

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1210

PRINTER NO. 3867

AMOUNT

See Fiscal Impact

FUND

General Fund
School Safety and Security Fund

DATE INTRODUCED

April 15, 2019

PRIME SPONSOR

Representative Jones

DESCRIPTION

Special Education Funding Commission

Extends the deadline for the Special Education Funding Commission to make its report from November 30, 2019, to September 30, 2020.

Basic Education Funding Commission

Provides for the reconstitution of the Basic Education Funding Commission to review the funding formula to provide basic education funding to school districts no later than July 1, 2022, and requires the commission to issue its report not later than November 30, 2023.

Conversion to Payroll Tax (Scranton School District)

Removes the requirement that a school district be located in a financially distressed municipality to convert from a mercantile or business privilege tax to a payroll tax through a one-time, revenue-neutral rate adjustment. Waives the requirement under the Taxpayer Relief Act that requires a referendum to impose a new tax to allow for the conversion from a mercantile or business privilege tax to a payroll tax. These provisions are applicable to Scranton School District.

School Construction and Maintenance Programs

Extends the PLANCON moratorium prohibiting the Department of Education from approving new school building construction or reconstruction applications for Fiscal Year 2020-21.

Extends the applicability date for provisions contained in Act 70 of 2019 that provide for a new program for school construction and renovation project reimbursement and school building maintenance project grants from July 1, 2020, to July 1, 2021.

Community Colleges

Provides for community colleges to receive the same allocation as in Fiscal Year 2019-20. The General Fund budget includes \$243,855,000 for community colleges operating, the same amount as in Fiscal Year 2019-2020.

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Community College Capital Funding

Provides that payments from the Community College Capital Fund may only be made to community colleges that received funding for operations in the prior year.

Rural Regional College Trustees

Provides that following the expiration of a trustees initial terms, no member shall serve for more than an additional three (3) term consecutive terms.

Community Violence Grants

Provides \$7,500,000 million in grants to be distributed from the School Safety and Security Fund by the School Safety and Security Committee during the 2020-21 fiscal year for programs to reduce community violence. The amount is the same as provided for in Fiscal Year 2019-20.

COVID-19 School Health and Safety Grants for Public School Entities

Provides for \$199,762,000 from federal funds to be distributed from the School Safety and Security Fund by the School Safety and Security Committee for the 2020-21 school year to provide grants to school entities to address health and safety needs related to the COVID-19 disaster emergency. The amount includes \$150,000,000 from the appropriation for the COVID Relief - For Transfer to the School Safety and Security Fund and \$49,762,000 from the appropriation for COVID – ESSER- SEA.

Each school district will receive an allocation of \$120,000 and a pro rata share of \$114,472,000 based upon the school district's average daily membership compared to the average daily membership for all school districts. Each area career and technical school, intermediate unit, charter school, regional charter school and cyber charter school will receive an allocation of \$90,000.

COVID-19 School Health and Safety Targeted Grants for Nonpublic Schools

Provides \$7,500,000 million from the School Safety and Security Fund to be distributed by the School Safety and Security Committee for the 2020-21 school year as targeted grants to intermediate units on behalf of nonpublic schools to address health and safety needs related to the COVID-19 disaster emergency. Requires intermediate units to make applications for targeted grants on behalf of a nonpublic school or a combination of nonpublic schools. Provides the targeted grant amount cannot exceed \$10,000 for an intermediate unit applying on behalf of a single nonpublic school and \$10,000 multiplied by the number of nonpublic schools in instances which an intermediate unit makes a combined application.

Minimum Number of Schools Days

Provides that beginning with the 2020-21 school year, the minimum number of school days (180) requirement shall apply notwithstanding a declaration of disaster emergency.

Public Higher Education Funding Commission

Extends the deadline for the Public higher Education Funding Commission to make its report from November 30, 2019, to November 30, 2020.

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State Aid for Libraries

Provides for each library to receive a pro rata share of funding in Fiscal Year 2020-21 based on its allocation in Fiscal Year 2019-20. The General Fund budget includes \$24,779,000 for the library subsidy, an amount equal to five-twelfths of the 2019-20 appropriation amount.

Basic Education Funding

Provides for each school district to receive a basic education funding allocation for general operating purposes in the same amount as it received in the 2019-20 fiscal year. This provision will allocate \$6,255,079,000 of the Basic Education Funding appropriation contained in the General Fund budget for this purpose, the same amount as in Fiscal Year 2019-20.

Special Education Funding - Intermediate Unit Funding

Provides for intermediate units to be funded at an amount equal to 5.5% (\$65,275,000) of the Special Education Funding appropriation, the same percentage amount as in Fiscal Year 2019-20.

Special Education Funding

Provides for each school district to receive a special education funding allocation in the same amount as it received in the 2019-20 fiscal year. This provision will allocate \$1,097,136,000 of the Special Education Funding appropriation contained in the General Fund budget for this purpose, the same amount as in Fiscal Year 2019-20.

Use of Undistributed Funds

Allows the Department of Education to use up to \$7,000,000 in undistributed funds in Fiscal Year 2020-21 to assist school districts in financial distress or identified for financial watch status. This provisions allows for the use of the same amount of undistributed funds as in Fiscal Year 2019-20.

Pupil Transportation Reporting

Requires the Secretary of Education to report to the Secretary of the Budget, the chairperson and minority chairperson of the Appropriations Committee in the Senate and the chairperson and minority chairperson of the Appropriations Committee in the House of Representatives on a quarterly basis to provide information documenting payments from the appropriation for Pupil Transportation during the fiscal year and provide a revised estimates of required payments for the remainder of the fiscal year.

School Employees' Social Security

Requires the Secretary of Education to report to the Secretary of the Budget, the chairperson and minority chairperson of the Appropriations Committee in the Senate and the chairperson and minority chairperson of the Appropriations Committee in the House of Representatives on a quarterly basis information documenting all wages used to calculate payments for School Employees Social Security, the required payment amounts during the fiscal year and a revised estimates of required payments for the remainder of the fiscal year.

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Requires the Department of Education to ensure payments made for School Employees' Social Security from the appropriation for Basic Education Funding are reported separately in the Commonwealth accounting system.

Allows for supplemental appropriations for School Employees Social Security to be made in any fiscal year.

Repeals

The legislation repeals several outdated provisions of the law that are no longer necessary.

FISCAL IMPACT:

The enactment of House Bill 1210 provides for spending across multiple programs totaling \$7,907,886,000 in Fiscal Year 2020-21.

The bill provides for the distribution of \$7,686,124,000 in educational subsidies from the General Fund. This includes funds for the following subsidies: Basic Education Funding for general operating purposes (\$6,255,079,000); Special Education Funding for school districts (\$1,097,136,000), Community Colleges (\$243,855,000); Special Education Funding - Intermediate Unit Set Aside (\$65,275,000); and the Public Library Subsidy (\$24,779,000).

The bill provides for the distribution of \$214,762,000 in funds from the School Safety and Security Fund. This includes the following programs: Community Violence Grants (\$7,500,000); COVID-19 School Health and Safety Grants (\$199,762,000); and COVID-19 School Health and Safety Targeted Grants (\$7,500,000).

The costs related to extending the reporting deadlines for the Special Education Funding Commission, Basic Education Funding Commission and Higher Education Funding are minimal and can be accomplished within the Department of Education's existing general government operations appropriation.

The cost related to reporting requirements related Pupil Transportation and School Employees' Social Security are minimal and can be accomplished within the Department of Education's existing general government operations appropriation.

The legislation allows for the use of \$7,000,000 in unexpended funds for school districts in financial distress and financial watch status. Expenditure of these funds will be dependent on funds within the Department of Education being available for use and be incurred by the General Fund.