

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** House Bill 1352

**PRINTER'S NO.** 2227

## **AMOUNT**

Minimal Fiscal Impact  
Implements the Provisions of  
the 2011 General Appropriations Act

## **FUND**

General

## **DATE INTRODUCED**

April 20, 2011

## **PRIME SPONSOR**

Representative Stephens

## **HISTORY OF BILL**

Referred to JUDICIARY, April 20, 2011  
Reported as amended, May 3, 2011  
First consideration, May 3, 2011  
Laid on the table, May 3, 2011  
Removed from table, May 9, 2011  
Second consideration, May 10, 2011  
Re-committed to APPROPRIATIONS, May 10, 2011  
Re-reported as committed, May 11, 2011  
Third consideration and final passage, May 11, 2011 (191-0)  
In the Senate  
Referred to EDUCATION, May 16, 2011  
Reported as committed, June 7, 2011  
First consideration, June 7, 2011  
Second consideration, June 8, 2011  
Re-committed to EDUCATION, June 8, 2011  
Re-reported as amended, June 27, 2011  
Re-referred to APPROPRIATIONS, June 27, 2011  
Re-reported as committed, June 28, 2011

## **DESCRIPTION AND PURPOSE OF BILL**

House Bill 1352 makes several changes and adds new provisions to the Public School Code of 1949 as follows:

*Criminal Background Checks (Section 111)* – Makes changes to provisions related to criminal background checks for prospective employees and reporting for current employees and adds new offenses to the list of offenses which preclude employment.

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*Student Data Collection (Sections 118 and 221.1)* – Prohibits the Department of Education from collecting information from institutions of higher education that could reveal a student's identity unless specifically allowed under federal or state law or regulation through the Pennsylvania Information Management System (PIMS). Requires the department to provide institutions of higher education written notice prior to collecting any identifying information from students. Requires the institutions to provide electronic notice to the students explaining they may opt-out from having data collected with information directing them to an Internet webpage maintained by the department. The webpage must contain specific information about the data the department is seeking to collect and an electronic link that will allow students to opt-out.

Implements a two-year moratorium on collection of data through PIMS for K-12 and Pennsylvania's Enterprise to Link Information for Children Across Network (PELICAN) system. Exceptions are made for data that is necessary to be collected for federal and state programs, or required by federal or state law. Requires the department to provide a report by February 1, 2012 describing the data to be collected, funding expended to date to develop implement and maintain the systems and the projected long term costs related to the systems.

*Certified Safety Committees (Section 223)* – Moves language from the Fiscal Code to the School Code which requires school districts to have or maintain certified school safety committees. School districts with such committees in place are provided a premium discount under the Workers' Compensation Act.

*Budget Reopener (Section 615)* – Allows school districts to reopen their 2011-2012 budgets to reflect appropriations made for fiscal years 2010-2011 and 2011-2012 in the General Appropriations Act of 2011.

*School Building Projects (Sections 703, 731 and 731.1)* – Exempts school districts from Department of Education approval of construction projects, playgrounds and leases when no reimbursement is being sought from the Commonwealth.

*Intermediate Unit Financial Reporting (Section 921-A)* – Requires intermediate units to submit an annual report on subsidies and funds to the Department of Education. The report is to include a listing with details of all contracts, memorandum of understanding, agreements between the intermediate unit and Commonwealth agencies or another intermediate unit in excess of \$50,000. It also requires the department to post the reports on its Internet website.

*Superintendent Eligibility Requirements (Sections 1001 and 1003)* – Allows school districts to hire a person to serve as a superintendent or assistant superintendent if the person holds a graduate degree in business or finance and has at least four years of relevant experience. Requires a person hired in this manner to successfully complete a leadership training program that meets Pennsylvania School Leadership Standards.

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Employment Pools for Displaced Worker's at the Scranton and Scotland Schools (Section 1134) – Moves language from the Fiscal Code to the School Code which allows teachers displaced by the closing of the Scranton and Scotland Schools to be given preference in hiring in nearby school districts.

Alternative Certification (Sections 1202, 1203, 1205.2, 1206, 1207.1) – Provides for alternative methods for teacher certification including: out-of-state certificates, residency certificates and intern certificates. Authorizes the Secretary of Education to evaluate and approve all post-baccalaureate certification programs, including providers other than institutions of higher education, and develop guidelines for the programs.

Professional Development Requirement Suspension (Section 1205.5) – Implements a two-year moratorium on continuing professional development requirements for professional educators, except for individuals seeking administrative certificates through alternative methods required to complete a leadership training program that meets Pennsylvania School Leadership Standards. Requires Legislative Budget and Finance Committee to conduct a study of the costs and benefits of the continuing professional education program by June 30, 2013.

Admission of Beginners (Section 1304) – Adds new language requiring school districts to admit first-graders during at least the first two weeks of the school year, or during the first two weeks of each semester for a district operating on a semi-annual promotion basis. The language is intended to prevent school districts from refusing to enroll students.

Approved Private Schools Audit Resolution (Section 1376) – Repeals provisions providing for the Audit Resolution Fund. All audits applicable to this fund have been completed.

Safe School Reporting (Section 1303-A) – Makes a technical change to clarify that school safety reports must be filed on an annual basis.

Safe Schools Advocate (Section 1310-A) – Places the Office of Safe Schools Advocate in the School District of the First Class under the Pennsylvania Commission on Crime and Delinquency.

Interscholastic Athletic Eligibility (Section 1604-A) – Requires the Pennsylvania Interscholastic Athletic Association (PIAA) to adopt a policy to ensure that when a school abolishes its athletic program in whole or in part the impacted students may participate in the program of athletics of another school in which they are enrolled.

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Concurrent Enrollment Committees (Sections 1602-B, 1611-B, 1612-B, 1614-B) – Repeals provisions requiring a school entity that participates in the dual enrollment program establish a concurrent enrollment committee. At present, the committee is responsible to develop a concurrent enrollment agreement made between the school entity and postsecondary institutions. Adds provisions requiring the school entities to develop concurrent enrollment agreements and present them to participating post-secondary institutions for approval.

Charter and Cyber Charter School Social Security Reimbursements (Section 1724-A) – Eliminates provisions which provide for the Commonwealth to make reimbursements for a percentage of the employer's share of social security payments to charter and cyber charter schools based upon the school's market value/income aid ratio.

Community College Funding (Section 1913-A) – Provides for the distribution of the annual appropriation for community colleges. The formula contained in the section provides funding for operations and the economic development stipend in a manner so that all community colleges will receive an equal percentage reduction in funding (10 percent) over the current year.

Higher Education Articulation Agreements (Sections 2002-C and 2006.1-C) – Moves language from the Fiscal Code to the School Code providing for articulation agreements which requires the state-owned universities to accept associate degrees from community colleges and the state-related universities to identify credits they will accept for transfer.

Library Funding (Section 2318) – Provides for each library to receive an equal percentage increase or decrease in funding over the current year depending on the amount of funds provided in the General Appropriations Act and authorizes the State Librarian to distribute any unallocated funds. Allows a library system to distribute the State-aid it receives to member libraries in a manner determined by the library system's board of directors, except in the case of a library system operating in a county of the Second Class. Provides for a process by which the State Librarian may waive standards relating to hours of operation, continuing professional development, collections, expenditures and any other aspects of library operations, if funds appropriated for state-aid are less than the amount appropriated in fiscal year 2002-2003.

Average Daily Membership (Section 2510) – Revises the definition of average daily membership when calculating the basic education allocation for the 2007-2008 school year and each year thereafter so that half-time students are counted as one-half (0.5) rather the one.

Statement of Intent (Section 2502.48) – Repeals the statement of intent to meet state funding targets contained in the adequacy study by fiscal year 2013-2014.

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Requirements to Expand Programs (Section 2502.49) – Repeals provisions requiring school districts to utilize the portion of their basic education subsidy increase that exceeds the inflation index to create new programs and expand existing programs.

Basic Education Funding (Section 2502.50) – Provides for the distribution \$5,354,328,533 in basic education funding to school districts based on present data in the following supplements:

- A Hold Harmless; (\$5,119,938,340);
- Student Focused Funding Supplement (\$104,716,909);
- A supplement which guarantees no school district receives less than the amount received in 2008-2009 (\$100,643,825);
- An English Language Learner High Incidence Supplement (\$13,000,000);
- A supplement which guarantees that poor school districts with significant state funding reductions from fiscal year 2010-11 to fiscal year 2011-2012 receive an amount equal to the difference between their funding reduction and eight percent of 2008-2009 total revenues (\$14,029,460);
- A Second Class School District Supplement (\$1,000,000); and,
- A Personal Income Supplement (\$1,000,000).

Requires the Department of Education to withhold up to \$25,000,000 from the allocation of basic education funding to the School District of the First Class to pay the costs of alternative education programs.

Intermediate Unit Funding (Section 2509.1) – Provides for up to \$9,000,000 from the Special Education Funding appropriation to be utilized to pay intermediate units for programs operated for institutionalized children and provides for an amount equal to 5.5 percent of the Special Education appropriation to be utilized for intermediate unit core services in fiscal year 2011-2012.

Special Education Funding (Section 2509.5) – Provides for the distribution of the special education subsidy to school districts at the same amount for each school district as in the current year.

Payments on Account of Homebound Children (Section 2510.1) – Provides that payments shall be made only to the extent funds are available.

Pupil Transportation – Corrects an incorrect section reference to allow for reimbursements to be provided to Duquesne School District for transportation of students to other school districts.

Pennsylvania Accountability Grants (Section 2599.2) – Provides for the distribution of any unallocated funds from the 2010-11 fiscal year on a pro rata basis.

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*Use of Unexpended Funds* – Provides that the Department of Education may utilize up to \$4,500,000 in funds not expended or encumbered from appropriations to the department to assist school districts certified as an education empowerment district before June 30, 2010.

### **FISCAL IMPACT:**

The Department of Education has identified \$20,000 in nonrecurring information technology costs related creating the electronic link used to allow college students to opt-out of the Pennsylvania Information Management System (PIMS).

The administrative responsibilities of the Office of Safe Schools Advocate in the School District of the First Class within the Pennsylvania Commission on Crime and Delinquency are estimated to cost approximately \$400,000 annually.

The provisions providing the distribution of funding for Community Colleges, Library Funding, Basic Education Funding, Intermediate Unit Funding, Special Education Funding, Social Security Reimbursements and Pennsylvania Accountability Grants implement the provisions contained in the 2011 General Appropriations Act and have no fiscal impact beyond the appropriations contained therein.

Other responsibilities delegated to the Department of Education in this legislation related to criminal background checks, intermediate unit financial reporting, alternative certification, are routine and can be accomplished within its existing operating budget.

The provisions requiring the Legislative Budget and Finance Committee to conduct a study of the costs and benefits of the continuing professional education program should be minimal and can be accomplished within its existing operating budget.