



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 843

PRINTER'S NO. 1230

PRIME SPONSOR: Argall

AMENDMENT A03012

COST / (SAVINGS)

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

SUMMARY:

Senate Bill 843 amends the Public School Code by providing several policy changes as well as funding distributions related to the 2023/24 budget.

ANALYSIS & FISCAL IMPACT:

The following changes are made to the Public School Code:

Section 123: The report deadline for the Basic Education Funding Commission is extended to January 11, 2024.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

Section 129: A sunset date related to day-to-day substitute teachers is removed.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

Sections 130-132: PDE is required to create a public job posting database, post instructional vacancy data, and provide other data transparency.

Fiscal impact: The addition of these sections would impose a cost on the Pennsylvania Department of Education (PDE) related to creating and maintaining the databases for job postings, vacancies, and the education workforce. PDE staff estimated an initial, full-year 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.

Section 732.1: The PlanCon 1.0 moratorium on new applications is extended indefinitely.

Fiscal impact: The change to this section would have no adverse fiscal impact on commonwealth funds. PlanCon 1.0 has had a moratorium on new applications since 2016. Closing the program will prevent the state from incurring new reimbursement obligations.

Section 1201.1: Temporary provisions related to substitute teaching permits for prospective teachers are extended.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

Section 1215: A sunset date related to locally issued temporary certifications for substitute teachers is removed.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

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

Fiscal impact: The changes to these sections would have no fiscal impact on commonwealth funds.

Article XII-B: This new article, titled Interstate Teacher Mobility Compact, allows the governor to enter into a multi-state compact that allows teachers in approved positions to be granted equivalent licenses in Pennsylvania. A commission is also created to administer the compact.

Fiscal Impact: PDE staff indicated an estimated annual cost of \$200,000 to fulfill the responsibilities of this new article. This includes funding for one position (\$158,000 for salary and benefits) and for supporting the operations of the commission (\$42,000).

Article XII-C: This new article 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 new article 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.

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. Intermediate Units may incur a cost to administer the targeted school safety grants for nonpublic schools, and they are permitted to collect a fee up to 2% of the award to cover direct costs.

Sections 1403-A, 1403.1-A, and 1404-A: Changes related to payment redirection, enrollment, and Individualized Education Plan responsibilities are made to the Drug and Alcohol Recovery High School Program.

Fiscal impact: The changes to these sections would have no fiscal impact on commonwealth funds.

Section 1517-D: PDE is required to collect and report detailed enrollment information from approved providers in the Pre-K Counts program.

Fiscal impact: The addition of this section may impose a minimal, one-time cost on PDE in 2023/24 to update their data reporting system for the Pre-K Counts program.

Section 1607: Duquesne City SD is required to obtain the approval of the Secretary of Education before reopening its high school. Further, the inflationary metric in the tuition rate that Duquesne City SD pays to East Allegheny SD and West Mifflin SD is lowered. 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. The adjusted Act 1 index is higher than the base Act 1 index.

Fiscal impact: The changes to 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: The distribution formula for community college funding for 2023/24 is added.

Fiscal impact: The change to this section outlines the distribution of the \$261.6 million in state General Fund funding for community colleges that was already appropriated in the enacted 2023/24 budget.

Section 2327: The distribution of state aid for public libraries for 2023/24 is added as a new section.

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

Section 2502.8: The weights in the career and technical education subsidy are adjusted for the 2023/24 distribution of state aid.

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 2509.1: Intermediate Units shall receive 5.5% of the 2023/24 appropriation for Special Education Funding.

Fiscal Impact: The change to 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: In 2023/24, PDE is permitted to use up to \$7 million in undistributed funds to assist school districts in financial recovery or financial watch status.

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

Section 2599.6: 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: The change to this section will have no fiscal impact on the commonwealth because it directs funds that are already appropriated.

Section 2599.7: The payment of social security funds is separated from the Basic Education Funding appropriation.

Fiscal Impact: The changes to 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: The opening of PlanCon 2.0 and the maintenance program is delayed until July 1, 2024.

Fiscal Impact: The change to 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.

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House Appropriations Committee (D)

DATE: November 14, 2023

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