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### AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An 1 2 act relating to the public school system, including certain 3 provisions applicable as well to private and parochial 4 schools; amending, revising, consolidating and changing the laws relating thereto, " repealing provisions relating to 5 report of racial and ethnic groupings, to study of public 6 7 schools that provide Internet instruction, to corporate seal, to submission of plans, to approval of plans, to disapproval 8 9 of plans, to Department of Public Instruction to prepare plans, to establishment of reorganized school districts, to 10 advance establishment, to special school watchmen-school districts in townships of the second class, to copies of 11 12 school laws, to educational broadcasting, to residences for 13 teachers and janitors, to heating stoves to be shielded, to 14 ventilation and thermometer, to fireproof construction, to 15 doors to open outward and fire escapes, etc., to completion 16 of abandoned WPA projects in districts of the third and 17 fourth class, to condition of grounds and shade trees, to 18 19 summer schools, etc., to possession of telephone pagers prohibited, to nonprofit school food program, to antitruancy 20 programs, to medical care for children under six with defective hearing, to report, to care and treatment of pupils and to local wellness policy; in terms and courses of study, 21 22 23 further providing for fire and emergency evacuation drills; 24 25 repealing provisions relating to foreign language academies, to monthly reports to school directors of the districts 26 second, third and fourth class, to alcohol, chemical and tobacco abuse program, to read to succeed program, to 27 28 department duties and powers; in vocational education, 29 30 further providing for duties of State Board for Vocational 31 Education and reports; repealing provisions relating to 32 schools or classes, supervisors, principals, instructors, etc., to estimate of expenses and reimbursements, 33 appropriations and to teachers of evening schools; in 34

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Thaddeus Stevens College of Technology, further providing for powers and duties of the board of trustees; repealing provisions relating to annual report, to duties of public institutions of higher education, to medical education loan assistance, to special study on the revenue impact of out-of-State tax credits, to powers and duties of the board and to reports and recommendations.

8 The General Assembly of the Commonwealth of Pennsylvania 9 hereby enacts as follows:

Section 1. Sections 112, 113, 212, 292, 293, 294, 295, 296, 297, 510.1, 519, 523(a), 705, 736, 737, 738, 739, 760, 772, 12 1208, 1317.1, 1337(f), 1338.2, 1378, 1308-A, 1414 and 1422.1 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, are repealed:

15 [Section 112. Report of Racial and Ethnic Groupings. -- The 16 Department of Education shall conduct a thorough review of the 17 1991-1992 PennData report "Statistical Summary for 1991-1992" and identify those school districts that have special education 18 19 enrollments whose gender and ethnic representation exceeds by 20 five percent (5%) the gender and ethnic makeup of the student 21 population for the 1991-1992 school year. The Department of 22 Education shall report to the Committee on Education in the 23 Senate and the Committee on Education in the House of 24 Representatives by October 1993 the findings of the review by 25 the Department of Education, an outline of what further 26 investigative steps should be taken, recommendations for 27 appropriate actions to be taken by the Department of Education 28 and any technical assistance services to be provided by the 29 Department of Education to school districts.

30 Section 113. Study of Public Schools that Provide Internet 31 Instruction.--(a) The Department of Education shall conduct a 32 study of public schools that provide instruction primarily 33 through the Internet. The study shall include:

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(1) a review of academic accountability methods and systems;
 (2) a summary of governance structures, approval processes
 and oversight mechanisms of each public school that provides
 instruction primarily through the Internet;

5 (3) an analysis and verification of the actual and 6 reasonable instructional cost per student for each public school 7 that provides instruction primarily through the Internet; and

8 (4) recommendations regarding funding alternatives.

9 (b) The Department of Education shall prepare a report that 10 includes its findings and recommendations from the study and 11 shall provide the report to the chairman and the minority 12 chairman of the Education Committee of the Senate and the 13 chairman and minority chairman of the Education Committee of the 14 House of Representatives by October 30, 2001.

(c) In the event that the report required under subsection (b) is not provided by October 30, 2001, no school district shall pay to any public school that provides instruction primarily through the Internet an amount to exceed two thousand dollars (\$2,000) per resident student enrolled.

20 Section 212. Corporate Seal.--Each school district in this 21 Commonwealth may, by a majority vote of the members of the board 22 of school directors of such district, adopt a corporate seal for 23 the use of said district. The seal shall have engraved thereon 24 the following: "School District of ....., 25 Pennsylvania," and such other inscription or design as the board 26 of school directors may direct.

Section 292. Submission of Plans.--Each county board of school directors, on or before July 1, 1964, shall prepare a plan of organization of administrative units for the county, conforming to the standards for approval of administrative units

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adopted by the State Board of Education. The plan shall be 1 2 submitted to the Department of Public Instruction not less than 3 thirty (30) days nor more than sixty (60) days after it is prepared. Any school district which considers itself aggrieved 4 5 by the plan may set forth its specific objections in a petition which shall be served by registered or certified mail on the 6 secretary of the county board of school directors. All such 7 8 petitions filed shall be appended to the plan prior to 9 submission to the Department of Public Instruction. No plan of 10 organization of administrative units shall be submitted which 11 violates any written agreement entered into by several school districts for the establishment of a joint school or department, 12 13 unless the agreement is amended to provide that it shall be discontinued at the time the proposed administrative unit is 14 15 deemed established as a school district. A plan of organization 16 of administrative units shall be deemed to violate a written 17 agreement entered into by several school districts for the establishment of a joint school or department only when it 18 formulates an administrative unit, which in whole or in part 19 20 comprises less than all of the school districts joined by such agreement. In preparing its plans, a county board of school 21 directors shall confer with school directors and administrators 22 23 of all school districts of the county, and may confer with the 24 staff of the Department of Public Instruction and upon written 25 request shall confer with other interested persons. Each plan 26 shall assure the continuity of special education and area 27 technical school programs by providing special education and 28 area technical school attendance areas established in accordance 29 with standards approved by the State Board of Education. 30 Each county board of school directors which prepared and

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1 submitted to the Department of Public Instruction prior to January 1, 1963, a plan of organization of administrative units 2 3 for the county, shall, in compliance with the provisions hereof, reconsider such plan and submit the same or a revised plan on or 4 5 before July 1, 1964, irrespective of the action taken on the prior plan. In those cases where the prior plan was approved by 6 7 the State Council of Education, the plan submitted when approved 8 by the Council of Basic Education shall supersede the prior 9 approved plan as the plan of organization of administrative 10 units for the county.

11 Section 293. Approval of Plans.--(a) When any plan of 12 organization of administrative units for a county is found to 13 conform to the standards for approval of administrative units adopted by the State Board of Education, the Department of 14 15 Public Instruction shall cause such plan to be placed upon the 16 agenda of the Council of Basic Education. The Council of Basic 17 Education shall review all plans placed upon its agenda, and 18 approve such plans as it deems wise in the best interests of the educational system of the Commonwealth. Except as hereinafter 19 provided, no plan of organization of administrative units shall 20 21 be approved in which any proposed school district contains a 22 pupil population of less than four thousand (4,000), unless when 23 factors of topography, pupil population, community 24 characteristics, transportation of pupils, use of existing school buildings, existing administrative units, potential 25 26 population changes and the capability of providing a 27 comprehensive program of education are considered by the Council 28 of Basic Education as requiring the approval of a plan of 29 organization of administrative units in which one or more 30 proposed school districts contains a pupil population of less

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than four thousand (4,000). (b) A plan of organization of 1 2 administrative units for a county shall be approved by the 3 Council of Basic Education, if the plan contains (i) no unit 4 with a pupil population less than that of the unit with the 5 smallest pupil population in the last previous county-wide plan submitted to and approved by the State Council of Education 6 7 prior to September 12, 1961, and (ii) no more units than were in 8 the aforesaid county-wide plan plus an additional unit for each 9 second class district which was not required to be a part of 10 such county-wide plan and which was not included in an 11 administrative unit thereof. (c) Pupil population as used in 12 this section shall mean the average daily membership for the school year 1961-1962 including kindergarten or grade one 13 through grade twelve. 14

15 Section 294. Disapproval of Plans. -- When any plan of organization of administrative units for a county is disapproved 16 17 by the Council of Basic Education, it shall be returned to the 18 county board of school directors which submitted the plan for 19 reconsideration, amendment and resubmission in accordance with the recommendations of the Council of Basic Education. 20 21 Section 295. Department of Public Instruction to Prepare 22 Plans. -- In the event that no plan of organization of 23 administrative units is approved by the Council of Basic 24 Education for a county prior to January 1, 1965, the Department 25 of Public Instruction shall prepare and place upon the agenda of 26 the Council of Basic Education a plan of organization of 27 administrative units for the county. When approved by the 28 Council of Basic Education, such plan shall be deemed the 29 approved plan of organization of administrative units for the county. 30

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1 Any school district which considers itself aggrieved by a plan of organization of administrative units approved by the 2 3 Council of Basic Education may appeal to the State Board of Education by filing a petition, within thirty (30) days after 4 5 approval of the plan, setting forth the grounds for such appeal. A copy of such petition shall be served by registered or 6 7 certified mail on the secretary of the county board of school 8 directors. The State Board of Education, or its representative, 9 shall fix a day and time for hearing, shall give written notice 10 to all parties interested, and may hear and consider such 11 testimony as it may deem advisable to enable it to make a 12 decision. After reaching its decision, the State Board of 13 Education shall enter such order as appears to it just and 14 proper, either directing the Council of Basic Education to 15 approve the plan in an amended form or confirming the plan in 16 the form previously approved by the Council of Basic Education. 17 The decision of the State Board of Education shall be final, unless an appeal is taken as now provided under the provisions 18 of the "Administrative Agency Law." 19

20 Section 296. Establishment of Reorganized School 21 Districts.--On July 1, 1966, or on the date of advance establishment, all administrative units contained in plans of 22 23 organization of administrative units approved by the Council of 24 Basic Education shall constitute and be deemed established as 25 school districts, and shall belong to the class to which they 26 are entitled as provided by law: Provided, however, if any 27 approved administrative unit includes any district or districts 28 of the second, third, or fourth class with any district of the 29 first class A, such district or districts of the second, third, 30 or fourth class shall be merged into and become part of said

district of the first class A, and said district of the first
 class A as thus enlarged shall be the reorganized district and
 shall be considered as having had continued existence.

Section 297. Advance Establishment.--(a) Any administrative unit contained in a plan of organization of administrative units approved by the Council of Basic Education may constitute and be deemed established as a school district on July 1, 1964, or on July 1, 1965, when the following conditions have been satisfied:

9 (1) All appeals to the State Board of Education from the 10 action of the Council of Basic Education approving the plan of 11 organization of administrative units have been finally 12 determined;

13 (2) At a regular meeting or at a special meeting called for 14 such purpose, the board of school directors of each school 15 district composing the administrative unit has approved by 16 majority vote the establishment in advance of July 1, 1966, of 17 the proposed school district contained in the plan of 18 organization of administrative units approved by the Council of 19 Basic Education;

20 (3) A copy of the resolution of each school district is 21 filed with the Department of Public Instruction; and 22 The Superintendent of Public Instruction certifies to (4) 23 the Council of Basic Education that all school districts 24 composing the administrative unit have filed resolutions with the Department of Public Instruction approving the establishment 25 26 of the school district in advance of July 1, 1966. The 27 certification shall state the date when the school district shall be deemed established. 28

(b) Any school district established in advance of July 1,
30 1966, shall be entitled to all the benefits of this act and

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1 shall be subject to all of the provisions of this act as if the 2 school district were constituted and deemed established on July 3 1, 1966: Provided, however, That in the case of school districts 4 established on July 1, 1964, the provisions of section 303.1 of 5 this act relating to election of school directors shall be 6 advanced two years: And provided further, That in the case of 7 school districts established on July 1, 1965, the provisions of section 303.1 of this act shall not be advanced. 8

9 Section 510.1. Special School Watchmen-School Districts in 10 Townships of the Second Class.--The board of school directors of 11 school districts in townships of the second class may, by 12 resolution, appoint and fix the salary of special school 13 watchmen, who shall have the duty of patrolling school grounds 14 and protecting school property.

15 Section 519. Copies of School Laws.--The Superintendent of 16 Public Instruction shall send to each member of every board of 17 school directors in the State, a bound copy of each new edition 18 of the School Laws, as soon as possible after the same shall 19 have been published.

20 Section 523. Educational Broadcasting.--

21 The State Board of Education shall adopt and amend, when (a) 22 necessary, a State Plan for Educational Broadcasting. The State 23 plan shall provide for the development of educational 24 broadcasting facilities in the Commonwealth and shall define 25 educational broadcasting service areas which shall be served by 26 specified broadcasting centers. The Department of Education 27 shall promulgate regulations to implement the State plan. Prior 28 to adoption or amendment of the State plan, the board shall submit the plan to the Pennsylvania Public Television Network 29 30 Commission and receive its comments thereon.

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2 Section 705. Residences for Teachers and Janitors .-- The 3 board of directors of any school district of the fourth class, when they consider it necessary, may purchase or build a 4 5 residence or residences for the use of the principal or teacher 6 or janitor, or any of them, as shall be deemed advisable, in the 7 same manner and upon the same procedure as other school buildings are purchased or erected. Such school districts, with 8 9 the approval of the Department of Public Instruction, are 10 authorized to expend the funds of the school district and to 11 borrow money for the purchase or erection of such residences in the same manner as for other school buildings. Any such district 12 13 may fix and charge a rental for the use of such building, which 14 rental shall be paid into the school treasury. All property acquired under this section shall be held by the school district 15 16 the same as other school property.

Section 736. Heating Stoves to be Shielded.--No board of school directors in this Commonwealth shall use a common heating stove for the purpose of heating any school room, unless such stove is in part enclosed within a shield or jacket made of galvanized iron, or other suitable material, and of sufficient height, and so placed, as to protect all pupils while seated at their desks from direct rays of heat.

Section 737. Ventilation; Thermometer.--No school room or recitation room shall be used in any public school which is not provided with ample means of ventilation, and whose windows, when they are the only means of ventilation, shall not admit of ready adjustment both at the top and bottom, and which does not have some device to protect pupils from currents of cold air. Every school room or recitation room shall be furnished with a

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1 thermometer.

Section 738. Fireproof Construction.--All school buildings, two or more stories high, hereafter erected or leased in any school district of the first class in this Commonwealth shall be of fireproof construction; and in any school district of the second, third, or fourth class, every building more than two stories high, hereafter built or leased for school purposes, shall be of fireproof construction.

9 Section 739. Doors to Open Outward; Fire Escapes; etc.--All 10 doors of entrance into any building used for public school 11 purposes shall open outward.

In all school buildings erected after the first day of May, one thousand nine hundred twenty-five, or buildings leased or used for school purposes, all entrance and exit doors, as well as all doors leading to or from all regular, special, or general rooms, shall open outward.

Every school building shall be provided with necessary fireescapes and safety-appliances as required by law.

19 On and after January 1, 1973, each new school building and 20 every addition to an existing school building equipped with 21 windows and with no emergency fire rescue door to the outside, 22 shall be equipped with escape windows of such type and at such 23 locations as may be approved by the Department of Labor and 24 Industry.

25 Section 760. Completion of Abandoned WPA Projects, Districts 26 Third and Fourth Class.--Whenever any school district of the 27 third or fourth class, pursuant to contract with the Works 28 Projects Administration or any other agency of the United States 29 Government, shall have expended money for the erection of a 30 school building to be erected by such agency, and after the

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erection of such building has been begun, but before the 1 2 completion thereof the project is abandoned by the Works 3 Projects Administration or other agency of the United States Government, the board of directors of such school district may, 4 5 with the approval of the Superintendent of Public Instruction, 6 enter into a contract for the immediate continuation of the work 7 of erecting such school building to an extent necessary to protect the work already completed from loss or damage by the 8 9 elements. Such contract may be let on competitive bids solicited 10 from at least three responsible bidders and approved by the Superintendent of Public Instruction. 11

12 Section 772. Condition of Grounds; Shade Trees.--The board 13 of school directors in each school district shall put the 14 grounds about every school building in a neat, proper and 15 sanitary condition and so maintain the same and shall provide 16 and maintain a proper number of shade trees.

17 Section 1208. Summer Schools, etc. -- The State Board of 18 Education shall provide for summer schools in State colleges, 19 colleges, universities and other educational institutions, and 20 for extension courses and correspondence courses for all 21 teachers employed in the public school system of the 22 Commonwealth who wish to acquire the minimum qualifications 23 prescribed herein, or such further qualifications as may be 24 desirable.

25 Section 1317.1. Possession of Telephone Pagers Prohibited.--26 (a) The possession by students of telephone paging devices, 27 commonly referred to as beepers, shall be prohibited on school 28 grounds, at school sponsored activities and on buses or other 29 vehicles provided by the school district.

30 (b) The prohibition contained in subsection (a) shall not

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apply in the following cases, provided that the school
 authorities approve of the presence of the beeper in each case:

3 (1) A student who is a member of a volunteer fire company,4 ambulance or rescue squad.

5 (2) A student who has a need for a beeper due to the medical 6 condition of an immediate family member.]

7 Section 1337. Nonprofit School Food Program.--\* \* \*

8 Studies, Appraisals and Reports to Governor. The (f) 9 Department of Education is hereby authorized, to the extent that 10 funds are available for that purpose and in cooperation with 11 other appropriate agencies and organizations, to conduct studies 12 of methods of improving and expanding school food programs and 13 promoting nutritional education in the schools, to conduct 14 appraisals of the nutritive benefits of school food programs and 15 to report its findings and recommendations, from time to time, 16 to the Governor.

17 Section 1338.2. Antitruancy Programs .-- The Department of Education shall formulate recommendations for the General 18 Assembly concerning the establishment and funding of effective 19 20 community-based antitruancy pilot programs. In formulating these recommendations, the Department of Education shall seek advice 21 22 and counsel from educators, parents, students, district 23 attorneys, law enforcement representatives, attendance officers, 24 social service agencies experienced in providing services to 25 truant children, counselors, judges, probation officers and 26 representatives from the Pennsylvania Commission on Crime and 27 Delinquency and the Juvenile Court Judges' Commission. Section 1378. Medical Care for Children Under Six with 28 Defective Hearing .-- Whenever the county medical director of the 29 30 Department of Health reports to the medical examiner of any

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1 school district a case of a minor under six (6) years of age, who is totally deaf or whose hearing is impaired, who is not 2 3 receiving adequate care and treatment, and whose parent or 4 guardian is financially unable to provide the same, such medical 5 examiner shall provide such care and treatment at the expense of 6 the school district or of the Commonwealth, as the case may be 7 charged by law with the providing of medical examinations for the schools of the school district. Such care and treatment may 8 9 be administered by the medical examiner or by some doctor of 10 medicine selected by him.

11 Section 1308-A. Report. -- The Secretary of Education shall 12 survey all school districts and nonpublic schools to determine 13 the extent to which additional costs have been incurred in 14 implementing administrative and reporting requirements 15 established for public and nonpublic schools in section 1317.2 16 and in sections 1304-A through 1307-A. The Secretary of Education shall issue a report to the chairman and the minority 17 chairman of the Appropriations Committee and the Education 18 19 Committee of the Senate and the Appropriations Committee and 20 Education Committee of the House of Representatives by April 1, 21 1996, concerning the extent to which additional costs have been 22 incurred by school districts and nonpublic schools.

23 Section 1414. Care and Treatment of Pupils.--Any school 24 district or joint school board may provide for the care and 25 treatment of defective eyes, ears and teeth of all children of 26 school age within the district.

27 Section 1422.1. Local Wellness Policy.--(a) Not later than 28 the first day of the school year beginning after June 30, 2006, 29 each local education agency shall, pursuant to section 204 of 30 the Child Nutrition and WIC Reauthorization Act of 2004 (Public

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Law 108-265, 118 Stat. 729), establish a local wellness policy
 for schools within the local education agency.

3 (c) A local education agency may submit its local wellness 4 policy or information on other initiatives regarding child 5 health, nutrition, food allergy reaction management and physical 6 education to the Department of Education for inclusion in the 7 clearinghouse established under section 1422.3(3).]

8 Section 2. Section 1517(d) of the act is amended to read: 9 Section 1517. Fire and Emergency Evacuation Drills.--\* \* \* 10 (d) (1) All schools using or contracting for school buses 11 for the transportation of school children shall conduct on school grounds two emergency evacuation drills on buses during 12 13 each school year, the first to be conducted during the first 14 week of the first school term and the second during the month of 15 March, and at such other times as the chief school administrator may require. Each such drill shall include the practice and 16 instruction concerning the location, use and operation of 17 emergency exit doors and fire extinguishers and the proper 18 19 evacuation of buses in the event of fires or accidents.

20 (2) Bus operators shall be provided with proper training and 21 instructions to enable them to carry out the provisions of this 22 subsection and may be required to attend classes and drills in 23 connection therewith.

[On or before the tenth day of April of each year, each district superintendent shall certify to the Department of Public Instruction that the emergency evacuation drills herein required have been held.]

Section 3. Sections 1522, 1534, 1547(h), Article X-B
heading, 1501-B, 1502-B, 1503-B, 1504-B, 1505-B and 1503-E(10)
of the act are repealed:

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1 [Section 1522. Foreign Language Academies.--(a) The 2 Department of Education shall establish a summer foreign language academy grant program utilizing Federal education funds 3 and matching grants for students in this Commonwealth. To the 4 5 greatest extent possible, the department shall establish 6 quidelines for the programs which involve the universities and 7 colleges, local school districts and intermediate units. Those students who are to participate in the program shall be selected 8 by the local school districts. 9

10 (b) At least one summer foreign language academy shall be in 11 operation by the summer of 1993.

12 The department shall prepare an annual report of the (C) 13 summer foreign language academies program which shall be 14 submitted to the Governor, the Education Committee of the Senate 15 and the Education Committee of the House of Representatives. 16 Section 1534. Monthly Reports to School Directors; Districts 17 Second, Third and Fourth Class .-- In school districts of the second, third and fourth class every teacher employed in the 18 19 public schools shall, at the end of each school month, or within 20 five days thereafter, make a report for the past month to the board of school directors. Such reports shall state correctly 21 the number of days the schools were kept open, and, if closed on 22 23 any days, the reason therefor, the number, age, and sex of all 24 pupils, and the number of days attended by each. Such reports 25 shall be made on blank forms to be furnished the teachers by the 26 board of school directors. No teacher shall be paid more than 27 one-half of his salary for the current month until such report is made. Such reports shall be filed with the secretary of the 28 29 board, and shall at all times be open to inspection by the public. Any school principal may make such report for the entire 30

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1 school.]

2 Section 1547. Alcohol, Chemical and Tobacco Abuse Program.-3 \* \* \*

4 [(h) On or before June 1, 1992, the Secretary of Education 5 shall report to the General Assembly concerning the 1991-1992 6 school year activities of the Department of Education pertaining 7 to the provisions of this section and concerning proposed 1992-8 1993 school year activities of the Department of Education 9 pertaining to this section.]

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# [ARTICLE XV-B.

READ TO SUCCEED PROGRAM.

Section 1501-B. Establishment of Program.--There is hereby 13 14 established in the Department of Education the Read to Succeed 15 Program. The program shall provide competitive grants to school 16 districts and charter schools to build strong reading skills in 17 Pennsylvania students. The program shall emphasize students with the greatest need for intensive reading instruction and school 18 19 programs that will enable students to learn to read by the end 20 of the third grade.

Section 1502-B. Eligibility Requirements.--(a) The Department of Education shall establish eligibility criteria to be used to select schools and students in kindergarten through third grade to participate in the Read to Succeed Program.

25 (b) The secretary shall establish matching requirements for 26 grant recipients.

27 Section 1503-B. Program Requirements.--School districts and 28 charter schools shall apply for grants as prescribed by the 29 Department of Education. The application will contain the 30 following:

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1 (1) Identification of students with the greatest need.

2 (2) Methods of ongoing assessment.

3 (3) Reading instruction based on current reading research.
4 (4) Integration with the reading instruction programs and
5 activities of the school district.

6 (5) Professional development plan.

7 (6) Opportunities for extended learning time.

8 (7) Coordination with community-based reading activities,9 including family literacy programs.

10 (8) Staff and program facilities.

(9) A multiyear plan that shows how the school district or charter school will assume full financial and programmatic responsibility for the Read to Succeed Program at the conclusion of the grant period.

15 (10) The estimated budget for each specific program 16 activity.

17 Section 1504-B. Technical Assistance and Monitoring. -- The Department of Education shall provide technical assistance and 18 19 establish methods to ensure the quality of the program receiving 20 a grant, including program monitoring and onsite visitation. 21 Section 1505-B. Reports.--(a) A school district or charter 22 school participating in the Read to Succeed Program shall provide program and fiscal reports as required by the Department 23 24 of Education.

(b) Beginning in the year 2000, the department shall submit a report by December 31 of each year to the majority and minority chairman of the Education Committee of the Senate and the majority and minority chairman of the Education Committee of the House of Representatives.}

30 Section 1503-E. Department duties and powers.

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The department shall:

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3 [(10) Prepare and submit an annual report to the 4 Education Committee of the Senate and the Education Committee 5 of the House of Representatives regarding the administration 6 and operation of programs and grants awarded under the grant 7 program. The report shall include:

8 (i) A summary of the guidelines and criteria 9 established by the department and the establishment and 10 operation of the grant program.

(ii) A listing of the sources of funding sought bythe department for use in the grant program.

13 (iii) A listing of the number of school districts14 that established and implemented programs.

15 (iv) A description of each school district's program
16 and the integration into the curriculum.

(v) A description of measures utilized by school
 districts to provide parent, professional educator and
 community involvement.]

Section 4. Section 1803 of the act is amended to read: 20 21 Section 1803. Duties of State Board for Vocational 22 Education; Reports. -- The State Board for Vocational Education is 23 hereby authorized and directed to investigate and to aid in the 24 introduction of vocational industrial, vocational agricultural, 25 vocational homemaking, vocational distributive and vocational 26 business and office occupational education; to assist in the 27 establishment of schools and departments for said forms of 28 education, and to inspect and approve such schools or 29 departments as are hereinafter provided. [The State Board for 30 Vocational Education shall make a report annually to the

Governor and Legislature describing the condition and progress of vocational industrial, vocational agricultural, vocational homemaking, vocational distributive and vocational business and office occupational education during the year, and shall also make such recommendations as the board may deem advisable.] Section 5. Sections 1804, 1811 and 1923 of the act are repealed:

8 [Section 1804. Schools or Classes; Supervisors; Principals; 9 Instructors, etc.--In carrying out the provisions of this act, 10 the State Board for Vocational Education shall provide for 11 vocational schools or classes, with the necessary staffs, in 12 accordance with the State Plan for Vocational Education, 13 approved by the Federal Board for Vocational Education.

Principals, instructors and lecturers for the Public Service Institute shall be elected by the State Board for Vocational Education. They shall possess the qualifications established in the State Plan for Vocational Education approved by the Federal Board for Vocational Education.

Section 1811. Estimate of Expenses and Reimbursements; 19 20 Appropriations .-- On or before the first Wednesday of January of 21 any year in which the regular session of the Legislature is 22 held, the State Board for Vocational Education shall present to 23 the Legislature an estimate of the amount of money necessary to meet the expenditures to be incurred in the administration of 24 25 this act for the fiscal year beginning with the first day of the 26 ensuing June, 1961, and beginning with the first day of July of 27 each year thereafter; and the amount necessary to meet the 28 claims of school districts and unions of school districts maintaining approved vocational schools or departments, under 29 30 the provisions of this act for the school year beginning with

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1 the first day of the preceding July. On the basis of such 2 statement, the Legislature shall make an appropriation of such 3 amounts as may be necessary to meet the expense of carrying this 4 act into effect, and of reimbursing such school districts and 5 unions of school districts for such school year as herein 6 provided.

7 Section 1923. Teachers of Evening Schools.--All teachers of 8 evening schools must have proper certificates as provided in 9 this act.]

Section 6. Section 1906.1-B(c) of the act is amended to read:

Section 1906.1-B. Powers and Duties of the Board of Trustees.--\* \* \*

14 (c) The board of trustees shall coordinate, review and 15 approve the annual capital budget requirements of the college and the annual operating budget of the college. It shall present 16 17 these annual budgets with comments to the Secretary of Education 18 for presentation to the State Board of Education. [The State 19 Board of Education shall return such budget requests, 20 recommending approval or disapproval, with comments, if any, to the Secretary of Education prior to their submission to the 21 22 Secretary of the Budget.] The board of trustees may also submit 23 its budget recommendations and findings to the General Assembly 24 subsequent to the submission of the Governor's budget to the 25 General Assembly.

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Section 7. Sections 1916-B, 2002-C(b), Article XXII-A
heading, Subdivision (a) heading, 2201-A, 2202-A, 2203-A,
Subdivision (b) heading, 2211-A, 2212-A, 2213-A, 2214-A,
Subdivision (c) heading, 2231-A, 2232-A, 2233-A, 2234-A, 2596,

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1 2603-B(c), (d)(4) and (10) and (h) and 2605-B of the act are 2 repealed:

3 [Section 1916-B. Annual Report. -- The board of trustees shall 4 be required to submit a report to the Governor, the 5 Appropriations Committee and Education Committee of the Senate and the Appropriations Committee and Education Committee of the 6 7 House of Representatives and the State Board of Education, no later than September 1, which shall cover the twelve-month 8 9 period beginning with the summer term of the preceding year and 10 shall include:

(1) The definitions and number of faculty members and staff employed full time, the number of faculty members and staff employed part time, the number of full-time students enrolled and the number of part-time students enrolled.

15 (2) The total number of credit hours taught and the minimum 16 number of credit hours required for graduation.

17 (3) The degrees and programs offered by the institution.
18 (4) The total number of graduates and the total number of
19 graduates by degree or program.

(5) The number of terms scheduled and dates thereof.]
 Section 2002-C. Duties of public institutions of higher
 education.

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[(b) Reporting requirements.--A public institution of higher education shall submit to the department a series of interim reports outlining the actions that the public institution of higher education has undertaken or intends to undertake to comply with subsection (a), which shall be filed December 31, 2006, June 30, 2007, and December 31, 2007.]

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1	[ARTICLE XXII-A.
2	MEDICAL EDUCATION LOAN ASSISTANCE.
3	(a) General Provisions.
4	Section 2201-A. Scope.
5	This article deals with medical education loan assistance.
б	Section 2202-A. Purpose.
7	The purpose of this article is to provide an incentive to
8	Pennsylvania students to pursue higher education and training in
9	medicine, professional nursing, biomedicine and the life
10	sciences in order to maintain the delivery of quality health
11	care services in this Commonwealth.
12	Section 2203-A. Definitions.
13	The following words and phrases when used in this article
14	shall have the meanings given to them in this section unless the
15	context clearly indicates otherwise:
16	"Accredited medical college." An institution of higher
17	education located in this Commonwealth that is accredited by the
18	Liaison Committee on Medical Education to provide courses in
19	medicine and empowered to grant professional and academic
20	degrees in medicine as defined in the act of December 20, 1985
21	(P.L.457, No.112), known as the Medical Practice Act of 1985.
22	"Agency." The Pennsylvania Higher Education Assistance
23	Agency.
24	"Approved institution of higher learning." An institution of
25	higher learning located in this Commonwealth and approved by the
26	agency.
27	"Approved nursing program." An institution located in this
28	Commonwealth and accredited to grant professional and academic
29	degrees or diplomas in nursing as defined in the act of May 22,

30 1951 (P.L.317, No.69), known as The Professional Nursing Law.

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"Degree in medicine." A degree from an accredited medical
 college that qualifies the degree recipient to be licensed as a
 physician.

4 "Designated area." Any of the following:

5 (1) A geographic area of this Commonwealth that is
6 designated by the Secretary of Health as having a shortage of
7 physicians.

8 (2) A geographic area of this Commonwealth designated by 9 the United States Department of Health and Human Services as 10 a medically underserved area or designated to have a 11 medically underserved population.

12 "Eligible applicant." An individual who holds an 13 undergraduate degree from an institution of higher learning and 14 is enrolled in:

15

an accredited medical college; or

16 (2) an approved institution of higher learning for 17 purposes of obtaining a graduate degree in biomedicine or 18 life sciences.

19 "Guarantor." An insurance company or not-for-profit 20 guarantor whose primary purpose is to provide default coverage 21 and loss prevention services to an offeror of unsecured student 22 loans.

23 "Licensed health care facility." A health care facility that 24 is enrolled in the Commonwealth's medical assistance program and is licensed under Article X of the act of June 13, 1967 (P.L.31, 25 26 No.21), known as the Public Welfare Code, or the act of July 19, 27 1979 (P.L.130, No.48), known as the Health Care Facilities Act. 28 "Nursing school applicant." An individual who is a resident 29 of this Commonwealth and is enrolled in an approved nursing 30 program.

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"Offeror." An institution that makes unsecured loans to
 eligible students in cooperation with the agency.

"Physician." An individual licensed to practice medicine and
surgery within the scope of the act of October 5, 1978
(P.L.1109, No.261), known as the Osteopathic Medical Practice
Act, or the act of December 20, 1985 (P.L.457, No.112), known as
the Medical Practice Act of 1985.

8 "Registered nurse." An individual licensed to practice
9 professional nursing under the act of May 22, 1951 (P.L.317,
10 No.69), known as The Professional Nursing Law.

Work requirement for nurses." Postgraduate, full-time employment in direct patient care with a licensed health care facility located in this Commonwealth in an occupation related to an approved course of study. The term does not include a paid student internship, a paid fellowship, volunteer service or employment before graduation.

17 (b) Program.

18 Section 2211-A. Pennsylvania Medical Education Loan Assistance 19 Program.

The agency shall establish and administer the Pennsylvania Medical Education Loan Assistance Program as set forth in sections 2212-A and 2213-A to provide financial assistance to individuals who acquire the required degree or diploma in medicine, professional nursing, biomedicine or life sciences and to recruit these individuals to practice their professions in Pennsylvania.

27 Section 2212-A. Loan guarantor program.

(a) Establishment of program.--The agency shall administer a
loan guarantor program on a Statewide basis. The agency shall
utilize funds in the Medical School Loan Account to encourage

- 25 -

eligible applicants to attend an accredited medical college or
 an approved institution of higher learning.

3 (b) Loan Guarantor Program.--The Loan Guarantor Program4 shall provide for the following:

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(1) Life of loan servicing.

6 (2) Contracting for insurance with a guarantor, approved 7 by the agency, which offers a low-cost loan with competitive 8 interest rates and loan fees to eligible applicants.

9 (3) Predetermining the eligibility of applicants who 10 receive a loan from an offeror to attend an accredited 11 medical school or an approved institution of higher learning 12 that is insured by a guarantor.

13 (4) Evaluating the benefit package of a guarantor for
14 adequacy, accessibility and availability of funds necessary
15 to provide adequate loss prevention.

16 (c) Low-cost loans. -- An eligible applicant shall apply to an 17 offeror for a low-cost loan to attend an accredited medical 18 college or an approved institution of higher learning. A lowcost loan made under this subsection shall be guaranteed by an 19 20 approved guarantor through a contract with the agency. Low-cost 21 loans made under this subsection shall provide reduced interest 22 rates and loan fees to eligible applicants compared to loans 23 made for the same purpose that are not guaranteed by this article. 24

(d) Loan requirements.--Loans provided under this section shall cover up to 100% of the actual cost of tuition, room and board at an accredited medical college or an approved institution of higher learning and the actual cost of courserequired textbooks and supplies for the recipient.

30 (e) Default.--If a recipient fails to repay a loan received

- 26 -

1 under this section, the agency shall collect the loan pursuant 2 to one of the following:

3 (1) Section 4.3 of the act of August 7, 1963 (P.L.549,
4 No.290), referred to as the Pennsylvania Higher Education
5 Assistance Agency Act.

6

(2) A process established by the applicable guarantors.

7 (3) Any other collection procedure or process deemed
8 appropriate by the agency.

9 (f) Medical Education Loan Loss Account.--An account is 10 hereby established within the agency to receive funds 11 appropriated for purposes of this section. Moneys in the account 12 are hereby appropriated to the agency to provide the loan 13 guarantor program. When funds in the account are expended, no 14 additional loans shall be offered.

(g) Interest rate reduction.--The agency or an offeror may modify loans under this section to further reduce interest rates as follows:

18 (1) The agency or the offeror may reduce the interest
19 rate of the loan by not less than 1% if the loan recipient,
20 upon completion of a graduate degree in biomedicine or life
21 sciences or upon licensure as a physician, agrees to practice
22 medicine or be employed to conduct research on a full-time
23 basis in Pennsylvania for a period of three consecutive
24 years.

(2) The agency or the offeror may reduce the interest rate of the loan by not less than 2% if the loan recipient, upon licensure as a physician, agrees to practice medicine for not less than three consecutive years in a designated area.

30 (h) Contract.--In addition to the requirements of subsection

- 27 -

1 (g), in order to be eligible for an interest rate reduction, a
2 loan recipient shall enter into a contract with the agency or an
3 offeror or its assigns at the time the loan is made. The
4 contract shall include the following:

5 (1) The loan recipient practicing in a designated area 6 shall agree to treat patients eligible for medical assistance 7 and Medicare.

8 (2) The loan recipient shall permit the agency or the 9 offeror to monitor the recipient's practice or employment to 10 determine compliance with the terms of the contract and this 11 article.

12 (3) The agency shall certify compliance with the terms13 of the contract.

14 (4) Upon the loan recipient's death or total or
15 permanent disability, the agency or the offeror shall nullify
16 the service obligation of the recipient.

17 (5)If the loan recipient is convicted of or pleads 18 guilty or no contest to a felony or if the licensing board has determined that the recipient has committed an act of 19 20 gross negligence in the performance of service obligations or 21 has suspended or revoked the license to practice, the agency 22 or the offeror shall terminate the loan recipient's 23 participation in the program and seek repayment of the amount 24 of the loan on the date of the conviction, determination, 25 suspension or revocation.

(6) A loan recipient who fails to comply with a contract
shall pay to the agency or the offeror the amount of loan
received under the original contract as of the time of
default. Providing false information or misrepresentation on
an application or verification of service shall constitute

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1 default.

2 (i) Accountability.--In July 2004, the agency shall conduct
3 a performance review of the program and services provided. The
4 performance review shall include the following:

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(1) The goals and objectives of the program.

6 (2) A determination of whether the goals and objectives 7 were achieved by the agency-participating guarantor and 8 offeror.

9 (3) The specific methodology used to evaluate the10 results.

11 (4) Recommendations for improvement.

12 Section 2213-A. Loan forgiveness program.

(a) Establishment of program.--The agency shall administer a loan forgiveness program for nursing school applicants on a Statewide basis. The agency may provide loan forgiveness as provided in subsection (b) for recipients of loans who by contract with the agency agree to practice professional nursing in this Commonwealth upon attainment of the required license.

(b) Loan forgiveness.--Agency-administered, federally
insured student loans for higher education provided to a nursing
school applicant may be forgiven by the agency as follows:

(1) The agency may forgive 50% of the loan, not to exceed \$50,000, if a loan recipient enters into a contract with the agency that requires the recipient upon successful completion of an approved nursing program and licensure as a registered nurse to practice nursing in this Commonwealth for a period of not less than three consecutive years.

(2) Loan forgiveness awards made pursuant to paragraph
(1) shall be forgiven over a period of three years at an
annual rate of 33 1/3% of the award and shall be made from

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funds appropriated for this purpose.

The contract entered into with the agency pursuant 2 (3) 3 to paragraph (1) shall be considered a contract with the Commonwealth and shall include the following terms: 4

5

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(i) An unlicensed recipient shall apply for a 6 registered nurse's license to practice in this 7 Commonwealth at the earliest practicable opportunity upon 8 successfully completing a degree in nursing.

9 (ii) Within six months after licensure, a recipient 10 shall engage in the practice of nursing in this 11 Commonwealth according to the terms of the loan 12 forgiveness award.

13 (iii) The recipient shall agree to practice in a 14 licensed health care facility in the provision of direct 15 patient care on a full-time basis.

16 (iv) The recipient shall permit the agency to 17 determine compliance with the work requirement for nurses 18 and all other terms of the contract.

19 Upon the recipient's death or total or permanent (v)20 disability, the agency shall nullify the service 21 obligation of the recipient.

22 (vi) If the recipient is convicted of or pleads 23 guilty or no contest to a felony or if the licensing 24 board has determined that the recipient has committed an 25 act of gross negligence in the performance of service 26 obligations or has suspended or revoked the license to 27 practice, the agency shall have the authority to 28 terminate the recipient's service in the program and demand repayment of the amount of the loan as of the date 29 30 of the conviction, determination, suspension or

- 30 -

revocation.

2 (vii) Loan recipients who fail to begin or complete the obligations contracted for shall pay to the agency 3 the amount of the loan received under the terms of the 4 5 contract pursuant to this section. Providing false 6 information or misrepresentation on an application or 7 verification of service shall be deemed a default. Determination as to the time of default shall be made by 8 9 the agency.

10 (4) Notwithstanding 42 Pa.C.S. § 8127 (relating to 11 personal earnings exempt from process), the agency may seek 12 garnishment of wages in order to collect the amount of the 13 loan following default under paragraph (3) (vii).

14 Section 2214-A. Tax applicability.

Loan forgiveness repayments received by a student shall not be considered taxable income for purposes of Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

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(c) Miscellaneous Provisions.

20 Section 2231-A. Annual report.

(a) Development of report.--The agency shall publish a report by September 1, 2002, and every year thereafter for the immediately preceding fiscal year. The report shall include information regarding the operation of the programs established under this article, including:

(1) The number and amount of loan guarantees and loan
contracts executed and renewed for eligible applicants in
medicine, biomedicine or life sciences and the nursing loan
forgiveness program.

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(2) The number and amount of nursing loan forgiveness

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contracts executed and renewed for nursing school applicants.

2 (3) The number of defaulted nursing loan forgiveness3 contracts, reported by cause.

4 (4) The number of nurses participating in the nursing
5 loan forgiveness program, reported by type of institution
6 attended, including four-year educational institutions,
7 community colleges, independent two-year colleges, private
8 licensed schools, hospital-based courses of study and
9 certificate programs.

10 (5) The number and type of enforcement actions taken by11 the agency.

Submission. -- The annual report shall be submitted to the 12 (b) 13 Governor, the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the 14 15 Appropriations Committee of the House of Representatives, the 16 chair and minority chair of the Education Committee of the 17 Senate, the chair and minority chair of the Education Committee 18 of the House of Representatives, the chair and minority chair of 19 the Public Health and Welfare Committee of the Senate and the chair and minority chair of the Health and Human Services 20 21 Committee of the House of Representatives.

22 Section 2232-A. Appeals.

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23 The provisions of this article shall be subject to 22 Pa.
24 Code Ch. 121 (relating to student financial aid).

25 Section 2233-A. Regulations.

The agency shall adopt regulations and procedures necessary to carry out the purposes of this article.

28 Section 2234-A. Funding.

29 Loan guarantor program payments and loan forgiveness 30 repayments shall be made only to the extent that funds are

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appropriated for that purpose and are sufficient to cover
 administration of the programs. The receipt of a loan under this
 article shall not constitute an entitlement derived from the
 Commonwealth or a claim on any funds of the Commonwealth.

5 Section 2596. Special Study on the Revenue Impact of Out-of-6 State Tax Credits.--(a) The Department of Education shall 7 undertake a special study to assess the revenue impact on 8 Pennsylvania school districts of residents who work in bordering 9 states. Particular emphasis shall be placed on districts meeting 10 the following criteria:

(1) Districts that levy a local earned income tax under the act of December 31, 1965 (P.L.1257, No.511), known as "The Local Tax Enabling Act"; and

14 (2) Districts that include as resident taxpayers individuals 15 who are subject to state and/or local income taxes at their out-16 of-State place of employment and who, therefore, claim tax 17 credits in Pennsylvania as a result of these levies.

18 (b) The assessment shall include:

19 (1) Identification of all districts which meet the above20 criteria.

(2) Compilation of data indicating, on a per district basis,
the number of resident taxpayers claiming a tax credit for outof-State payments.

(3) Analysis of the individual taxpayer data in order to
assess the effect on the local and State revenues for each
affected school district.

(c) The Secretary of Education shall present a report summarizing the results of this study to the Chairman and the Minority Chairman of the House Education Committee and the Chairman and the Minority Chairman of the Senate Education

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1 Committee no later than April 1, 1989.]

2 Section 2603-B. Powers and Duties of the Board --\* \* \* 3 [(c) The board shall develop an annual operating budget, 4 including projected operating expenses of the Professional 5 Standards and Practices Commission. It shall include salaries 6 for staff, office materials and equipment, and all expenses for 7 the operation of the board and commission. This budget shall be 8 presented to the Secretary of Education. Upon adoption of the 9 general appropriations act, the department shall notify the 10 board of the amount of its allocation.]

11 (d) The board shall also have the authority and duty to: 12 \* \* \*

[(4) (i) apply for, receive and administer, subject to any applicable regulations or laws of the Federal Government or any agency thereof, any Federal grants, appropriations, allocations and programs for the development of academic facilities on behalf of the Commonwealth, any of its school districts or any institution of higher education, public or private, within this Commonwealth;

20 (ii) subject to criteria developed by the Secretary of 21 Education and subject to any applicable regulations or laws of 22 the Federal Government or any agency thereof, to develop, alter, 23 amend and submit to the Federal Government State plans for 24 participation in Federal grants, appropriations, allocations and 25 programs for the development of academic facilities and to make regulations, criteria, methods, forms, procedures and to do all 26 27 other things which may be necessary to make possible the participation of the Commonwealth in such Federal grants, 28 29 appropriations, allocations and programs for the development of academic facilities; 30

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(iii) hold hearings, issue subpoenas and render decisions as
 to the priority assigned to any project, or as to any other
 matter or determination affecting any applicant for Federal
 grants, appropriations, allocations and programs for the
 development of academic facilities;

6 (iv) adopt rules or procedures and prescribe regulations for 7 the submission to it of all matters within its jurisdiction; and 8 (v) submit, annually, to the Governor, on or before the 9 first Monday of December, a report of its proceedings during 10 that year, together with such recommendations as the board shall 11 deem necessary;]

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[(10) (i) Approve or disapprove standards proposed by the 13 14 department in order to comply with the provisions of the No 15 Child Left Behind Act of 2001 to maintain the eligibility of 16 this Commonwealth to receive Federal funding for education programs. The board shall approve or disapprove the standards 17 18 within 30 days of submission to the board's office or at its next scheduled meeting, whichever is sooner. Failure of the 19 20 board to approve or disapprove the standards within the time 21 established under this section shall be deemed an approval of 22 the standards.

(ii) Standards promulgated under this section shall be deposited with the Pennsylvania Bulletin for publication.] \* \* \*

[(h) Every five (5) years, the board shall adopt a master plan for higher education which shall be for the guidance of the Governor, the General Assembly, and all institutions of higher education financed wholly or in part from State appropriations. The master plan shall:

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(1) define the role of each type of institution (State-owned
 universities, State-related universities, community colleges,
 private colleges and universities and off-campus centers of any
 of these and other institutions authorized to grant degrees) in
 this Commonwealth;

6 (2) recommend enrollment levels for each such institution;
7 (3) recommend methods for governance;

8 (4) recommend methods for the distribution of State funds9 among the institutions;

10 (5) evaluate the status of physical plants and technical 11 equipment and project needs;

12 (6) evaluate the status of and projection of manpower needs;
13 (7) evaluate enrollment accessibility to institutions of
14 higher learning by the public; and

15 (8) otherwise provide for an orderly development of 16 institutions of higher education in this Commonwealth.] 17 \* \* \*

18 [Section 2605-B. Reports and Recommendations.--(a) Annually 19 in January, the board shall submit a comprehensive report of its 20 activities to the Governor and the General Assembly together 21 with its recommendations for improvements in education in this 22 Commonwealth. The board's report shall include a statement 23 outlining the expected benefits and projected costs of any 24 recommended course of action. The report shall also include 25 information regarding the ongoing review of the Master Plan for Higher Education and the Master Plan for Basic Education and 26 list any projected changes. 27

(b) As it deems appropriate and necessary, the board may
make reports and requests to the General Assembly on such issues
as, pending legislation, proposed legislation, educational

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1 policy, and any other programs or issues of which the board 2 believes the General Assembly should be aware.] 3 Section 8. This act shall take effect in 60 days.

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