

**PUBLIC SCHOOL CODE OF 1949 - BACKGROUND CHECKS OF PROSPECTIVE
EMPLOYEES, REPORTS TO SECRETARY OF EDUCATION, WITHHOLDING OF STATE
APPROPRIATIONS, PENNSYLVANIA ATHLETIC OVERSIGHT COMMITTEE, ETC.**

Act of Jul. 4, 2004, P.L. 536, No. 70

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Session of 2004

No. 2004-70

HB 564

AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," further providing for background checks of prospective employees; providing for optometric externs; further providing for management information reports, for reports to the Secretary of Education, for withholding of State appropriations, for delinquent taxes and appointment of collector, for power of board of school directors to reopen certain budgets, for referendum or public hearing required prior to construction or lease and for school police officers; providing for attendance at schools for the performing arts; further providing for cost of tuition and maintenance of certain exceptional children in approved institutions and for actual cost of tuition and maintenance of certain exceptional children in chartered schools for the sight and hearing impaired; providing for agreements with institutions of higher education; further providing for firefighter and emergency services training and for educational assistance program; adding provisions relating to character education program; establishing the Pennsylvania Athletic Oversight Committee; further providing for powers of charter schools, for charter school facilities, for causes for nonrenewal or termination of charter, for education empowerment districts, for mandate waiver program, for limitations on education empowerment districts and for election or appointment and term and organization of boards of trustees of community colleges; providing for Community College Nonmandated Capital Restricted Account; further providing for Board of Governors of the State System of Higher Education, for educational improvement tax credit, for small district assistance and for temporary special aid to school districts; providing for basic education funding for 2003-2004 school year and for payments on account of Limited English Proficiency programs; and further providing for payments to intermediate units, for special education payments to school districts, for Commonwealth reimbursements for charter schools and cyber charter schools and for Pennsylvania Accountability grants.

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

Section 1. Section 111(c) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, amended December 9, 2002 (P.L.1317, No.153), is amended to read:

Section 111. Background Checks of Prospective Employes;
Conviction of Employes of Certain Offenses.--* * *

(c) Where the applicant has not been a resident of this Commonwealth for at least two (2) years immediately preceding the

date of application for employment, administrators shall require the applicant to submit with the application for employment [a report of] **a set of fingerprints which may be submitted to the Federal Bureau of Investigation for Federal criminal history record information pursuant to the Federal Bureau of Investigation appropriation of Title II of Public Law 92-544, 86 Stat. 1115[, and the department shall be the intermediary for the purposes of this section.] or a copy of such Federal criminal history record. Administrators shall forward the set of fingerprints for the Federal criminal history record to the Department of Education. The Department of Education shall be the intermediary for the purposes of this section. The Department of Education shall return the Federal criminal history record to the applicant. When the applicant provides a copy of the Federal criminal history record, it shall be no more than one (1) year old. Administrators shall maintain a copy of the required information and shall require each applicant to produce a Federal criminal history record that may not be more than one (1) year old at the time of employment. The original Federal criminal history record shall be returned to the applicant.**

* * *

Section 2. The act is amended by adding a section to read:

Section 115. Optometric Externs.--(a) Notwithstanding the provisions of section 6 of the act of June 6, 1980 (P.L.197, No.57) , known as the "Optometric Practice and Licensure Act," an optometric extern who is performing procedures and tests for the sole purpose of clinical instruction and experience under the direct supervision of a licensed health care professional in this Commonwealth shall be defined as a student enrolled in an accredited school or college of optometry in the United States.

(b) An optometric extern may not independently practice optometry.

Section 3. Section 613 of the act, amended or added May 10, 2000 (P.L.44, No.16) and June 22, 2001 (P.L.530, No.35), is amended to read:

Section 613. Management Information Reports.--(a) For the 2000-2001 school year and each school year thereafter, each school district shall report to the Department of Education expenditures of all governmental funds at the school operational unit for:

- (1) classroom instruction;
- (2) instructional student support; and
- (3) facilities and plant management costs.

[(b) For the 2001-2002 school year and each school year thereafter, each school district shall report to the Department of Education:

(1) Expenditures of all governmental funds at the school operational unit level in middle and high schools for subject matter including math, science, language arts and social studies.

(2) Expenditures of all governmental funds at the school operational unit level for each grade level in elementary school.]

(c) For the 2001-2002 school year and each school year thereafter, each school district shall report to the Department of Education districtwide expenditures of all governmental funds for:

- (1) special education noninstructional student support;
- (2) professional development; and
- (3) technology.

(d) The Department of Education shall issue specific guidelines for the collection, reporting and submission of the information under this section.

(e) As used in this section, a "school operational unit" is defined as any individual school within a district, as reported by the district. A school district is comprised of all the school operational units within the district.

(f) Beginning with the 2001-2002 school year and each school year thereafter, the mandatory reporting requirements of this section shall apply, as prescribed by the department, to area vocational-technical schools, intermediate units and charter schools to the extent that funding is available. Area vocational-technical schools, intermediate units and charter schools shall apply for funding in a form and manner prescribed by the department.

Section 4. Section 633 of the act, amended December 21, 1998 (P.L.1194, No.154), is amended to read:

Section 633. Reports to Secretary of Education; Withholding State Appropriations.--It shall be the duty of the Secretary of Education, to require, as part of the annual financial reports of all of the school districts **and charter schools**, a list of the amount of bonds or other indebtedness that becomes due during the fiscal year, together with the amount paid on each item of indebtedness. In case of failure on the part of any school district **or charter school** to furnish such report at the required time after the close of the fiscal year, the Secretary of Education may withhold any State appropriation that may become due to any such school district **or charter school** until such report covering information regarding the maturities of indebtedness and payments on same during the preceding fiscal year, as required herein, and any other information which he may require of a school district **or charter school**, has been received. In all cases where the board of directors of any school district fails to pay or to provide for the payment of any indebtedness at date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date, or on any sinking fund deposit date in accordance with the schedule under which the bonds were issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any State appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such bond issue.

Section 5. Section 686 of the act is amended by adding a subsection to read:

Section 686. Delinquent Taxes; Appointment of Collector; etc.--*
* *

(d) (1) **Each school district may assign some or all of its claims for delinquent school taxes, either absolutely or as collateral security, for an amount to be determined by the school district and under such terms and conditions upon which the school district and the assignee may agree in writing. Upon such an assignment, the following shall apply:**

(i) **The school district or the assignee shall direct the tax claim bureau to record notice of the assignment on the docket.**

(ii) **Assignment shall not be deemed a discharge or satisfaction of the claim or the taxes giving rise to the claim, and the lien of the assigned claim and taxes giving rise to the claim shall continue in favor of the assignee.**

(iii) **The assignee shall have and enjoy the same rights, privileges and remedies as were held by the school district with respect to the assigned claim and the tax giving rise to the claim.**

(iv) **An owner of property shall have the same rights and defenses under all laws applicable to the collection and enforcement of tax claims that the owner held against the assignor.**

(2) **A claim assigned pursuant to this subsection may be further assigned, with the subsequent assignee having and enjoying the same rights, privileges and remedies as its assignor had, provided that**

notice of any subsequent assignment is recorded pursuant to paragraph (1).

Section 6. Section 687(j) of the act, added December 23, 2003 (P.L.304, No.48), is amended to read:

Section 687. Annual Budget; Additional or Increased Appropriations; Transfer of Funds.--* * *

(j) Notwithstanding any other provisions of this act, the board of school directors of each school district may reopen its 2003-2004 budget **or its 2004-2005 budget** to reflect any State allocations for fiscal year 2003-2004 **or fiscal year 2004-2005** provided by the General Assembly through this act.

Section 7. Section 701.1 of the act, added June 27, 1973 (P.L.75, No.34), is amended to read:

Section 701.1. Referendum or Public Hearing Required Prior to Construction or Lease.--Except where the approval of the electors is obtained to incur indebtedness to finance the construction of a school project, the board of school directors of any school district of the second, third or fourth classes, shall not construct, enter into a contract to construct or enter into a contract to lease a new school building or substantial addition to an existing school building without the consent of the electors obtained by referendum or without holding a public hearing as hereinafter provided. In the event that a new school building or a substantial addition to an existing building is to be constructed or leased, the school board shall, by a majority vote of all its members, authorize a maximum project cost and a maximum building construction cost to be financed by the district or amortized by lease rentals to be paid by the district. Building construction cost shall consist of the cost of all building construction including general construction costs, plumbing, heating, electrical, ventilating and other structural costs, equipment and fixtures and architectural and engineering fees relating thereto, but not including costs for site acquisition and development, rough grading to receive the building, sewage treatment facilities or equivalent capital contributions, and architectural and engineering fees relating thereto. In all cases, a public hearing shall be held not later than thirty (30) days before the school district submits the initial building construction cost estimates to the Department of Education for approval. Notice of the hearing shall be given not later than twenty (20) days before the date of the scheduled hearing. In the event that the maximum building construction cost authorization exceeds the aggregate building expenditure standard hereinafter specified, the aforesaid authorization of the school board shall be submitted to the electors of the school district for their approval within six (6) months prior to submission of the final building construction cost bids to the Department of Education for approval. Such referendum shall be held in the same manner as provided by law for the approval of the incurring of indebtedness by referendum. The question as submitted shall specify the maximum project cost, the maximum building construction cost and the annual sinking fund charge or lease rental to be incurred by the school district and the portion of such charge or rental expected to be reimbursed by the Commonwealth. If the final building construction cost bids to be submitted to the Department of Education for approval are less than the aggregate building expenditure standard hereafter specified but exceed by eight (8) per cent or more the initial building construction cost estimates submitted to the Department for approval, a second public hearing shall be held before the Department shall give its final approval.

The applicable aggregate building expenditure standard shall be a total amount calculated for each building or substantial addition by multiplying the rated pupil capacity under the approved room schedule by the following: two thousand eight hundred dollars

(\$2,800) for each pupil of rated elementary capacity; four thousand two hundred dollars (\$4,200) for each pupil of rated secondary capacity in grades seven, eight and nine and five thousand two hundred dollars (\$5,200) for each pupil of rated secondary capacity in grades ten, eleven and twelve and five thousand two hundred dollars (\$5,200) for each pupil of rated vocational-technical capacity in grades ten, eleven and twelve to not include the cost of equipment and fixtures in such vocational-technical schools: Provided, however, That each of the preceding per pupil amounts shall be adjusted by the Department of Education on July 1, 1974; and annually thereafter **through July 1, 2003**, by multiplying said amounts by the ratio of the composite construction cost index compiled and published by the United States Department of Commerce for the preceding calendar year to such index for the next preceding calendar year[.]; **and Further Provided, however, That each of the preceding per pupil amounts shall be adjusted by the Department of Education on July 1, 2004; and annually thereafter by multiplying said amounts by the ratio of the Building Cost Index published by the McGraw-Hill Companies for the preceding calendar year to such index for the next preceding calendar year.** Rated elementary pupil capacity or rated secondary pupil capacity for any school building shall be the rated pupil capacity determined on the basis of the method used by the Department for school building reimbursement purposes during the school year 1971-1972.

For purposes of this section:

(1) "Site acquisition" includes the cost of land and mineral rights, demolition and clearing, rights-of-way and related utility relocations, surveys and soils analysis, and the cost of all fees relating thereto.

(2) "Site development" includes excavation, grouting or shoring, special foundations for buildings, access roads to site, utilities on site, extension of utilities to site.

(3) "Equipment and fixtures" means property fixed or movable which is incidental and necessary to conduct the educational program, and includes, but is not limited to movable equipment such as desks, chairs, tables, portable physical education equipment, audio-visual equipment and science, homemaking, industrial art and business equipment and instructional materials and fixtures such as casework, laboratory equipment, kitchen equipment, auditorium seating and any other special fixtures or equipment required to conduct a particular educational program.

(4) "Substantial addition" means more than twenty (20) per centum of the area and replacement value of the structure to which the improvement is to be added.

Section 8. Section 778 of the act is amended by adding subsections to read:

Section 778. School Police Officers.--* * *

(a.1) Any school district which employs a school police officer under this section shall report annually to the Department of Education, Office of Safe Schools, the following information regarding school police officers receiving training as required under 53 Pa.C.S. Ch. 21 Subch. D (relating to municipal police education and training):

(1) **The identity of the school district and the number of school police officers it employs.**

(2) **The municipalities comprising the school district.**

(3) **The date and type of training provided to each school police officer.**

* * *

(b.1) Every school police officer who has been granted powers under subsection (c) (2) or (3) or has been authorized to carry a firearm must, before entering upon the duties of his office,

successfully complete training as set forth in 53 Pa.C.S. Ch. 21 Subch. D.

* * *

Section 9. The act is amended by adding a section to read:

Section 1316.1. Attendance at Schools for the Performing Arts.--The board of school directors of school districts of the first class A may permit any non-resident pupil to attend a high school for the performing arts in its district provided there are enrollment vacancies at the school and no other qualified district residents have applied for enrollment and upon such additional terms as it may determine, subject to the provisions of this act. Upon approval of the board of school directors pursuant to section 1608, payments due from a sending district to a receiving district shall be governed by sections 2561 and 2562, except that a sending district's liability for payment shall be limited to the tuition charge of the receiving district or its own tuition charge, whichever is less.

Section 10. Sections 1376 and 1376.1 of the act, amended December 23, 2003 (P.L.304, No.48), are amended to read:

Section 1376. Cost of Tuition and Maintenance of Certain Exceptional Children in Approved Institutions.--(a) When any child between school entry age and twenty-one (21) years of age and resident in this Commonwealth, who is blind or deaf, or has cerebral palsy and/or neurological impairment and/or muscular dystrophy and/or is mentally retarded and/or has a serious emotional disturbance and/or has autism/pervasive developmental disorder and is enrolled, with the approval of the Department of Education, as a pupil in an approved private school approved by the Department of Education, in accordance with standards and regulations promulgated by the State Board of Education, the school district in which such child is resident or, for students placed by a charter school, the charter school in which the student was enrolled shall pay the greater of either twenty per centum (20%) of the actual audited cost of tuition and maintenance of such child in such school, as determined by the Department of Education, or its "tuition charge per elementary pupil" or its "tuition charge per high school pupil," as calculated pursuant to section 2561, and the Commonwealth shall pay, out of funds appropriated to the department for special education, the balance due for the costs of such child's tuition and maintenance, as determined by the department. For the school years 1989-1990, 1990-1991 and 1991-1992, the school district payment shall be no greater than forty percent (40%) of the actual audited costs of tuition and maintenance of such child in such school. For the 1992-1993 school year [and each school year thereafter] **through the 2003-2004 school year**, the school district or charter school payment shall be the greater of forty percent (40%) of the actual audited costs of tuition and maintenance of such child in such school, as determined by the Department of Education, or its "tuition charge per elementary pupil" or its "tuition charge per high school pupil," as calculated pursuant to section 2561, and the Commonwealth shall pay, out of funds appropriated to the department for approved private schools, the balance due for the costs of such child's tuition and maintenance, as determined by the department. **For the 2004-2005 school year and each school year thereafter, the school district or charter school payment shall be the greater of forty percent (40%) of the approved tuition rate as established pursuant to subsection (c.3) or (c.5) or the school district or charter school's "tuition charges per elementary pupil" or "tuition charges per secondary pupil" as calculated under section 2561, and the Commonwealth shall pay out of funds appropriated to the department for approved private schools the balance of the approved tuition**

rate due for the cost of such child's tuition and maintenance. The department will credit the district of residence with average daily membership for such child consistent with the rules of procedure developed in accordance with section 2501. If the residence of such child in a particular school district cannot be determined, the Commonwealth shall pay[, out of moneys appropriated to the department for special education,] the whole cost of tuition and maintenance of such child[.] as established under subsection (c.3) or (c.5).

(a.1) For the 2004-2005 school year, the following shall apply:

(1) The Department of Education shall determine the payment amount for each approved private school for all students enrolled in an approved private school for the 2003-2004 school year based on the average of:

(i) The preliminary budget submitted to the Department of Education by the approved private school for the 2004-2005 school year.

(ii) The midyear budget submitted to the Department of Education by the approved private school for the 2003-2004 school year.

(iii) The audit issued by the Governor's Office of the Budget for the 2002-2003 school year, excluding questioned costs.

(2) Where the 2002-2003 audit is not available, the Department of Education shall use the claim form submitted to it by the approved private school for the 2002-2003 school year. In the event that an approved private school has not submitted a claim form for the 2002-2003 school year, the Department of Education shall use the audit or, where the audit is not available, the claim form for the 2001-2002 school year.

(3) For the purposes of determining the payment under paragraph (1) for an approved private school that was not in operation for the 2002-2003 school year, the Department of Education shall utilize the approved private school's preliminary budget for the 2004-2005 school year instead of the audit identified under paragraph (1) (iii).

(4) No later than August 10, 2004, the Department of Education shall notify each school district of residence or charter school of a child enrolled in an approved private school of its payment amount under subsection (a).

(5) The Department of Education shall pay each approved private school the total amount calculated pursuant to this subsection divided into twelve (12) monthly payments. The Department of Education shall withhold the school district or charter school payment amount calculated under subsection (a) from the amount of any and all State payments made to the school district or charter school. In no event shall the sum of the Commonwealth's share of payments to approved private schools under this subsection exceed the appropriation for approved private schools.

(a.2) For the 2005-2006 school year and each school year thereafter, the Department of Education shall determine the payment amount for each approved private school for all students enrolled in an approved private school for the prior school year as follows:

(1) (i) Multiply the payment determined for the immediate preceding school year by one hundred and twenty-five percent (125%) of the percentage increase in the appropriation for special education for the fiscal year prior to the fiscal year in which payments under this subsection are made.

(ii) Add the product from subparagraph (i) to the payment determined for the immediate preceding school year.

(2) No later than May 10, 2005, and no later than May 10 of each year thereafter, the Department of Education shall notify each school district of residence or charter school of a child enrolled in an approved private school of its payment amount under subsection (a).

(3) The Department of Education shall pay each approved private school the total amount calculated pursuant to this subsection divided into twelve (12) monthly payments. The Department of Education shall withhold the school district or charter school payment amount calculated under subsection (a) from the amount of any and all State payments made to the school district or charter school. In no event shall the sum of the Commonwealth's share of payments to approved private schools under this subsection exceed the appropriation for approved private schools.

(b) When any person less than school entry age or more than twenty-one (21) years of age and resident in this Commonwealth, who is blind or deaf, or has cerebral palsy and/or has neurological impairment and/or has muscular dystrophy, or has autism/pervasive developmental delay, and is enrolled, with the approval of the Department of Education, as a pupil in an approved private school approved by the Department of Education, the Commonwealth shall pay to such school[, out of moneys appropriated to the department for special education, the actual audited cost of tuition and maintenance of such person, as determined by the Department of Education, subject to review and approval in accordance with standards and regulations promulgated by the State Board of Education in accordance with subsection (b.1)] **the approved tuition rate for such child's tuition and maintenance**, and in addition, in the case of any child less than school entry age, who is blind, the cost, as determined by the Department of Education of instructing the parent of such blind child in caring for such child.

[(b.1) For the 2004-2005 school year and each school year thereafter, an approved private school shall submit to the Department of Education such information as the department may reasonably require to determine its budgeted costs for the upcoming school year. Based upon this information and the most recent settled audit, the Department of Education shall develop an interim reimbursement rate for the approved private school. The Department of Education shall provide the approved private school with monthly payments in advance of the final cost settlement as provided for in subsection (c.2). The Department of Education shall adopt final reimbursement rates based on the final cost settlement. The Department of Education may withhold a portion of such payments not exceeding five percent (5%) of such payments, pending final cost settlement. In no event shall either the payments made in advance of the final cost settlement or final reimbursements based on the final cost settlement made by the Department of Education exceed the appropriation available for approved private schools.]

(c.1) Any funds remaining from the appropriation line items "for special education - approved private schools" or for Pennsylvania Charter Schools for the Deaf and Blind from the general appropriations acts for fiscal years 1978-1979 and each fiscal year thereafter shall be transferred by the State Treasurer into a restricted account (continuing appropriation) for audit resolution which is hereby established. The Department of Education shall also deposit into this restricted account any funds returned to or recovered by the department from approved private schools or chartered schools for overpayments during fiscal years 1978-1979 and each fiscal year thereafter. The funds in the restricted account are hereby appropriated upon approval of the Governor to the Department of Education for payments to approved private schools for audit resolutions for fiscal years 1978-1979 [and each fiscal year thereafter. Funds in this restricted account shall not be subject to the limitations in subsection (b.1) which prohibit advance payments and final reimbursement from exceeding the appropriation available for approved private schools] **through 2003-2004**. During the 1995-1996 fiscal year and during each fiscal year thereafter, the Department of Education shall review the

activity in the restricted account and may recommend that the Governor authorize the lapsing into the General Fund of any funds that are estimated not to be needed for audit resolution.

(c.2) Beginning with **payments made in** the 2004-2005 school year and each school year thereafter, the Department of Education shall establish procedures and audit standards to govern the scope of reportable costs [and the methods used to examine and determine allowability of costs. Cost reports], **the format of the audit and the standards and methods used by the Commonwealth to audit attendance. Each approved private school shall submit a cost report of its expenditures for the prior fiscal year to the Department of Education no later than August 1, 2004, and no later than August 1 of each year thereafter. Audit reports of expenditures for the prior fiscal year prepared by an independent certified public accountant** shall be prepared in accordance with the established procedures and audit standards and submitted by the approved private school to the Department of Education [after the conclusion of the school year. The Department of Education shall process these cost reports and settle any outstanding payments due to or from the approved private school within one (1) year of the cost report submission. If the cost reports are subject to any appeals or postsettlement resolution, the Department of Education shall have an additional three (3) months to settle.] **by November 1, 2005, and no later than November 1 of each year thereafter. For payments in the 2004-2005 school year, the Department of Education shall issue guidelines for budget and audit standards no later than October 15, 2004. For payments in the 2005-2006 school year and each school year thereafter, the Department of Education shall annually issue guidelines for budget and audit standards at least three (3) months prior to the date that the approved private schools must submit their budget information pursuant to subsection (c.4). These guidelines shall include provisions for audit methodology and a definition of allowable administrative expenditures. Allowable administrative expenditures shall not exceed ten percent (10%) of each approved private school's budget. Each audit shall identify expenditures and include all spending on students for whom payment is made pursuant to subsection (a) or (b) and shall identify the source and amount of all revenue used to educate students for whom payment is made pursuant to subsection (a) or (b). Work papers pertaining to the audit of an approved private school by an independent certified public accountant shall be made available to the Department of Education upon request.** Audits of cost reports submitted for school years prior to the 2004-2005 school year shall be completed in a manner consistent with prior audit practices. An approved private school may submit an audit **for the 2003-2004 school year** prepared by an independent certified public accountant provided the following have occurred:

(1) The Department of Education has failed to process and settle the cost reports within twelve (12) months from submission by the approved private school.

(2) The Department of Education has failed to settle any appeals or postsettlement resolution within fifteen (15) months from submission by the approved private school.

(3) The approved private school has responded to reasonable requests for information and documents by the Department of Education.

Upon receipt of the independent audit **for the 2003-2004 school year**, the Department of Education shall have three (3) months to review the audit and settle any outstanding payments due to or from the approved private school.

(c.3) **For payments made during the 2004-2005 school year, the Department of Education shall establish an approved tuition rate**

for each approved private school by dividing the amount calculated under subsection (a.1) by the full-time equivalent enrollment for the approved private school for the 2003-2004 school year. This calculation shall be adjusted for residential and non-residential students. The approved tuition rate multiplied by the full-time equivalent enrollment shall not exceed the amount calculated under subsection (a.1).

(c.4) Beginning August 15, 2004, and no later than August 15 of each year thereafter, each approved private school shall submit budget information for the current school year on forms and in a manner determined by the Department of Education. The budget information shall include a proposed tuition rate or rates and projected full-time equivalent enrollment for the current year. An approved private school may submit separate proposed tuition rates for up to three levels of services and for day and residential students, pursuant to the guidelines established under subsection (c.7).

(c.5) For payments made during the 2005-2006 school year and each school year thereafter, beginning January 15, 2005, and no later than January 15 of each year thereafter, the Department of Education shall establish an approved tuition rate or rates and full-time equivalent enrollment for each approved private school for the current school year. Where an approved private school has submitted one tuition rate, the approved tuition rate shall be determined by dividing the amount calculated under subsection (a.2) by the full-time equivalent enrollment for the approved private school for the prior school year. Where an approved private school has submitted more than one tuition rate, the sum of the products of each approved tuition rate and corresponding full-time equivalent enrollment for the approved private school for the prior school year shall equal the amount calculated under subsection (a.2). An approved private school may enroll students in excess of the approved full-time equivalent enrollment. Where an approved private school enrolls students in excess of the approved full-time equivalent enrollment, it must show a corresponding decrease in its approved tuition rate.

(c.6) No later than May 1, 2005, and May 1 of each school year thereafter, the department shall annually publish a report on the department's publicly accessible World Wide Web site that shall include, but not be limited to:

(1) The approved tuition rate or rates for each approved private school for the current school year.

(2) A description of the exceptionalities each approved private school is approved to serve.

(3) A description of all programs and services offered by each approved private school.

(c.7) No later than November 1, 2004, the Department of Education shall issue guidelines establishing the levels of services to assist each approved private school in determining its proposed tuition rate or rates. The guidelines shall allow an approved private school to establish approved tuition rates for up to three levels of services and for day and residential students.

(d) No private institution receiving payment in accordance with this section shall impose any charge on the student and/or parents who are Pennsylvania approved reimbursable residents for a program of individualized instruction and maintenance appropriate to the child's needs; except that charges for services not part of such program may be made if agreed to by the parents.

(e) [As used in this section, "independent"] **The following words and phrases as used in this section shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:**

"Approved full-time equivalent enrollment" means the full-time equivalent enrollment set by the Department of Education pursuant to the provisions of subsection (c.3) or (c.5).

"Approved tuition rate" means the final tuition rate set by the Department of Education pursuant to the provisions of subsection (c.3) or (c.5).

"Audit," for the purpose of subsection (a.1), means the fiscal audit issued by the Governor's Office of the Budget, excluding questioned costs.

"Claim form," for the purpose of subsection (a.1), means the form that each approved private school submitted following the end of the fiscal year showing the final costs claimed for the fiscal year.

"Current school year" means the year in which payment is being made.

"Full-time equivalent enrollment" means the number of students enrolled in an approved private school pursuant to subsection (a) or (b).

"Independent certified public accountant" means a member of the American Institute of Certified Public Accountants that has a minimum of five (5) years' verifiable experience in performing audits of government funds for nonprofit organizations with a comparable or larger annual budget.

"Midyear budget," for the purpose of subsection (a.1), means the adjusted budget for the 2003-2004 school year submitted by each approved private school in January 2004.

"Preliminary budget," for the purpose of subsection (a.1), means the budget for the 2004-2005 school year submitted by each approved private school in June 2004.

"Prior school year" means the year for which payment is made during the current year.

"Proposed tuition rate" means the amount submitted by each approved private school to the Department of Education to be used in establishing the cost that the approved private school incurred to provide instructional and residential services for each full-time equivalent student. An approved private school may submit information to establish costs for up to three (3) levels of services and for day and residential students.

Section 1376.1. Actual Cost of Tuition and Maintenance of Certain Exceptional Children in the Four Chartered Schools for Education of the Deaf and the Blind.--(a) The following term, whenever used or referred to in this section, shall have the following meaning. "Chartered school" shall mean any of the four (4) chartered schools for the education of the deaf or the blind: the Pennsylvania School for the Deaf; the Overbrook School for the Blind; the Western Pennsylvania School for Blind Children; and the Western Pennsylvania School for the Deaf.

(b) When any child of school age resident in this Commonwealth, who is blind or deaf, is enrolled with the approval of the Department of Education as a pupil in any of the four (4) chartered schools in accordance with standards and regulations promulgated by the State Board of Education, the school district in which such child is resident shall pay the greater of either twenty percent (20%) of the actual cost of tuition and maintenance of such child in such institution, as determined by the [Department of Education] **department**; or its "tuition charge per elementary pupil" or its "tuition charge per high school pupil," and the Commonwealth shall pay, out of funds appropriated to the department for special education, the balance due for the costs of such child's tuition and maintenance, as determined by the department. For the school years 1989-90, 1990-91 and 1991-92, the school district payment shall be no greater than forty percent (40%) of the actual audited costs of tuition and maintenance of such child in such school. For

the 1992-1993 school year [and each school year thereafter] **through the 2003-2004 school year**, the school district payment shall be the greater of forty percent (40%) of the actual audited costs of tuition and maintenance of such child in such school, as determined by the [Department of Education] **department**, or its "tuition charge per elementary pupil" or its "tuition charge per high school pupil," and the Commonwealth shall pay out of funds appropriated to the department for chartered schools the balance due for the costs of such child's tuition and maintenance, as determined by the department. **For the 2004-2005 school year and each school year thereafter**, the school district or charter school payment shall be the greater of forty percent (40%) of the approved tuition rate established in subsection (f.1) or (f.3) or the school district's or charter school's "tuition charges per elementary pupil" or "tuition charges per secondary pupil" as calculated under section 2561, and the Commonwealth shall pay out of funds appropriated to the department for chartered schools the balance of the approved tuition rate due for such child's tuition and maintenance. The department will credit the district of residence with average daily membership for such child consistent with the rules of procedure developed in accordance with section 2501. If the residence of such child in a particular school district cannot be determined, the Commonwealth shall pay[, out of moneys appropriated to the department for special education,] the whole cost of tuition and maintenance of such child **as established under subsection (f.1) or (f.3)**.

(b.1) For the 2004-2005 school year, the following apply:

(1) The department shall determine the payment amount for each chartered school for all students enrolled in a chartered school for the 2003-2004 school year based on the average of:

(i) The preliminary budget submitted to the department by the chartered school for the 2004-2005 school year.

(ii) The midyear budget submitted to the department by the chartered school for the 2003-2004 school year.

(iii) The audit issued by the Governor's Office of the Budget for the 2002-2003 school year, excluding questioned costs. If the 2002-2003 audit is not available, the department shall use the claim form submitted by the chartered school for the 2002-2003 school year.

(2) No later than August 10, 2004, the department shall notify each school district of residence or charter school of a child enrolled in a chartered school of its payment amount under subsection (b).

(3) The department shall pay each chartered school the total amount calculated pursuant to this subsection divided into twelve (12) monthly payments. The department shall withhold the school district or charter school payment amount calculated under subsection (b) from the amount of State payments made to the school district or charter school. In no event shall the sum of the Commonwealth's share of payments to chartered schools under this subsection exceed the appropriation for chartered schools.

(b.2) Payments are as follows:

(1) For the 2005-2006 school year and each school year thereafter, the department shall determine the payment amount for each chartered school for all students enrolled in a chartered school for the prior school year as follows:

(i) Multiply the payment determined for the immediate preceding school year by one hundred and twenty-five percent (125%) of the percentage increase in the appropriation for special education for the fiscal year prior to the fiscal year in which payments under this subsection are made.

(ii) Add the product under subparagraph (i) to the payment determined for the immediately preceding school year.

(2) No later than May 10, 2005, and no later than May 10 of each school year thereafter, the department shall notify each school district of residence or charter school of a child enrolled in a chartered school of its payment amount under subsection (b).

(3) The department shall pay each chartered school the total amount calculated pursuant to this subsection divided into twelve (12) monthly payments. The department shall withhold the school district or charter school payment amount calculated under subsection (b) from the amount of any and all State payments made to the school district or charter school. In no event shall the sum of the Commonwealth's share of payments to chartered schools under this subsection exceed the appropriation for chartered schools.

(c) When any person less than school age resident in this Commonwealth who is blind or deaf is enrolled, with the approval of the [Department of Education] **department**, as a residential pupil in any of the four (4) chartered schools, the Commonwealth shall pay to the school[, out of moneys appropriated to the department for special education, the actual cost of tuition and maintenance of such person, as determined by the Department of Education, subject to review and approval in accordance with standards and regulations promulgated by the State Board of Education in accordance with subsection (e)] **the approved tuition rate for such child's tuition and maintenance**, and in addition, in the case of any child less than school age, who is blind, the cost, as determined by the [Department of Education] **department** of instructing the parent of such blind child in caring for such child.

(d) None of the chartered schools receiving payment in accordance with this section shall impose any charge on the student and/or parents who are approved reimbursable residents for a program of instruction and maintenance appropriate to the child's needs; except that charges for programs not part of the normal school year may be made.

[(e) For the 2004-2005 school year and each school year thereafter, a chartered school shall submit to the Department of Education such information as the Department of Education may reasonably require to determine its budgeted costs for the upcoming school year. Based upon this information and the most recent settled audit, the Department of Education shall develop an interim reimbursement rate for the chartered school. The Department of Education shall provide the chartered school with monthly payments in advance of the final cost settlement as provided for in subsection (f). The Department of Education shall adopt final reimbursement rates based on the final cost settlement. The Department of Education may withhold a portion of such payments not exceeding five percent (5%) of such payments, pending final cost settlement. In no event shall either the payments made in advance of the final cost settlement or final reimbursements based on the final cost settlement made by the Department of Education exceed the appropriation available for chartered schools.]

(f) Beginning with **payments made in** the 2004-2005 school year and each school year thereafter, the [Department of Education] **department** shall establish procedures and audit standards to govern the scope of reportable costs [and the methods used to examine and determine allowability of costs. Cost reports], **the format of the audit and the standards and methods used by the Commonwealth to audit attendance**. Each chartered school shall submit a cost report of its expenditures for the prior fiscal year to the department no later than August 1, 2004, and each August 1 thereafter. Audit reports of expenditures for the prior fiscal year prepared by an

independent certified public accountant shall be prepared in accordance with established procedures and audit standards and submitted by the chartered school to the [Department of Education after the conclusion of the school year. The Department of Education shall process these cost reports and settle any outstanding payments due to or from the chartered school within one (1) year of the cost report submission. If the cost reports are subject to any appeals or postsettlement resolution, the Department of Education shall have an additional three (3) months to settle.] **department by November 1, 2005, and no later than November 1 of each year thereafter. For payments in the 2004-2005 school year, the department shall issue guidelines for budget and audit standards no later than October 15, 2004. For payments in the 2005-2006 school year and each school year thereafter, the department shall annually issue guidelines for budget and audit standards at least three (3) months prior to the date that the chartered schools must submit their budget information pursuant to subsection (f.2). The guidelines shall include provisions for audit methodology and a definition of allowable administrative expenditures. Allowable administrative expenditures shall not exceed ten percent (10%) of each chartered school's budget. Each audit shall identify expenditures, shall include all spending on students for whom payment is made pursuant to subsection (b) or (c) and shall identify the source and amount of all revenue used to educate students for whom payment is made pursuant to subsection (b) or (c). Work papers pertaining to the audit of a chartered school by an independent certified public accountant shall be made available to the department upon request. Audits of cost reports submitted for school years prior to the 2004-2005 school year shall be completed in a manner consistent with prior audit practices. A chartered school may submit an audit for the 2003-2004 school year prepared by an independent certified public accountant provided the following have occurred:**

(1) The [Department of Education] **department** has failed to process and settle the cost reports within twelve (12) months from submission by the chartered school.

(2) The [Department of Education] **department** has failed to settle any appeals or postsettlement resolution within fifteen (15) months from submission by the chartered school.

(3) The chartered school has responded to reasonable requests for information and documents by the [Department of Education] **department.**

Upon receipt of the independent audit **for the 2003-2004 school year,** the [Department of Education] **department** shall have three (3) months to review the audit and settle any outstanding payments due to or from the chartered school.

(f.1) For payments made during the 2004-2005 school year, the department shall establish an approved tuition rate for each chartered school by dividing the amount calculated under subsection (b.1) by the full-time equivalent enrollment for the chartered school for the 2003-2004 school year. This calculation shall be adjusted for residential and non-residential students. The approved tuition rate multiplied by the full-time equivalent enrollment shall not exceed the amount calculated under subsection (b.1).

(f.2) Beginning August 15, 2004, and no later than August 15 of each year thereafter, each chartered school shall submit budget information for the current school year on forms and in a manner determined by the department. The budget information shall include a proposed tuition rate and projected full-time equivalent enrollment for the current year.

(f.3) For payments made during the 2005-2006 school year and each school year thereafter, beginning January 15, 2005, and no

later than January 15 of each year thereafter, the department shall establish an approved tuition rate and full-time equivalent enrollment for each chartered school for the current school year. The approved tuition rate shall be determined by dividing the amount calculated under subsection (b.2) by the full-time equivalent enrollment for the chartered school for the prior school year. This calculation shall be adjusted for residential and non-residential students. A chartered school may enroll students in excess of the approved full-time equivalent enrollment. Where a chartered school enrolls students in excess of the approved full-time equivalent enrollment, it must show a corresponding decrease in its approved tuition rate.

(f.4) No later than May 1, 2005, and May 1 of each school year thereafter, the department shall annually issue a report for publication on the department's publicly accessible World Wide Web site that shall include, but not be limited to:

(1) The approved tuition rate for each chartered school for the current school year.

(2) A description of the exceptionalities each chartered school is approved to serve.

(3) A description of all programs and services offered by each chartered school.

[(g) As used in this section, "independent]

(g) The following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Approved full-time equivalent enrollment" means the full-time equivalent enrollment set by the Department of Education pursuant to the provisions of subsection (f.3)

"Approved tuition rate" means the final tuition rate set by the Department of Education pursuant to the provisions of subsections (f.1) and (f.3).

"Audit," for the purposes of subsection (b.1), means the fiscal audit issued by the Governor's Office of the Budget, excluding questioned costs.

"Claim form," for the purposes of subsection (b.1), means the form that each chartered school submitted following the end of the fiscal year showing the final costs claimed for the fiscal year.

"Current school year" means the year in which payment is being made.

"Full-time equivalent enrollment" means the number of students enrolled in a chartered school pursuant to subsection (b) or (c).

"Independent certified public accountant" means a member of the American Institute of Certified Public Accountants that has a minimum of five (5) years' verifiable experience in performing audits of government funds for nonprofit organizations with a comparable or larger annual budget.

"Midyear budget," for the purposes of subsection (b.1), means the adjusted budget for the 2003-2004 school year submitted by each chartered school in January 2004.

"Preliminary budget," for the purposes of subsection (b.1), means the budget for the 2004-2005 school year submitted by each chartered school in June 2004.

"Prior school year" means the year for which payment is made during the current year.

"Proposed tuition rate" means the amount submitted by each chartered school to the Department of Education to be used in establishing the cost that the chartered school incurred to provide instructional and residential services for each full-time equivalent student.

Section 11. The act is amended by adding a section to read:

Section 1525. Agreements with Institutions of Higher Education.--Notwithstanding any other provision of law to the

contrary, a school district may enter into an agreement with one or more institutions of higher education approved to operate in this Commonwealth in order to allow resident students to attend such institutions of higher education while the resident students are enrolled in the school district. The agreement may be structured so that high school students may receive credits toward completion of courses at the school district and at institutions of higher education approved to operate in this Commonwealth.

Section 12. Section 1550 of the act, added December 23, 2003 (P.L.304, No.48), is amended to read:

Section 1550. Firefighter and Emergency Service Training.--(a) Beginning with the 2003-2004 school year and each school year thereafter, a school district may offer firefighter and emergency service training as credit-earning courses to students of the age of sixteen (16) years or older. Such courses may include:

(1) Training as a Firefighter I from the National Board on Fire Service Professional Qualifications.

(2) Training as an emergency medical technician [by the Department of Health under] **pursuant to** the act of July 3, 1985 (P.L.164, No.45), known as the "Emergency Medical Services Act."

(b) A school district that offers firefighter and emergency service training as credit-earning courses shall provide transportation to and supervision during any firefighter and emergency service training program that takes place off school grounds. Supervision of training shall be conducted as a cooperative education program in accordance with the provisions of 22 Pa. Code § 11.28 (relating to out-of-school programs).

Section 13. The definition of "eligible school entity" in section 1501-C of the act, amended December 23, 2003 (P.L.304, No.48), is amended to read:

Section 1501-C. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

* * *

"Eligible school entity." For the purposes of the Educational Assistance Program operated pursuant to sections 1502-C and 1512-C, a school entity with one or more schools identified by the Department of Education as having failed to meet one or more academic performance targets **in the 2002-2003 school year**.

* * *

Section 14. Section 1512-C(g) of the act, added December 23, 2003 (P.L.304, No.48), is amended and the section is amended by adding a subsection to read:

Section 1512-C. Educational Assistance Program.

* * *

(g) Educational assistance funding.--

(1) During the 2003-2004 and 2004-2005 school years, the department shall provide each eligible school entity with educational assistance funding calculated by:

(i) Dividing the number of Pennsylvania System of School Assessment tests administered in the eligible school entity on which students scored below proficient in reading or mathematics by the total number of Pennsylvania System of School Assessment tests administered in the eligible school entity in reading and mathematics during the [immediate preceding] **2002-2003** school year.

(ii) Multiplying the quotient from subparagraph (i) by the average daily membership of the eligible school entity during the [immediate preceding] **2002-2003** school year.

(iii) Multiplying the product from subparagraph (ii) by the dollar value of funds appropriated to the Department of Education for the Educational Assistance Program.

(iv) Dividing the product from subparagraph (iii) by the sum of the products of subparagraph (ii) for all eligible school entities that qualify for grant funds under this subsection.

(2) The amount of educational assistance funding provided under this article shall be limited to funds appropriated for this purpose.

(h.1) Redistribution of funds.--For the 2004-2005 school year, an eligible school entity that chooses not to receive educational assistance funding under subsection (g) shall forfeit the right to such funds. Such funds shall then be distributed on a pro-rata basis among all other eligible school entities choosing to receive educational assistance funding under subsection (g).

* * *

Section 15. The act is amended by adding an article to read:

ARTICLE XV-E

CHARACTER EDUCATION PROGRAM

Section 1501-E. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Character education." A course of instruction designed to educate and assist students in developing basic civic values and character traits, a service ethic and community outreach and thus to improve the school environment and student achievement and learning.

"Character education program" or "program." A program designed and implemented by a school district to provide a course of character education to students in that school district. This term includes, but is not limited to:

(1) Professional education for professional educators for the delivery of character education.

(2) Participation in professional education programs by members of the Character Education Advisory Group.

"Department." The Department of Education of the Commonwealth.

"Grant program." The Character Education Grant Program established by section 1504-E.

"Professional educator." An individual who holds a Pennsylvania teacher, educational specialist or administrative certification or letter of eligibility.

"Secretary." The Secretary of Education of the Commonwealth.

Section 1502-E. Character education program.

(a) Authorization.--The board of school directors of a school district may establish and implement a character education program in its schools.

(b) Curriculum contents.--The program may include and teach the following basic civil values and character traits:

(1) Trustworthiness, including honesty, integrity, reliability and loyalty.

(2) Respect, including regard for others, tolerance and courtesy.

(3) Responsibility, including hard work, economic self-reliance, accountability, diligence, perseverance and self-control.

(4) Fairness, including justice, consequences of bad behavior, principles of nondiscrimination and freedom from prejudice.

(5) Caring, including kindness, empathy, compassion, consideration, generosity and charity.

(6) Citizenship, including love of country, concern for the common good, respect for authority and the law and community mindedness.

(c) Additional elements.--The program may also include and teach the importance of a service ethic and community outreach.

(d) Character education advisory group.--

(1) If a board of school directors elects to establish the program, the board of school directors shall develop the program in consultation with a character education advisory group. The board of directors of a school district shall appoint the members of the character education advisory group.

(2) A character education advisory group shall consult with and advise the board of school directors in the development of the program. The members of the character education advisory group shall elect a chairperson of the group.

(3) The board of school directors shall appoint to the character education advisory group no less than two representatives from each of the following groups:

(i) Parents and legal guardians of students in the school district.

(ii) Teachers and administrators employed by the school district.

(iii) Other members of the community where the school district is located, including social, cultural, business and religious leaders.

(4) The board of school directors shall:

(i) Cooperate and consult with the character education advisory group.

(ii) Provide assistance and relevant materials to the character education advisory group.

(5) (i) The character education advisory group shall consult with and advise the board of school directors until such time that the program is fully developed and deemed completed.

(ii) The board of school directors shall have the sole authority to determine the completion of the program and may elect to continue the duration of the character education advisory group for up to two additional years for the purpose of receiving consultation and advice from the character education advisory group regarding the school district's implementation of the program.

(e) Integration of concepts into total curriculum.--The program shall be integrated into the school procedures and environment and structured to instruct primarily through example. Classroom instruction may also be used to supplement the program.

Section 1503-E. Department duties and powers.

The department shall:

(1) Establish criteria and guidelines for the establishment and implementation of programs that are consistent with this article. These guidelines shall also include methods of evaluating the programs and curricula.

(2) Provide resources and technical assistance to boards of directors of school districts regarding the establishment and implementation of successful programs, upon the request of the board of directors of the school district.

(3) Identify and analyze effective programs and practices and related professional development for professional educators and provide such information to a school district upon request of the board of directors of the school district.

(4) Collect and disseminate among school districts information regarding programs and practices and potential support sources, including character education programs that have been successfully established and implemented in other states.

(5) Provide resources and technical assistance to boards of school directors of school districts that support the professional development of professional educators in the establishment and implementation of the program.

(6) Collect and disseminate among school districts information regarding effective professional education for professional educators regarding the establishment and implementation of the program.

(7) Seek, apply for and accept grants or contributions of funds from any public or private source, including the acceptance of Federal funds appropriated by the General Assembly for the purposes of this article.

(8) To the extent that funds are available, establish and award grants under the grant program to assist school districts in establishing and implementing programs.

(9) Maintain a list of school districts that have established and implemented the program pursuant to this article.

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

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

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

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

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

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

Section 1504-E. Character Education Grant Program.

(a) Establishment.--There is hereby established in the department the Character Education Grant Program for the purpose of funding the establishment and implementation of a program by a school district.

(b) Eligibility.--A school district that establishes and implements the program in compliance with the requirements established under section 1502-E and with department criteria and guidelines established under section 1503-E may apply to the department for a grant. Grants shall be awarded to eligible school districts from funds appropriated and funds received by the department for this purpose.

(c) Permitted uses.--The grant shall be used by a school district to fund the establishment and implementation of the program.

(d) Adoption of application procedures.--The secretary shall adopt such procedures, rules and form as may be necessary to implement this grant program by regulation.

(e) Application forms.--Applications shall be made to the department in such form and at such time as the secretary may prescribe by regulation.

(f) Other funding sources.--Funds received under the grant program may be used in conjunction with funds received from any other public or private source.

Section 1505-E. Prohibited instruction.

Nothing in this article shall be construed to authorize a board of school directors of a school district to establish and implement the program in such a manner that it instructs, proselytizes or indoctrinates students in a specific religious or political belief.

Section 1506-E. Local control.

Nothing in this article shall be construed to require a board of school directors of a school district to establish and implement the program or to apply for any grant from the Commonwealth or any other source for the purposes of funding the establishment or implementation of the program.

Section 16. The act is amended by adding a section to read:

Section 1605-A. Pennsylvania Athletic Oversight Committee.--(a) The Pennsylvania Athletic Oversight Committee is hereby established.

(b) The committee shall have six voting members who shall serve at the pleasure of the appointing authority and be appointed as follows:

(1) Three members of the Senate, of whom two shall be appointed by the President pro tempore of the Senate and one shall be appointed by the Minority Leader of the Senate. To the greatest extent possible, appointees should have some experience in interscholastic athletics or shall be parents of students involved in interscholastic athletics.

(2) Three members of the House of Representatives, of whom two shall be appointed by the Speaker of the House of Representatives and one shall be appointed by the Minority Leader of the House of Representatives. To the greatest extent possible, appointees should have some experience in interscholastic athletics or shall be parents of students involved in interscholastic athletics.

(3) A chairman and vice chairman shall be elected from among the members appointed under this subsection.

(c) The committee shall meet at least once each year for the purpose of reviewing the association's continued compliance with the criteria listed in section 1604-A(a) and (b) and responding to issues related to the activities of the association referred to the committee. The committee shall issue an annual report of its findings to the President pro tempore of the Senate and the Speaker of the House of Representatives.

Section 17. Section 1714-A of the act, added June 19, 1997 (P.L.225, No.22), is amended to read:

Section 1714-A. Powers of Charter Schools.--(a) A charter school established under this act is a body corporate and shall have all powers necessary or desirable for carrying out its charter, including, but not limited to, the power to:

(1) Adopt a name and corporate seal; however, any name selected shall include the words "charter school."

(2) Sue and be sued, but only to the same extent and upon the same condition that political subdivisions and local agencies can be sued.

(3) Acquire real property from public or private sources by purchase, lease, lease with an option to purchase or gift for use as a charter school facility.

- (4) Receive and disburse funds for charter school purposes only.
- (5) Make contracts and leases for the procurement of services, equipment and supplies.
- (6) Incur temporary debts in anticipation of the receipt of funds.

(6.1) Incur debt for the construction of school facilities.

(7) Solicit and accept any gifts or grants for charter school purposes.

(b) A charter school shall have such other powers as are necessary to fulfill its charter and which are not inconsistent with this article.

(c) Any indebtedness incurred by a charter school in the exercise of the powers specified in this section shall not impose any liability or legal obligation upon a school entity or upon the Commonwealth.

Section 18. Section 1722-A(c) of the act is repealed.

Section 19. Section 1729-A(i) of the act, added June 19, 1997 (P.L.225, No.22), is amended to read:

Section 1729-A. Causes for Nonrenewal or Termination.--* * *

(i) When a charter is revoked [or is], not renewed, **forfeited, surrendered or otherwise ceases to operate**, the charter school shall be dissolved. After the disposition of any liabilities and obligations of the charter school, any remaining assets of the charter school, **both real and personal**, shall be distributed on a proportional basis to the school entities with students enrolled in the charter school for the last full or partial school year of the charter school. **In no event shall such school entities or the Commonwealth be liable for any outstanding liabilities or obligations of the charter school.**

* * *

Section 20. Section 1705-B(a) and (h)(4) of the act, amended November 22, 2000 (P.L.672, No.91) and December 23, 2003 (P.L.304, No.48), are reenacted or amended and the section is amended by adding a subsection to read:

Section 1705-B. Education Empowerment Districts.--(a) Except as provided in subsection **(a.1)** or (h), a school district on the education empowerment list that does not meet the goals for improving educational performance set forth in the school district improvement plan and maintains a history of low test performance at the end of the third school year following the date of its placement on the list shall be certified by the department as an education empowerment district, and a board of control shall be established. The department may allow the school district to remain on the education empowerment list for an additional school year prior to certifying the school district as an education empowerment district if the department determines that the additional year will enable the school district to improve test performance and meet other goals set forth in the school district improvement plan.

(a.1) Notwithstanding the provisions of subsection (a), beginning June 1, 2004, a school district that does not meet the goals for improving educational performance set forth in the school district improvement plan and maintains a history of low test performance at the end of the third school year following the date of its placement on the list shall remain on the education empowerment list until the school district no longer has a history of low test performance and meets the goals set forth in the school district improvement plan.

* * *

(h) * * *

(4) The department may utilize up to \$2,000,000 of undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the department to assist school

districts certified as an education empowerment district under paragraph (3). There is hereby established a restricted account from which payments under this paragraph shall be paid. Funds shall be transferred by the Secretary of the Budget to the restricted account to the extent necessary to make payments under this paragraph. Funds in the restricted account are hereby appropriated to carry out the purposes of this paragraph. The subsidy payment from this account shall be utilized to supplement the operational budget of the eligible school districts. This paragraph shall apply to fiscal years 2000-2001, 2001-2002, 2002-2003 [and], 2003-2004 **and 2004-2005** and shall expire June 30, [2004] **2005**.

Section 21. Sections 1714-B(g) and 1714.1-B of the act, amended or added December 23, 2003 (P.L.304, No.48), are amended to read:

Section 1714-B. Mandate Waiver Program.--* * *

(g) The following provisions of this act shall not be subject to waiver pursuant to this section: sections 108, 110, 111, 321, 322, 323, 324, 325, 326, 327, 431, 436, 437, 440.1, 443, 510, 513, 518, 527, 688, 701.1, 708, 736, 737, 738, 739, 740, 741, 752, 753, 755, 771, 776, 777, **778**, 808, 809, 810, 1303(a), 1310, 1317, 1317.1, 1317.2, 1318, 1327, 1327.1, 1330, 1332, 1361, 1366, 1501, 1502, 1513, 1517, 1518, 1521, 1523, 1546 and 1547; provisions prohibiting discrimination; Articles VI, XI, XI-A, XII, XIII-A, XIV and XVII-A and this article.

* * *

Section 1714.1-B. Limitation.--Notwithstanding any other provision of this article, no school district shall be placed on the education empowerment list under section 1703-B or certified as an education empowerment district under section 1705-B or 1707-B on or after [July] **June 1, 2004. Any placement or certification that occurs on or after June 1, 2004, shall be null and void.**

Section 22. Section 1904-A of the act is amended by adding a subsection to read:

Section 1904-A. Election or Appointment; Term and Organization of Board of Trustees.--* * *

(d) **Notwithstanding the provisions of subsections (a) and (b), the board of trustees of a community college may appoint a trustee from each county where a campus or satellite classroom is located for which no local sponsor exists. The trustee shall be selected by the board of trustees of the community college. Trustees appointed under the provisions of this subsection shall be appointed for terms of two years.**

Section 23. The act is amended by adding a section to read:

Section 1916-A. Community College Nonmandated Capital Restricted Account.--(a) There is hereby established the Community College Nonmandated Capital Restricted Account for the purpose of making payments to community colleges for certain nonmandated capital projects.

(b) **The sources of the restricted account may include:**

(1) **With the approval of the Secretary of the Budget, in consultation with the Secretary of Education, reimbursements repaid by community colleges to the Commonwealth pursuant to audits under section 1913-A and regulations under that section.**

(2) **Appropriations.**

(3) **Earnings on money in the restricted account.**

(c) **The restricted account shall be used for nonmandated capital projects in community colleges. The Department of Education shall develop guidelines for disbursement in consultation with community colleges.**

(d) **The money in the restricted account is hereby appropriated to the department on a continuing basis for the purposes identified in this section.**

Section 24. Section 2004-A(c) of the act, amended June 23, 1988 (P.L.457, No.77), is amended to read:

Section 2004-A. Board of Governors.--* * *

(c) (1) The Governor or his designee, and the Secretary of Education or his designee, and the members of the General Assembly shall be members of the board and shall be entitled to attend all meetings of the board and shall have the right to speak on all matters before the board, and to vote, but shall not be elected as an officer of the board.

(2) **A member of the General Assembly appointed under subsection (a) may designate an official representative to attend any meetings of the board, the executive committee of the board and any committee to which the member of the General Assembly is assigned. Such official representative shall have the right to speak on all matters before the board, the executive committee and any committee to which the member of the General Assembly is assigned but shall not have the right to vote on behalf of the member of the General Assembly.**

* * *

Section 25. Sections 2005-B(d) and 2502.13 of the act, amended December 23, 2003 (P.L.304, No.48), are amended to read:

Section 2005-B. Tax credit.

* * *

(d) **Combination of tax credits.--A business firm may receive [a tax credit from the Department of Revenue for a contribution under subsection (a) or (c), or both.] tax credits from the Department of Revenue in any tax year for any combination of contributions under subsection (a) or (b) or (c). In no case may a business firm receive tax credits in any tax year in excess of \$200,000 for contributions under subsections (a) and (b). In no case shall a business firm receive tax credits in any tax year in excess of \$100,000 for contributions under subsection (c).**

Section 2502.13. Small District Assistance.--For the 1984-1985 and 1985-1986 school years, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to fifty dollars (\$50) multiplied by that district's average daily membership. For the 1985-1986 school year, no school district shall receive less on account of this section than it did for the 1984-1985 school year. For the school year 1986-1987, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1985-1986 school year, an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school year 1987-1988, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1986-1987 school year, an amount equal to eighty-five dollars (\$85) multiplied by that district's average daily membership. For the school year 1988-1989, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1987-1988 or 1988-1989 school year, an amount equal to one hundred five dollars (\$105). For the school year 1989-1990, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000)

or greater, or received payments under this section for the 1987-1988 school year, an amount equal to one hundred fifteen dollars (\$115) multiplied by the district's average daily membership as provided for in section 212 of the act of July 1, 1990 (P.L.1591, No.7A), known as the "General Appropriation Act of 1990." For the school year 1990-1991, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the prior school year, an amount equal to one hundred seventy dollars (\$170) multiplied by that district's average daily membership. For the school year 1990-1991, each school district with a population per square mile of less than ninety (90), which otherwise meets the average daily membership and market value/income aid ratio requirements of this section, or received payments under this section for the prior school year, shall instead receive an amount equal to one hundred ninety dollars (\$190) multiplied by that district's average daily membership. For the 1987-1988 school year through the 1990-1991 school year, no school district shall receive less on account of this section than it did for the prior school year. For the school year 1994-1995, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to ninety five dollars (\$95) multiplied by that district's average daily membership. For each of the school years 1997-1998 through 1999-2000, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school years 2000-2001, 2001-2002 and 2002-2003, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. **For the school year 2003-2004, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school year 2003-2004, the Commonwealth shall pay an additional amount to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater an amount equal to fifty dollars (\$50) multiplied by that district's average daily membership.**

Section 26. Section 2502.30 of the act, amended December 23, 2003 (P.L.304, No.48), is reenacted and amended to read:

Section 2502.30. Temporary Special Aid to School Districts [Suffering Loss of Tax Revenue Due to Reduction in Assessed Valuation of Taxable Property].--(a) Temporary special aid shall be paid in fiscal years 1994-1995, 1995-1996, 1996-1997, 1997-1998, 1998-1999, 1999-2000, 2001-2002, 2002-2003 and 2003-2004 to school districts experiencing a severe reduction in local revenue due to a decline in the assessed value of taxable properties. The allocation to these districts shall be determined by multiplying the reduction in assessed value between 1985-1986 and 1992-1993 by the 1992-1993 real estate millage rate. This aid shall be paid from undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the Department of Education. No other funds shall be used for assistance under this section. These funds shall be sufficient to provide temporary relief

to seven school districts in fiscal year 1995-1996 at seventy-five per centum (75%) of the funds received in fiscal year 1994-1995, in fiscal year 1996-1997 at fifty per centum (50%) of the funds received in fiscal year 1994-1995, in fiscal year 1997-1998, 1998-1999 and in fiscal year 1999-2000 at twenty-five per centum (25%) of the funds received in fiscal year 1994-1995. For fiscal years 2001-2002, 2002-2003 and 2003-2004 to the extent funds are available as determined by the Secretary of the Budget, qualifying school districts shall receive twenty-five per centum (25%) of the funds received in fiscal year 1994-1995.

(a.1) (1) Temporary special aid shall be paid in fiscal year 2004-2005 out of the appropriation for basic education funding to school districts to certain school districts that have experienced severe increases in average daily membership and in market value/income aid ratio. To qualify for temporary special aid under this subsection, the school district's 2004-2005 market value/income aid ratio must be greater than five thousand two hundred ten-thousandths (0.5200), the increase from the school district's 1991-1992 average daily membership to its 2003-2004 average daily membership must be equal to or greater than eighteen per centum (18%) and the increase from the school district's 1991-1992 market value/income aid ratio to its 2003-2004 market value/income aid ratio must be equal to or greater than fifteen per centum (15%).

(2) The allocation to a qualifying school district under this subsection shall be determined by:

(i) Subtracting the school district's 1991-1992 average daily membership from its 2003-2004 average daily membership.

(ii) Multiplying the difference from subparagraph (i) by eight million five hundred thousand dollars (\$8,500,000).

(iii) Dividing the product from subparagraph (ii) by the sum of the differences from subparagraph (i).

(a.2) (1) Temporary special aid shall be paid in fiscal year 2004-2005 out of the appropriation for basic education funding to school districts to certain school districts that have extremely high local tax effort. To qualify for temporary special aid under this subsection, the school district's 2002 equalized millage rate must be equal to or greater than thirty-three (33) equalized mills and its 2004-2005 market value/income aid ratio must be equal to or greater than six thousand four hundred ten-thousandths (0.6400).

(2) The allocation to a qualifying school district under this subsection shall be determined by:

(i) Multiplying the school district's 2003-2004 average daily membership by seven hundred fifty thousand dollars (\$750,000).

(ii) Dividing the product from subparagraph (i) by the 2003-2004 average daily membership for all qualifying school districts.

(b) Payments made pursuant to subsection (a) shall be paid from a restricted receipt account, which is hereby established, for such payments. Funds shall be transferred by the Secretary of the Budget to the restricted account only to the extent necessary to make the payments authorized by this section. The money in the restricted account is hereby appropriated from the account for purposes of this section.

(c) This section shall expire [October 1, 2004] **June 30, 2005.**
Section 27. The act is amended by adding sections to read:

Section 2502.43. Basic Education Funding for 2003-2004 School Year.--For the 2003-2004 school year, the Commonwealth shall pay to each school district a basic education funding allocation which shall consist of the following:

(1) An amount equal to the basic education funding allocation for the 2002-2003 school year pursuant to sections 2502.13 and 2502.41.

(2) Where the school district received a grant under section 1709-B during the 2003-2004 school year but is not eligible to

receive such a grant during the 2004-2005 school year, an amount equal to the grant amount it received during the 2003-2004 school year multiplied by fifty percent (50%).

(3) Where the school district received funds pursuant to section 2502.30(a) during the 2003-2004 school year, an amount equal to the amount it received during the 2003-2004 school year.

(4) A base supplement calculated as follows:

(i) If the school district's 2004-2005 market value/income aid ratio is equal to or greater than seven thousand ten-thousandths (.7000):

(A) Multiply the school district's 2004-2005 market value/income aid ratio by its 2003-2004 average daily membership.

(B) Multiply the product from clause (A) by seven million five hundred thousand dollars (\$7,500,000).

(C) Divide the product from clause (B) by the sum of the products of the 2004-2005 market value/income aid ratio multiplied by the 2003-2004 average daily membership for all qualifying school districts.

(ii) If the school district's 2004-2005 market value/income aid ratio is equal to or greater than four thousand ten-thousandths (.4000) and less than seven thousand ten-thousandths (.7000):

(A) Multiply the school district's 2004-2005 market value/income aid ratio by its 2003-2004 average daily membership.

(B) Multiply the product from clause (A) by thirty-four million dollars (\$34,000,000).

(C) Divide the product from clause (B) by the sum of the products of the 2004-2005 market value/income aid ratio multiplied by the 2003-2004 average daily membership for all qualifying school districts.

(iii) If the school district's 2004-2005 market value/income aid ratio is less than four thousand ten-thousandths (.4000):

(A) Multiply the school district's 2004-2005 market value/income aid ratio by its 2003-2004 average daily membership.

(B) Multiply the product from clause (A) by five million dollars (\$5,000,000).

(C) Divide the product from clause (B) by the sum of the products of the 2004-2005 market value/income aid ratio multiplied by the 2003-2004 average daily membership for all qualifying school districts.

(5) A poverty supplement calculated for qualifying school districts as follows:

(i) To qualify for the poverty supplement, a school district's 2004-2005 market value/income aid ratio must be equal to or greater than six thousand five hundred ten-thousandths (0.6500) and its personal income valuation when divided by its 2003-2004 average daily membership must be equal to or less than one hundred three thousand five hundred seventy-one dollars (\$103,571).

(ii) The poverty supplement shall be calculated for qualifying school districts as follows:

(A) Multiply the school district's 2003-2004 average daily membership by thirty-three million dollars (\$33,000,000).

(B) Divide the product from clause (A) by the sum of the 2003-2004 average daily membership for all qualifying school districts.

(6) A tax effort supplement calculated for qualifying school districts as follows:

(i) To qualify for the tax effort supplement, a school district's 2002 equalized millage must be equal to or greater than 20.0 equalized mills.

(ii) The tax effort supplement shall be calculated for qualifying school districts as follows:

(A) Multiply the school district's 2003-2004 average daily membership by ten million dollars (\$10,000,000).

(B) Divide the product from clause (A) by the sum of the 2003-2004 average daily membership for all qualifying school districts.

(7) A growth supplement calculated for qualifying school districts as follows:

(i) To qualify for the growth supplement, a school district's 2003-2004 average daily membership must be greater than its 2002-2003 average daily membership.

(ii) The growth supplement shall be calculated for qualifying school districts as follows:

(A) Subtract the school district's 2002-2003 average daily membership from its 2003-2004 average daily membership and multiply the difference by its 2004-2005 market value/income aid ratio.

(B) Multiply the difference from clause (A) by thirteen million dollars (\$13,000,000).

(C) Divide the product from clause (B) by the sum of the differences from clause (A) for all qualifying school districts.

(8) Each school district shall receive additional funding as necessary so that the sum of the amounts under section 2502.13 and paragraphs (4), (5), (6), (7) and this paragraph will equal at least two percent (2%) of the amount in paragraph (1).

Section 2504.4. Payments on Account of Limited English Proficiency Programs.--(a) To qualify for limited English proficiency payments under this section, a school district's 2004-2005 market value income aid ratio must be greater than or equal to 0.3000 and the number of enrolled students identified as limited English proficient in the 2002-2003 school year must be no less than 2% of the school district's 2002-2003 average daily membership. The allocation to a qualified school district under this section shall be paid in fiscal year 2004-2005 out of the appropriation for basic education funding to school districts and determined by:

(1) multiplying the number of enrolled students identified as Limited English Proficient in the 2002-2003 school year in a qualified school district by \$11,135,070; and

(2) dividing the product from paragraph (1) by the total number of enrolled students identified as Limited English Proficient in all qualified school districts.

(b) Funds received by a school district under this section shall only be used to support instructional programs for students identified as Limited English Proficient. A school district shall not place any funds received under this section into any reserve account.

Section 28. Sections 2509.1 and 2509.5 of the act are amended by adding subsections to read:

Section 2509.1. Payments to Intermediate Units.--* * *

(b.12) Up to nine million seven hundred and fifty thousand dollars (\$9,750,000) may be utilized for programs administered and operated by intermediate units during the 2004-2005 school year for institutionalized children as established in subsection (b.1).

* * *

Section 2509.5. Special Education Payments to School Districts.--* * *

(nn) During the 2004-2005 school year, each school district shall be paid the amount it received during the 2003-2004 school year under subsections (ll) and (mm).

(oo) During the 2004-2005 school year, eighteen million, four hundred eighty thousand, seven hundred eighty-one dollars (\$18,480,781) of the funds appropriated to the Department of Education for special education shall be used to provide supplemental funding for special education to school districts.

(1) Each school district shall receive a funding supplement calculated as follows:

(i) multiply each school district's 2004-2005 market value/income aid ratio by sixteen percent (16%) of its 2003-2004 average daily membership;

(ii) multiply the product from clause (i) by sixteen million, seven hundred thousand dollars (\$16,700,000); and

(iii) divide the resultant product from clause (ii) by the sum of the products of the 2004-2005 market value/income aid ratio multiplied by sixteen per cent (16%) of the 2003-2004 average daily membership for all school districts.

(2) Each school district for which the supplement under paragraph (1) provides an amount less than two per cent (2%) of the sum of the amounts provided under subsections (ll) and (mm) shall receive additional funding as necessary so that the sum of the amounts provided under paragraph (1) and this paragraph equals two per cent (2%) of the sum of the amounts provided under subsections (ll) and (mm).

Section 29. Section 2591.1(d) of the act, amended December 23, 2003 (P.L.304, No.48), is amended and the section is amended by adding a subsection to read:

Section 2591.1. Commonwealth Reimbursements for Charter Schools and Cyber Charter Schools.--* * *

(c.1) For the 2003-2004 school year and each school year thereafter, the Commonwealth shall pay to each school district with resident students enrolled during the immediately preceding school year in a charter school, a charter school approved under section 1717-A or 1718-A which provides instruction through the Internet or other electronic means or a cyber charter school as defined under Article XVII-A, an amount equal to thirty percent (30%) of the total funding required under section 1725-A(a).

(d) For the fiscal year 2003-2004 and each fiscal year thereafter, if insufficient funds are appropriated to make Commonwealth payments pursuant to this section, such payments shall be made on a pro rata basis.

Section 30. Section 2599.2(c)(1) and (d) of the act, added December 23, 2003 (P.L.304, No.48), are amended to read:

Section 2599.2. Pennsylvania Accountability Grants.--* * *

(c) (1) No later than April 10, 2004 and April 10, 2005, the department shall notify each school district of the grant amount it will receive under subsection (d).

* * *

(d) During the 2004-2005 and 2005-2006 school [year] years, the department shall pay to each school district a Pennsylvania Accountability grant equal to the sum of the amounts calculated under paragraphs (1) and (2) as follows:

(1) Each school district shall receive an amount based on the percentage of its students scoring below proficient on the PSSA tests, calculated as follows:

(i) Divide the number of PSSA tests administered in the school district on which students scored below proficient in reading or mathematics during the 2002-2003 school year by the total number of PSSA tests scored in reading and mathematics in the school district during the 2002-2003 school year.

(ii) Multiply the quotient from subparagraph (i) by the average daily membership of the school district for the 2002-2003 school year.

(iii) Multiply the product from subparagraph (ii) by the market value/income aid ratio of the school district for the 2003-2004 school year.

(iv) Multiply the product from subparagraph (iii) by [one hundred thirty-one million two hundred fifty thousand dollars (\$131,250,000)] **one hundred fifty million dollars (\$150,000,000)**.

(v) Divide the product from subparagraph (iv) by the sum of the products of subparagraph (iii) for all school districts.

(2) Each school district shall receive an amount based on the percentage of its students scoring at or above proficient on the PSSA tests, calculated as follows:

(i) Divide the number of PSSA tests administered in the school district on which students scored at or above proficient in reading or mathematics during the 2002-2003 school year by the total number of PSSA tests scored in reading and mathematics in the school district during the 2002-2003 school year.

(ii) Multiply the quotient from subparagraph (i) by the average daily membership of the school district for the 2002-2003 school year.

(iii) Multiply the product from subparagraph (ii) by the market value/income aid ratio of the school district for the 2003-2004 school year.

(iv) Multiply the product from subparagraph (iii) by [forty-three million seven hundred fifty thousand dollars (\$43,750,000)] **fifty million dollars (\$50,000,000)**.

(v) Divide the product from subparagraph (iv) by the sum of the products of subparagraph (iii) for all school districts.

(3) Grants awarded under this section shall be paid to school districts on the last Thursday of July.

* * *

Section 31. The provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity shall not affect the remaining provisions or applications.

Section 32. The following shall apply:

(1) The amendment or addition of section 1705-B(a) and (a.1) of the act shall apply retroactively to June 1, 2004.

(2) The reenactment and amendment of section 1705-B(h) (4) of the act shall apply retroactively to June 29, 2003.

(3) The amendment of section 1714.1-B of the act shall apply retroactively to June 1, 2004.

(4) The reenactment of section 2502.30 of the act shall apply retroactively to September 30, 2003.

Section 33. This act shall take effect as follows:

(1) The addition of section 778(a.1) and (b.1) of the act shall take effect in one year.

(2) The remainder of this act shall take effect immediately.

APPROVED--The 4th day of July, A. D. 2004.

EDWARD G. RENDELL