



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 381

PRINTERS NO. 972

PRIME SPONSOR: Martin

COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	\$0	See Fiscal Impact

SUMMARY:

Senate Bill 381 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 122. Special Education Funding Commission. - This section is amended to change the due date of the commission's report from June 30, 2021 to December 31, 2021.

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 2021-22 fiscal year.

Section 1201.1. Substitute Teaching Permits for Prospective Teachers. -- The provisions of this section expire on June 30, 2021. This legislation would delete this expiration date, making these provisions permanent.

Section 1913-A. Financial Program; Reimbursement of Payments - This section is amended to provide for a community college funding formula for the 2021-22 fiscal year in an amount equal to the amount provided for the 2020-21 fiscal year. In addition, language is included to provide funds for the Erie Community College, approved by the State Board of Education in 2020.

Section 1917-A. Community College Capital Fund. - This section is amended to delete the requirement that payments from this fund only be made to community colleges that received a payment from the community college operating appropriation distributed in accordance with Section 1913-A in the prior fiscal year.

Section 2006-B. Limitations. – 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 is increased by \$40,000,000, from \$185,000,000 to \$225,000,000. No less than \$175,000,000 will be used for scholarship organizations, an increase of \$40,000,000.

Section 2001-I. Public Higher Education Funding Commission. – The issue date of the Commission’s report is moved from November 30, 2021 to May 31, 2022.

Article XX-K. Intercollegiate Athletics. – This new article establishes statutes by which college athletes may be compensated for use of their names, images, and likenesses. It also relates to professional representation for college athletes.

Section 2325. State Aid for Fiscal Year 2021-2022 - This new section provides for a library funding formula for the 2021-22 fiscal year, which distributes the funding proportionately based upon the funding in the 2020-21 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 2502.53. Student-Weighted Basic Education Funding – This section is amended to provide for the distribution of basic education funding for 2020-21. The amount of \$898,667,244 is included for distribution for the 2020-21 school year (the 2021-22 fiscal year).

Section 2509.1. Payments to Intermediate Units – This section provides for the distribution of funding for intermediate units for the 2021-22 fiscal year.

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 2021-22 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.

FISCAL IMPACT:

The amended formula for community colleges in Section 1913-A requires a minimum of \$243,855,000 for 2021-22, which is provided for in the 2021-22 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 \$40 million per year.

The changes to the Student-Weighted Basic Education Funding in Section 2502.53 will require \$6,455,079,000 in 2021-22, which is provided for in the 2021-22 General Fund budget.

The change to Section 2510.3 will allow for the use of up to \$7,000,000 in unexpended funds 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.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: June 22, 2021

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