it will be converted to a Career and Technical Instructional II Certificate in accordance with current law. These certificates must be issued on an expedited basis.

Section 1205.2. Program of Continuing Professional and Paraprofessional Education. - Deadlines for complying with continuing education requirements under this section are extended until June 30, 2023.

Section 1205.5. Continuing Professional Education for School or System Leaders. - The provisions of this section are suspended for one year.

Section 1205.8. Teacher support in the Structured Literacy Program. - This new section concerns teacher support in the Structured Literacy Program. Beginning in the 2022-23 school year, the Department of Education (PDE) must establish a program of professional development and applied practice in the Structured Literacy Program for school personnel that includes in-class demonstration, modeling and coaching support to improve reading and literacy outcomes.

School districts, intermediate units, charter schools, cyber charter schools and regional charter schools that choose to participate in the Program must submit a list of qualified personnel to PDE, based upon the qualifications in the legislation. From these lists PDE will select professional coaches for the Program.

The Department may contract with multiple service providers, including school entities and institutions of higher education, to develop and implement the Program. Training in the Structured Literacy Program will count toward the continuing education requirements of prekindergarten, kindergarten, first, second, third, and fourth grade teachers.

Section 1206. Certificates Issued by Other States. - Repealed.

Section 1206.1 Out-of-State Applicants for Certification. - This new section requires the Department of Education to issue a comparable Pennsylvania certificate to an out-of-state candidate who satisfies the requirements of this section and other teacher certification requirements in the School Code. An out-of-state candidate who is seeking PA certification in a subject identified by PDE as a shortage area and meets these School Code requirements will be issued the appropriate certificate on an expedited basis.

Section 1220. Prekindergarten through Grade Twelve Dance Certificate. - This new section requires PDE to develop an instructional certificate in prekindergarten through grade twelve dance. This certificate will not apply to individuals who already recognized by PDE to teach dance or who are in the process of obtaining a dance teaching certificate from PDE under current procedures. It will also not apply to someone teaching dance as part of an extracurricular activity.

Section 1326. Definitions. – Makes technical changes to the definition of “school year.”

Section 1327.1. Home Education Program. – Amends this section to require school districts and area career and technical centers (CTCs) to allow home schooled students who are residents of the school district or of one of the school districts that participates in the area CTC to enroll in cocurricular activities and take academic courses equaling up to at least one quarter of the school day. These students’ participation must be pursuant to the policies, procedures, rules, and regulations of the school district of residence and on the same basis as other students enrolled in the school district or CTC. This includes meeting the eligibility requirements and prerequisites of each course. The parent or guardian of the child is responsible for transportation of the child to and from school for the selected courses, except that a home school student may utilize district transportation to or from school during the times a bus is otherwise already operating and space is available.

Home education students enrolled part-time in school districts or career and technical centers will be included in the average daily membership (ADM) of the school district of residence and the career and technical center, if applicable, by counting the time the home education student spends in the public school program on a pro rata basis. This is a codification of current practice based on regulations.

Section 1331.1. Assisting Students Experiencing Education Instability. – Provides that a student who attended school in the 2021-22 school year may immediately request a diploma from the school they attended in the 2021-22 school year, a prior school, or request a Keystone Diploma from PDE retroactive to the 2021-22 school year.

Section 1337. Nonprofit School Food Program. – Under current law, a school may provide a student an alternative meal instead of the school food program meal if the student owes more than \$50 in a school year for unpaid school meals. This section is amended to raise that threshold to \$75. This section is also amended to require school districts to offer assistance to families applying for the school food program and prohibits a school staff member from discarding a school lunch that has already been served to a student.

Section 1372. Exceptional Children; Education and Training. – Amendments to this section require PDE to compile information and report on the number of category 1 special education students for which expenditures are under \$5,000 per school year and the number for which expenditures range from \$5,000 to under the lower limit for category 2.

Section 1383. Extended Special Education Enrollment Due to COVID-19. – This section is amended to provide that a student with a disability who has reached 21 years of age during the 2021-22 school year or between the end of the 2021-22 school year and the beginning of the 2022-23 school year and is enrolled for the 2021-22 school year is entitled to attend a school entity for the 2022-23 school year if the parent or guardian elects to enroll the student no later than August 1, 2022.

Section 1302-B. School Safety and Security Committee. – This section is amended to allow members to serve for a four-year term and be appointed for an additional consecutive term. The terms of the members who serve by virtue of the public office they hold will be concurrent with their service in the office from which they derive their membership.

Section 1305.1-B. Survey of School Mental Health Services. – This new section requires the School Safety and Security Committee to develop and distribute to school entities a survey instrument to measure mental health services throughout school entities in this Commonwealth no later than August 1, 2022, to be returned no later than August 31, 2022.

Section 1306-B. School Safety and Security Grant Program. – This section is amended to transfer certain monies appropriated to PDE to the School Safety and Security Fund. Uses of grant funds by school entities are also expanded to include more activities associated with student mental health.

Section 1309-B. School safety and Security Coordinator. – This section is amended to ensure each school entity has a school safety and security coordinator, institutes timelines for filling a vacancy for that position, and tightens training requirements.

Section 1310-B. School safety and security training. – Changes to this section require the School Safety and Security Committee to develop minimum training standards for school safety and security coordinators and review and revise those standards on a regular basis.

Section 1314-B. School safety and security grants for 2022-2023 school year. – Grants under this new section must first be used by school entities to meet tier 1 baseline criteria for physical security established by the School Safety and Security Committee before they can be used for other purposes. Every school district will receive \$100,000 as a base grant. Other school entities, which includes intermediate units, career and technical centers, and all types of charter schools, will each receive \$70,000. Funds remaining after these distributions will be disbursed to school districts proportionately based on each district's share of total 2020-21 adjusted average daily membership for all school districts. Grant funds will not be included when calculating the amount school districts must pay to charter schools. The Committee must also randomly audit and monitor grant recipients to ensure the appropriate use of grant funds and compliance with provisions of the grant program.

Section 1315-B. School mental health grants for 2022-2023 school year. – Grants under this new section must first be used by school entities to meet tier 1 baseline criteria for behavioral health and school climate established by the School Safety and Security Committee before they can be used for other purposes. Every school district will receive \$100,000 as a base grant. Other school entities, which includes intermediate units, career and technical centers, and all types of charter schools, will each receive \$70,000. Funds remaining after these distributions will be disbursed to school districts proportionately based on each district's share of total 2020-21 adjusted average daily membership for all school districts. Grant funds will not be included when calculating the amount school districts must pay to charter schools. The Committee must also randomly audit

and monitor grant recipients to ensure the appropriate use of grant funds and compliance with provisions of the grant program.

Section 1316-B. School safety and security coordinator training. – This new section requires the School Safety and Security Committee to develop training criteria for school safety and security coordinators that conforms to the minimum standards provided for in this section.

Section 1317-B. School safety and security training in educator, administrator and supervisory preparatory programs. – This new section requires school safety and security training be incorporated into educator, administrator, and supervisory preparation programs.

Section 1318-B. School Mental Health Internship Program. – This new section establishes the School-based Mental Health Internship Grant Program to be administered by the Pennsylvania Higher Education Assistance Agency (PHEAA). PHEAA will award grants to individuals who submit a completed application and satisfy the eligibility criteria established by this section. PHEAA will use money appropriated for the program and may accept donations from public and private sources, including the Federal Government, for the payment of grants to support individuals working in internships in educator preparation programs that lead to certification in school nursing, school psychology, school counseling or school social work. PHEAA must establish and consult with an advisory committee and issue a report as provided for in this section.

Section 1302-E. Threat assessment teams. – Changes to this section make certain activities concerning threat assessment teams annual requirements.

Section 1402. Health Services. – Amended to state that in a school district that provided school nurse services to a nonpublic school prior to July 1, 2022, and received state funding for those services, every child of school age shall continue to be provided with school nurse services.

Article XIV-A. Drug and Alcohol Recovery High School [Pilot] Program. – Changes to this Article convert the program from a pilot program to a permanent program.

Section 1525. Agreements with Institutions of Higher Education. – Amends this section to require every school entity that enrolls high school students to enter into an agreement with an institution of higher education to allow students to attend the institution of higher education while the students are enrolled in the school entity. The amendatory changes provide for how those agreements must be structured. A “school entity” is a school district, area career and technical school, charter school, cyber charter school or regional charter school.

Article XV-K. Talent Recruitment. – This new Article relates to talent recruitment in the Commonwealth’s education field. It establishes the Committee on Education Talent Recruitment within the Department of Education. The Department must appoint the 9 representatives to the Committee within 30 days of enactment of this legislation. Within 90 days of the appointment of the Committee, it must, after consultation and input from career and technical education programs across the Commonwealth and national sources, provide PDE with a blended

competency list and validated and aligned materials and development of end-of-program assessments needed to create a program of study in the education fields. Within 120 days after this information has been provided, PDE must develop the necessary guidelines, standards, and materials to implement additional fields of study in education into a program of study for career and technical education programs across the Commonwealth, in accordance with the provisions of this Article.

The Talent Recruitment Account is established by this Article as a restricted account in the General Fund. Money in the account is appropriated to the Department on a continuing basis to provide grants under this Article. The appropriation will not lapse at the end of any fiscal year. The State Treasurer may accept gifts, donations, legacies, or any other revenues, including allowable federal funds, for deposit into the account. Interest generated remains in the account.

This Article also establishes the Talent Recruitment Grant Program within the Department as a competitive grant program for institutions of higher education to increase the diversification of the education workforce. The Department must award grants under the Program in accordance with the eligible uses and guidelines under this Article, to the extent that funding is made available. The Department must also provide for the evaluation of the Grant Program.

Within 60 days of the effective date of this legislation, the Secretary of Education must designate an individual, who may be a current PDE employee, as the Chief Talent Officer. This individual will be responsible for coordinating recruitment and retention efforts in the education workforce and work to increase outreach efforts to communities that have low participation in the education workforce.

In order to improve data collection and transparency about diversity in the education workforce, PDE must annually collect and post various demographic information as listed in this Article.

Article XV-L. Educational and Professional Development Online Course Initiative. - Under this Article, the PDE must establish a central online clearinghouse, including an online database of online courses for students enrolled in grades kindergarten through twelve. This clearinghouse must be accessible to school entities, nonpublic schools, home education programs, and the general public. "School entities" include school districts, charter schools, regional charter schools, cyber charter schools, intermediate units, and career and technical schools. The clearinghouse must also include a database of online professional development courses for school employees. Additional requirements for the clearinghouse, including an implementation schedule, are specified in the bill.

The PDE must also develop an application and an application process specifying the time, form, and manner by which providers may submit their online course or professional development course offerings to the Department for inclusion in the clearinghouse. The Department may establish a reasonable, nonrefundable administrative fee for the purpose of reviewing each application submitted by an online course provider or a professional development provider. If the Department determines that a provider intentionally submitted false or misleading

information on an application, that provider must be prohibited from participating in the clearinghouse for five years.

The Department must begin implementing the clearinghouse by the start of the 2024-25 school year, when it must contain online courses for grades nine through twelve. Courses for additional grades will be added every year until all grades are covered in the 2026-27 school year. Beginning in the 2027-28 school year, the clearinghouse must offer professional development courses from providers approved through the application process described in the bill. The purchase price and other payment and contract terms of an online course or professional development course cataloged in the clearinghouse, will be determined by direct negotiations between a school entity, nonpublic school, or home education program and the course provider.

School entities may offer students the opportunity to participate in online courses. In providing this opportunity, a school entity may utilize any online course made available through a school entity, through the clearinghouse, or through any other source. The school must also establish policies and procedures for student eligibility and participation, including a policy on the selection of online courses made available to students by the school entity. The policies and procedures must be made accessible to parents and students and posted on the school's publicly accessible website. School entities must also ensure that parents and students are made aware of this opportunity by making information about available online courses easily accessible.

A report on the operation of the clearinghouse must be submitted by the Secretary of Education to the Governor and the majority and minority chairs of the House and Senate Education Committees. The minimum contents of the report are detailed in the legislation. The first such report must be submitted by June 30, 2027, and then every five years thereafter. The report must also be posted on the Department's website.

Section 1704-A. Abolition of Rulemaking. - This new section abolishes the rulemaking designated at 6-349, which relates to charter schools and cyber charter schools. This abolition will apply, regardless of the date of publication of the final-form rules in the PA Bulletin.

Article XVII-D. Disability Inclusive Curriculum. - This new Article requires PDE to establish a Disability Inclusive Curriculum Pilot Program to provide instruction to students on the political, economic and social contributions of individuals with disabilities. The program will operate for three full school years, beginning with the 2023-24 school year. The Department must select no less than eight school entities or nonpublic schools to participate in the pilot program. To be eligible for the pilot program, the school entity or nonpublic school must submit a proposal to the Department no more than six months after the effective date of this section that identifies how the school entity or nonpublic school will meet the guidelines of the pilot program established by the Department. The Department may use Federal, private and other non-State funds and money appropriated or otherwise made available to the Department for the pilot program. The Department must consult with the Pennsylvania Special Education Advisory Panel in establishing, operating and evaluating the program.

Section 1857. Cosmetology Training Through Career and Technical Center Pilot Program. -

This new section provides for education program hours for Career and Technical Education (CTE) cosmetology students enrolled in secondary education programs at a Career and Technology Center (CTC).

The section permits a CTE cosmetology student to earn up to 350 hours of education through participation in out-of-school programs supervised by a licensed cosmetologist or cosmetology teacher who has at least five years of experience and requires a CTE cosmetology student to earn not less than 250 hours through inperson instruction at the CTC.

The section defines an “out-of-school program” as a program conducted off CTC grounds, such as cooperative education, job shadowing, internships, community exploration, registered apprenticeships and community service-learning designed to provide a student with real world experience under the general supervision of a program educator.

The section permits a CTC program educator to use information obtained from the out-of-school program in gauging and grading the CTE cosmetology student’s skill level. It requires the out-of-school program to notify each client upon whom the cosmetology student performs a service that the service is being performed by a CTE cosmetology student. It also permits a CTE cosmetology student to receive compensation for services rendered in the out-of-school program.

The section does not apply to cosmetology students enrolled and participating in an adult and continuing education program at a CTC. It expires in three years.

Section 1858. Barber Training Through Career and Technical Center Pilot Program. - This new section provides for education program hours for Career and Technical Education (CTE) barber students enrolled in secondary education programs at a Career and Technology Center (CTC).

The section permits a CTE barber student to earn up to 350 hours of education through participation in out-of-school programs supervised by a licensed barber, barber manager or barber teacher who has at least five years of experience and requires a CTE barber student to earn not less than 250 hours through in-person instruction at the CTC.

The section defines an “out-of-school program” as a program conducted off CTC grounds, such as cooperative education, job shadowing, internships, community exploration, registered apprenticeships and community service-learning designed to provide a student with real world experience under the general supervision of a program educator.

The section permits a CTC program educator to use information obtained from the out-of-school program in gauging and grading the CTE barber student’s skill level. It requires the out-of-school program to notify each client upon whom the barber student performs a service that the service is being performed by a CTE barber student. It also permits a CTE barber student to receive compensation for services rendered in the out-of-school program.

The section does not apply to barber students enrolled and participating in an adult and continuing education program at a CTC. It expires in three years.

Section 1913-A. Financial Program; Reimbursement of Payments – This section is amended to provide for a community college funding formula for the 2022-23 fiscal year in an amount equal to the amount provided for the 2021-22 fiscal year plus the increase provided for in the 2022-23 General Fund Budget. In addition, language is included to provide funds for the Erie Community College, approved by the State Board of Education in 2020.

Section 1916-G. Reports. – The date by which the Legislative Budget and Finance Committee must prepare a report concerning the Rural Regional Community College is extended from June 30, 2022 to December 31, 2022.

Section 2001-A. Definitions. – Changes to this section effectuate the integration of the Councils of Trustees of the State System of Higher Education universities that are being integrated into the Commonwealth University of Pennsylvania and the Pennsylvania Western University.

Section 2002-A. Establishment of the State System of Higher Education and its Institutions. – Changes to this section make joint public hearings of the Education and Appropriations Committees of the House and Senate following a report recommending the integration of System universities optional at the call of the chairpersons of the Committees.

Section 2004-A. Board of Governors. – Under current law, a member of the General Assembly appointed to the PASSHE Board may designate an official representative to attend any meetings of the Board, the executive committee of the Board and any committee to which the member of the General Assembly is assigned. That official representative may speak on behalf of the member but may not vote. Changes to this section would give that official representative the right to vote on behalf of the member of the General Assembly as well.

Section 2008-A. Councils of Trustees. – Changes to this section help effectuate the integration of the Councils of Trustees of the State System of Higher Education universities that are being integrated into the Commonwealth University of Pennsylvania and the Pennsylvania Western University.

Section 2008.1-A. Integrated Councils. – This new section provides for the integration of the Councils of Trustees of the State System of Higher Education universities that are being integrated into the Commonwealth University of Pennsylvania and the Pennsylvania Western University.

Section 2002-B. Definitions. – Several changes to definitions in this section are made. The definition of “economically disadvantaged school” is changed from a school at which at least 75% of the students attending received an Educational Improvement Tax Credit (EITC) or Opportunity Scholarship Tax Credit (OSTC) scholarship to 51%. It also adjusts the definition to require that students within the school receive scholarships of at least \$1,000 from the EITC program or OSTC program. The definition of “household income” is clarified to indicate payments received from any governmental agency as economic relief from the COVID-19

pandemic are not included as income. A definition of "Tax year" is added. A definition of "Fiscal year" which coincides with the Commonwealth's fiscal year is also added.

Section 2003-B. Qualification and application by organizations. – Changes to this section include scholarship organizations for economically disadvantaged schools applicable to both the Opportunity Scholarship and Educational Improvement Scholarship programs.

Section 2004-B. Application by business firms. – This section is amended to allow business firms that apply for a tax credit for students attending economically disadvantaged schools to do so separately. The contribution must be made to the designated scholarship organization for the economically disadvantaged schools and shall be separately accounted for and distributed by the designated scholarship organization.

Section 2005-B. Tax credits. – Language added to this section states that if all tax credits for contributions to the various scholarship organizations have not been awarded by November 30 of any fiscal year, then for applications accepted from December 1 through the end of the fiscal year, limitations set on the maximum amount of tax credits a business firm can receive during a fiscal year are lifted, and credits can be awarded on a first-come, first-served basis until all tax credits available for the fiscal year have been exhausted. Clarifications are also made to this section concerning tax and fiscal years, as well as deletions consistent with changes made to Section 2006-B.

Section 2006-B. Limitations. -- In current law, this section provides for a total of \$225 million in Educational Improvement Tax Credits (EITC) and a total of \$55 million in Opportunity Scholarship Tax Credits (OSTC). This legislation increases the total aggregate amount of all tax credits approved for contributions from business firms to scholarship organizations, educational improvement organizations and pre-kindergarten scholarship organizations in the EITC program by \$125,000,000, to \$405,000,000. For the EITC program, it increases the total amount to be used to provide tax credits for scholarship organizations by \$88,000,000, from \$175,000,000 to \$263,000,000. The total amount for Educational Improvement Organizations increases by \$7,000,000, from \$37,500,000 to \$44,500,000. The total amount for pre-kindergarten scholarship organizations increases by \$8,000,000, from \$12,500,000 to \$20,500,000. It also provides that no less than \$12,000,000 of the total aggregate amount must be used to provide tax credits for contributions from business firms to increase scholarships for students attending economically disadvantaged schools. To the extent that the total amount of scholarships, pre-kindergarten scholarships and opportunity scholarships will not exceed the lesser of \$8,500 or the school's tuition, the amount of the scholarship or pre-kindergarten scholarship will be increased by up to \$2,000 or, in the case of a scholarship for a secondary school, by up to \$4,000. A similar set aside in the OSTC program is eliminated. The amount of tax credits available under the OSTC program increases from \$55 million to \$65 million.

Section 2009-B. Opportunity scholarships. – Changes to this section remove exceptions to the maximum amount of an opportunity scholarship awarded to an applicant without a disability being set at \$8,500 and the maximum amount of an opportunity scholarship awarded to an

applicant with a disability being set at \$15,000. Certain reporting requirements are also changed to be consistent with other changes in the bill.

Section 2001-C. Definitions. – A definition for “Cambridge advanced” is added to this section.

Section 2002-C. Duties of public institutions of higher education. – The term “Cambridge advanced” is added to this section.

Article XX-G. Sexual Violence, Dating Violence, Domestic Violence and Stalking Education, Prevention and Response at Institutions of Higher Education. – Amendments to this Article expand its scope to include dating violence, domestic violence and stalking education, prevention, and response at institutions of higher education. PDE, in consultation with the PA Coalition Against Rape and the PA Coalition Against Domestic Violence, must develop an online clearinghouse of model education programs and other resources to aid institutions of higher education and private licensed schools in developing and implementing education programs on these topics. In doing so, institutions of higher education and private licensed schools must consult with a local rape crisis center or domestic violence program, as appropriate and if available. Institutions of higher education and private licensed schools must also make certain accommodations and protective measures available to victims.

Each institution of higher education and private licensed school shall adopt a definition of consent as part of the institution’s or school’s code of conduct or sexual misconduct or harassment policy. These institutions must also enter into a memorandum of understanding with at least one rape crisis center or domestic violence program as outlined in the Article.

Section 2001-I. Public Higher Education Funding Commission. – This new section provides that the Commission may not convene a meeting until January 23, 2023 and must develop a performance-based funding model not later than June 15, 2023. The performance-based funding model will be for Penn State University, the University of Pittsburgh, and Temple University, using metrics listed in this section. The Commission may consider a performance-based funding incentive payment that may be withheld if a university fails to meet the minimum eligibility thresholds. The Commission may also establish an improvement plan to assist a State-related university to make satisfactory progress toward meeting the minimum eligibility thresholds, and develop a process for awarding or redistributing funds for meeting the minimum eligibility thresholds and rewarding institutional excellence. Any model developed by the Commission must be enacted by the General Assembly and the General Assembly must, through the annual non-preferred appropriations process, determine the level of State funding for a these universities.

Section 2002-J. Prohibition on scholarship displacement at public institutions of higher education. – This new section prohibits scholarship displacement at public institutions of higher education in the Commonwealth. It prohibits public institutions of higher education from reducing the institutional financial aid of an individual enrolled in the institution when the student receives a private scholarship, except in certain circumstances. The university would be allowed to reduce institutional financial aid if a student's total financial aid from all sources

exceeds the student's cost of attendance. In addition, if the student is an athlete, the public institution of higher education may reduce the student's institutional financial aid to comply with the individual or team financial aid restrictions of an athletic association, conference or other group or organization with authority over intercollegiate athletics.

A public institution of higher education is defined as a community college or rural regional college operating in the Commonwealth, a university within the State System of Higher Education, a State-related institution in the Commonwealth, the Thaddeus Stevens College of Technology, or the Pennsylvania College of Technology.

Section 2204-B. Agency. - This section is amended to increase the maximum household income for the Ready to Succeed Scholarship Program from \$110,000 to \$126,000.

Section 2326. State Aid for Fiscal Year 2022-2023. - This new section provides for a library funding formula for the 2022-23 fiscal year, which distributes \$69,720,000 proportionately based upon the funding in the 2021-22 fiscal year. In addition, it includes \$750,000 for distribution to district library centers according to the provisions of this section. 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 2502.8 Payments on Account of Pupils Enrolled in Career and Technical Curriculums. - Provides for the distribution of career and technical education funding for 2022-23.

Section 2502.53. Student-Weighted Basic Education Funding - This section is amended to provide for the distribution of basic education funding for 2021-22. The amount of \$1,423,667,244 is included for distribution for the 2021-22 school year (the 2022-23 fiscal year).

Section 2502.55. Level-up Supplement Payment for 2021-22 School Year. - Provides for the distribution of the Level-Up Supplement for the 2022-23 fiscal year.

Section 2509.1. Payments to Intermediate Units - This section provides for the distribution of funding for intermediate units for the 2022-23 fiscal year.

Section 2509.5. Special Education Payments to School Districts. - This section is updated to provide for new category weights and other changes recommended by the Special Education Funding Commission.

Section 2510.3. Assistance to School Districts Declared to be in Financial Recovery Status or Identified for Financial Watch Status. -- This section is amended to extend, for the 2022-23 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 \$7 million.

Section 2574. Approved Reimbursable Rental for Leases Hereafter Approved and Approved Reimbursable Sinking Fund Charges on Indebtedness. - Amendments to this section require

that, for any approved school building project for which there is an unclaimed prior year reimbursement for a payment made prior to July 1, 2017, the completed and approved reimbursement documentation must be submitted to PDE by December 31, 2023. Any claim for a reimbursement for a payment made prior to July 1, 2017, and not submitted to PDE will expire after December 31, 2023. PDE must provide notification to each school entity detailing any unclaimed prior year reimbursement for which documentation must be submitted not later than 60 days after the effective date of this legislation. A subsequent notification must be sent by PDE no later than January 1, 2023.

Section 2599.6. Ready-to-Learn Block Grant. - This section is amended to provide that for the 2022-23 school year and each school year thereafter, each school entity will receive a Ready-to-Learn Block Grant in an amount not less than the amount received by the school entity from the appropriation for the Ready-to-Learn Block Grant during the 2021-22 fiscal year. A new provision also requires PDE to transfer \$100,000,000 from this appropriation to the School Safety and Security Fund.

Section 2608-J. Applicability. - The moratorium on the new Plancon program is extended until July 1, 2023.

FISCAL IMPACT:

The Department of Education estimates the Commission on Education and Economic Competitiveness will cost the three agencies providing it administrative support a total of \$700,000 over its 18 month period of operation.

Section 1306-B requires PDE to transfer funds to the School Safety and Security Fund, which are provided for in the 2022-23 General Fund budget.

The 2022-23 General Fund budget provides \$95 million for the grants under Section 1314-B.

The 2022-23 General Fund budget provides \$95 million for the grants under Section 1315-B.

The 2022-23 General Fund budget provides \$5 million for the training under Section 1316-B.

The 2022-23 General Fund budget provides \$5 million for the grants awarded by PHEAA under Section 1318-B.

Any fees authorized by Article XV-L will be placed in a General Fund restricted revenue account to be known as the Online Course Clearinghouse Restricted Account established by the bill, which will also retain any interest generated by funds in the account and can accept funding appropriated by the General Assembly. The Department may establish a reasonable, nonrefundable administrative fee for the purpose of reviewing each application submitted by an online course provider or a professional development provider.

The implementation schedule in Article XV-L requires the initial phase of the clearinghouse be operational by the beginning of the 2024-25 school year. The Department estimates the upfront development costs of the clearinghouse at approximately \$1.5 million for the 2022-23 fiscal year.

Enactment of Article XV-L will only have a fiscal impact on local school entities to the extent that those entities choose to offer online course options to their students from the clearinghouse and negotiate payment terms with providers.

The amended formula for community colleges in Section 1913-A requires a minimum of \$256,510,000 for 2022-23, which is provided for in the 2022-23 General Fund budget.

Concerning Section 2006-B, assuming the full amount of tax credits are awarded, enactment of this legislation will result in a reduction of revenues of \$125 million per year.

The \$70,470,000 necessary to fund the library formula in Section 2326 is provided for in the 2022-23 General Fund budget.

Funds for the changes to the Career and Technical Education formula in Section 2502.8 are provided for in the 2022-23 General Fund budget.

The changes to the Student-Weighted Basic Education Funding in Section 2502.53 will require \$7,080,079,000 in the 2022-23 fiscal year, which is provided for in the 2022-23 General Fund budget.

The change to Section 2510.3 will allow for the use of up to \$7,000,000 in unexpended funds in fiscal year 2022-23 for school districts declared to be in financial recovery or financial watch status, the expenditure of which will be dependent upon the availability of such funds within PDE.

The funding necessary for the Ready to Learn Block Grant payments in Section 2599.6 are provided for in the 2022-23 General Fund budget.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: July 7, 2022

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