



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 27

PRINTER'S NO. 2106

PRIME SPONSOR: Struzzi

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See fiscal impact	See fiscal impact

SUMMARY:

House Bill 27 amends the Public School Code by providing a number of policy changes as well as funding distributions related to the 2023/24 budget.

ANALYSIS & FISCAL IMPACT:

Section 123 extends the report deadline for the Basic Education Funding Commission.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 129 removes a sunset date related to day-to-day substitute teachers.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 130 provides for the child reunification program, which requires the Department of Education (PDE), to the extent funds are available, to provide a school entity with identification kits for first graders.

Fiscal impact: This section may have a fiscal impact on PDE depending upon the number of parents who opt-in if the department determines that funding is available.

Section 131 sets the minimum number of days or hours of instruction a school entity is required to provide within the school year.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Sections 132-134 require PDE to create a public job posting database, post instructional vacancy data, and provide other data transparency.

Fiscal impact: This section would impose a cost on PDE related to creating and maintaining the databases for job postings, vacancies, and the education workforce. PDE staff estimated an initial implementation cost of \$1.5 million in 2023/24 to hire three people to administer the programs and to create the database and data collection tools. Beyond 2023/24, the ongoing costs for staffing the programs and maintaining the databases are expected to be \$500,000 annually.

Sections 502, 925, 923.2-A, 1328, 1338, 1376, 1377, 1377.1, 1379, 1502-E, 2108, 2501, 2509, 2517, and 2541 relate to removing derogatory terms from the Public School Code.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Sections 618 and 618.1 are only applicable to the 2023/24 school year and they use a specified calendar date rather than referencing the primary or general election date related to certain budget and referendum timelines.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 1112 repeals provisions prohibiting teachers from wearing religious garb or insignia.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 1201.1 extends temporary provisions related to substitute teaching permits for prospective teachers.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 1215 removes a sunset date related to locally issued temporary certifications for substitute teachers.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Sections 1218 is removed and replaced in 1218.1 to enable permits for classroom monitors.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

There are several provisions related to school safety, including moving the duties of the Office of Safe Schools to PCCD, changing the membership of the School Safety and Security Committee, distributing funding for school safety and security grants and mental health to school entities, and revising the Safe Schools Targeted Grants Program.

Fiscal Impact: The Pennsylvania Commission on Crime and Delinquency estimated an annual cost of \$315,000 (for three staff and operating costs) to administer the responsibilities of the Office of Safe Schools. The technical assistance requirement for PEMA, the State Police and the Office of Homeland Security is expected to be minimal. The provisions directing funds will have no fiscal impact on the commonwealth because the funds are already appropriated.

Article XII-B creates the Educator Pipeline Support Grant Program to be administered by PHEAA. The program provides grants of \$10,000 to student teachers, or \$15,000 if the student teacher teaches in a school with high turnover. Additionally, cooperating teachers receive a grant of \$2,500. Nothing in this section creates a right of an individual to receive a program grant.

Fiscal impact: This section creates the Educator Pipeline Support Grant program, but it does not create a funding mandate. It only distributes funds to the extent they are appropriated, and the 2023/24 budget included \$10 million. PHEAA is permitted to reserve 5% or \$500,000 to cover administrative costs.

Section 1403 allows a public health dental hygiene practitioner to also provide dental screens at school.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 1426 requires school entities to annually provide parents, guardians, principals, vice principals, school counselors, and school psychologists with information regarding eating disorder awareness and education for pupils in grades six through twelve.

Fiscal impact: This section will have a minimal fiscal impact on commonwealth funds. The Departments of Health and Education indicated that they do not anticipate needing additional staff to provide administrative, information technology, or program support to the Eating Disorders Advisory Committee. The new requirements in this section will involve staff hours, but that work can be supported by existing appropriations. The fiscal impact to a school entity is likely to be minimal and will largely depend upon the communication medium by which the school entity chooses to annually provide the educational materials to parents, guardians, and key school personnel.

Section 1403.1-A makes changes to the Drug and Alcohol Recovery High School Program, including payment redirection and enrollment parameters.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Section 1525.1 allows school entities to include students enrolled in dual credit courses in their average daily membership calculation.

Fiscal impact: This section would have no fiscal impact on commonwealth funds. This section may have a very small impact on school entity budgets as a number of state subsidies are partially based upon a school entity's relative share of average daily membership. All else equal, this section will slightly increase the statewide average daily membership, and the minimal impact on school entities will depend

upon their proportion of dual credit students.

Section 1551 requires PDE to review and update model curriculum related to economic education and personal financial literacy by 2025/26. Additionally, the State Board of Education must review existing standards. Beginning in 2026/27, school entities and nonpublic schools are required to provide a mandatory course in personal finance literacy.

Fiscal impact: This section would have no fiscal impact on commonwealth funds. This section will have no fiscal impact on school entities in 2023/24 and 2024/25.

Section 1517-D requires quarterly meetings between the Appropriations Committees and the Secretaries of Education and Human Services regarding the Pre-K Counts program.

Fiscal impact: This section would have no fiscal impact on commonwealth funds.

Article XV-N creates the Dual Credit Innovation and Equity Grant Program within PDE to award grants to institutions of higher education for the purpose of expanding dual credit opportunities.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it directs funds to the extent that they are appropriated.

Section 1607 requires Duquesne City SD to obtain the approval of the Secretary of Education before reopening its high school. Further, the section changes the inflationary metric in the tuition rate that Duquesne City SD pays to East Allegheny SD and West Mifflin SD. The prior year's tuition rate shall increase by the base Act 1 index instead of the greater of the increase in Duquesne City SD's budgeted revenues and adjusted Act 1 index.

Fiscal impact: This section would have no fiscal impact on commonwealth funds. The tuition rate Duquesne City SD is required to pay for 2023/24 would increase by 4.1% instead of 6.7%.

Section 1913-A contains the distribution formula for community college funding for 2023/24.

Fiscal impact: This section distributes the \$261.6 million in state General Fund funding provided for community colleges in the enacted 2023/24 budget.

Changes to Article XX-B include an increase in data reporting for added transparency and an increase in the amount of tax credits.

Fiscal Impact: This section increases the total educational tax credits available during a fiscal year from \$405 million to \$555 million, a \$150 million increase over the total available for 2022/23. This section reduces General Fund revenue by \$150 million if the full amount of additional tax credits is utilized.

Section 2327 provides the distribution of state aid for public libraries for 2023/24.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it directs funds to the extent that they are appropriated.

Section 2302-A requires institutions of higher education to provide orientation education about credit card debt and money management skills.

Fiscal impact: This section would have no fiscal impact on commonwealth funds. Institutions of higher education are likely to incur small costs in 2024/25.

Section 2502.8 adjusts the weights in the career and technical education subsidy.

Fiscal impact: The enacted 2023/24 budget included a \$14 million increase for the career and technical education subsidy. The weight changes in this section distribute approximately \$7 million to area career and technical schools and school districts with qualifying programs.

Section 2502.56 contains the distribution of the 2023/24 appropriation for the Level Up Supplement.

Fiscal impact: This section requires PDE to pay \$100 million to school districts through the

Level Up formula. The enacted 2023/24 budget included \$100 million for the Level Up Supplement. These dollars are recurring for 2024/25.

Section 2509.1 specifies that Intermediate Units shall receive 5.5% of the appropriation for Special Education Funding.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it directs funds to the extent that they are appropriated. It provides about \$76 million for Intermediate Units for 2023/24.

Section 2510.3 permits PDE to use up to \$7 million in undistributed funds to assist school districts in financial recovery or financial watch status.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it only allows PDE to shift existing funding.

Section 2599.6 specifies that school entities shall receive the same amount of Ready-to-Learn Block Grant funds in 2023/24 as they received from the appropriation during 2022/23.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it directs funds that are already appropriated.

Section 2599.7 separates the payment of social security funds from the Basic Education Funding appropriation.

Fiscal Impact: This section will have no fiscal impact on the commonwealth because it specifies where payments are made from, not payment amounts. For school districts, this section ensures that the amount needed for social security reimbursement for school districts (about \$550 million) does not come out of the basic education funding appropriation (\$7.9 billion).

Section 2608-J prevents PlanCon 2.0 and the maintenance program from operating until July 1, 2024.

Fiscal Impact: This section will have no fiscal impact on the commonwealth as the adjustment factor for PlanCon 2.0 is currently zero (preventing a state obligation). No funding was provided for PlanCon 2.0 or the maintenance program in the enacted 2023/24 budget.

Article XXVI-L establishes the School Environmental Repairs Program, which is a program to provide grants to school entities for projects that abate or remediate environmental hazards. The grant program is administered by PDE and supported by any funds in the newly established School Environmental Repairs Program Restricted Account.

Fiscal Impact: This section does not provide funding for the new School Environmental Repairs Program Restricted Account. Therefore, the fiscal impact of this section is limited to the administrative costs for PDE to operate the program. Given PDE's expertise with facility grant programs, it is assumed that PDE can absorb the costs to administer this program in its current budget.

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House Appropriations Committee (D)

DATE: October 4, 2023

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