
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 113 Session of
2003

INTRODUCED BY HALUSKA, ARGALL, BEBKO-JONES, BELARDI, BELFANTI, BROWNE, BUNT, CAUSER, CAWLEY, CORRIGAN, COY, CREIGHTON, DALEY, DeLUCA, DeWEESE, EACHUS, D. EVANS, FAIRCHILD, FLEAGLE, FREEMAN, GEIST, GEORGE, GRUCELA, HARHAI, HENNESSEY, HORSEY, HUTCHINSON, KIRKLAND, KOTIK, LAUGHLIN, LEACH, LEDERER, MACKERETH, MANN, MARKOSEK, McGEEHAN, McILHATTAN, MELIO, PETRONE, PICKETT, PISTELLA, PRESTON, READSHAW, RUFFING, SAINATO, SAYLOR, SCRIMENTI, SOLOBAY, STABACK, E. Z. TAYLOR, THOMAS, TIGUE, WANSACZ, WASHINGTON, WOJNAROSKI, YOUNGBLOOD, SURRA, HARPER AND REICHLEY, FEBRUARY 6, 2003

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
OCTOBER 21, 2003

AN ACT

1 ~~Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An~~ <—
2 ~~act relating to the public school system, including certain~~
3 ~~provisions applicable as well to private and parochial~~
4 ~~schools; amending, revising, consolidating and changing the~~
5 ~~laws relating thereto," requiring school districts to reopen~~
6 ~~their 2003-2004 budgets; imposing limitations on certain~~
7 ~~unreserved fund balances; further providing for auxiliary~~
8 ~~service; deleting provisions relating to professional teacher~~
9 ~~assessment; further providing for cost of tuition and~~
10 ~~maintenance of certain exceptional children in approved~~
11 ~~private schools; providing for firefighter and emergency~~
12 ~~service training; further providing for Education Support~~
13 ~~Services Program, for education empowerment districts, for~~
14 ~~mandate waiver program and for school improvement grants;~~
15 ~~further defining "educational improvement organization" and~~
16 ~~"scholarship organization"; further providing for payments on~~
17 ~~account of pupils enrolled in vocational curriculums and for~~
18 ~~small district assistance; providing for basic education~~
19 ~~funding for 2002-2003 school year; further providing for~~
20 ~~payments to intermediate units, for special education~~
21 ~~payments to school districts and for Commonwealth~~
22 ~~reimbursements for charter schools and cyber charter schools;~~
23 ~~and making appropriations, repeals and an editorial change.~~
24 AMENDING THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), ENTITLED "AN <—

1 ACT RELATING TO THE PUBLIC SCHOOL SYSTEM, INCLUDING CERTAIN
2 PROVISIONS APPLICABLE AS WELL TO PRIVATE AND PAROCHIAL
3 SCHOOLS; AMENDING, REVISING, CONSOLIDATING AND CHANGING THE
4 LAWS RELATING THERETO," ADDING DEFINITIONS; REQUIRING SCHOOL
5 DISTRICTS TO REOPEN THEIR 2003-2004 BUDGETS; FURTHER
6 PROVIDING FOR FISCAL YEAR AND DELAY OF ADOPTION OF ANNUAL
7 BUDGET, FOR TAX LEVY AND LIMITATIONS, FOR PER CAPITA TAXES,
8 FOR AUXILIARY SERVICES AND FOR DISTRESS IN SCHOOL DISTRICTS
9 OF THE FIRST CLASS; PROVIDING FOR THE IMPOSITION AND
10 COLLECTION OF AN EARNED INCOME AND NET PROFITS TAX OR
11 PERSONAL INCOME TAX BY SCHOOL DISTRICTS AFTER APPROVAL BY THE
12 ELECTORS, FOR STATE MATCHING FUNDS FORMULA AND FOR WAGE AND
13 NET PROFITS TAX RELIEF IN CITIES OF THE FIRST CLASS; FURTHER
14 PROVIDING FOR LOAN OF TEXTBOOKS, INSTRUCTIONAL MATERIALS AND
15 INSTRUCTIONAL EQUIPMENT FOR NONPUBLIC SCHOOL CHILDREN;
16 DELETING PROVISIONS RELATING TO PROFESSIONAL TEACHER
17 ASSESSMENT; PROVIDING FOR FIREFIGHTER AND EMERGENCY SERVICE
18 TRAINING; AMENDING PROVISIONS RELATING TO THE EDUCATION
19 SUPPORT SERVICES PROGRAM; PROVIDING FOR THE EDUCATIONAL
20 ASSISTANCE PROGRAM, THE HEAD START SUPPLEMENTAL ASSISTANCE
21 PROGRAM AND FOR A CHILD DAY CARE AND EARLY CHILDHOOD
22 DEVELOPMENT STUDY; FURTHER PROVIDING FOR FUNDING FOR CHARTER
23 SCHOOLS, FOR CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER
24 SCHOOLS, FOR EDUCATION EMPOWERMENT DISTRICTS AND FOR SCHOOL
25 IMPROVEMENT GRANTS; IMPOSING CERTAIN LIMITATIONS ON
26 PROVISIONS RELATING TO EDUCATION EMPOWERMENT; FURTHER
27 PROVIDING FOR FINANCIAL PROGRAM AND REIMBURSEMENT OF PAYMENTS
28 RELATING TO COMMUNITY COLLEGES; AMENDING PROVISIONS RELATING
29 TO EDUCATIONAL IMPROVEMENT TAX CREDIT; FURTHER PROVIDING FOR
30 PAYMENTS ON ACCOUNT OF PUPILS ENROLLED IN VOCATIONAL
31 CURRICULUMS, FOR SMALL DISTRICT ASSISTANCE AND FOR TEMPORARY
32 SPECIAL AID TO SCHOOL DISTRICTS SUFFERING LOSS OF TAX REVENUE
33 UNDER CERTAIN CIRCUMSTANCES; PROVIDING FOR BASIC EDUCATION
34 FUNDING FOR 2002-2003 SCHOOL YEAR; FURTHER PROVIDING FOR
35 PAYMENTS TO INTERMEDIATE UNITS, FOR SPECIAL EDUCATION
36 PAYMENTS TO SCHOOL DISTRICTS, FOR EXTRAORDINARY SPECIAL
37 EDUCATION PROGRAM EXPENSES AND FOR COMMONWEALTH
38 REIMBURSEMENTS FOR CHARTER SCHOOLS AND CYBER CHARTER SCHOOLS;
39 PROVIDING FOR PENNSYLVANIA ACCOUNTABILITY GRANTS; ADDING
40 PROVISIONS RELATING TO CERTAIN EDUCATIONAL ACCOUNTABILITY;
41 PROVIDING FOR TEACHER RECRUITMENT ASSISTANCE; ESTABLISHING
42 THE TEACHER RECRUITMENT ASSISTANCE FUND; FURTHER PROVIDING
43 FOR POWERS AND DUTIES OF THE STATE BOARD OF EDUCATION; MAKING <—
44 APPROPRIATIONS; PROVIDING FOR APPLICABILITY OF REFERENDUM
45 EXCEPTIONS AND MAKING OF ELECTIONS; MAKING REPEALS; AND <—
46 MAKING EDITORIAL CHANGES.

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

49 ~~Section 1. Section 687 of the act of March 10, 1949 (P.L.30, <—~~
50 ~~No.14), known as the Public School Code of 1949, is amended by~~
51 ~~adding a subsection to read:~~

52 ~~Section 687. Annual Budget; Additional or Increased~~

1 ~~Appropriations; Transfer of Funds. * * *~~

2 ~~(j) (1) Notwithstanding any other provisions of this act,~~
3 ~~the board of school directors of each school district is~~
4 ~~required to and shall reopen its 2003-2004 budget during the~~
5 ~~month of July 2003 to reflect any increased State allocations~~
6 ~~under sections 2502.13 and 2502.41 for fiscal year 2003-2004~~
7 ~~provided by the General Assembly through this act and to comply~~
8 ~~with section 688.~~

9 ~~(2) In those school districts which levy taxes and where the~~
10 ~~increased State allocations exceed the State revenue figures~~
11 ~~utilized by the school district at the time of adoption of its~~
12 ~~original fiscal year 2003-2004 budget, the board of school~~
13 ~~directors shall first use the increase in State allocations to~~
14 ~~do any of the following:~~

15 ~~(i) offset the increase in the employer contribution rate on~~
16 ~~behalf of active members of the Public School Employees'~~
17 ~~Retirement System as calculated under 24 Pa.C.S. § 8328~~
18 ~~(relating to actuarial cost method). Such amount shall supplant~~
19 ~~any other school district revenues allocated for this purpose;~~

20 ~~(ii) abate any local taxes which were levied at the time of~~
21 ~~original budget adoption. Such tax abatements shall occur within~~
22 ~~sixty (60) days of the reopening of the school district's budget~~
23 ~~and may take the form of tax reductions, rebates or credits;~~

24 ~~(iii) reduce or retire any outstanding indebtedness of the~~
25 ~~school district; or~~

26 ~~(iv) restore funding to any educational programs which were~~
27 ~~reduced or eliminated for the 2003-2004 school year.~~

28 ~~(3) Under no circumstances shall any increased State~~
29 ~~allocations be used to increase a school district's reserved or~~
30 ~~unreserved fund balances.~~

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

~~Section 688. Limitations on Certain Unreserved Fund~~

~~Balances. (a) For the 2003-2004 school year and each school year thereafter, no school district shall approve an increase in real property taxes unless it has adopted a budget or a reopened budget pursuant to section 687 that includes an estimated, ending unreserved undesignated fund balance in accordance with the limitations set forth as follows:~~

School District	Estimated, Ending Unreserved Undesignated
Total Budgeted	Fund Balance as Percentage of
Expenditures	Total Budgeted Expenditures
Less Than or Equal to \$11,999,999	12%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	11%
Between \$14,000,000 and \$14,999,999	10.5%
Between \$15,000,000 and \$15,999,999	10%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9%
Between \$18,000,000 and \$18,999,999	8.5%
Greater Than or Equal to \$19,000,000	8%

~~(b) By August 15, 2003, and each year thereafter, each school district that approves an increase in real property taxes shall provide the Department of Education with information certifying compliance with this section. Such information shall be provided in a form and manner prescribed by the Department of Education and shall include information on the school district's estimated, ending unreserved undesignated fund balance expressed as a dollar amount and as a percentage of the school district's total budgeted expenditures for that school year.~~

~~(c) As used in this section, "estimated, ending unreserved~~

~~undesignated fund balance" shall mean that portion of the fund balance, which is appropriable for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district's budget was adopted and held in the General Fund accounts of the school district.~~

~~Section 3. Section 922.1 A of the act, amended or added August 1, 1975 (P.L.180, No.89), April 24, 1977 (P.L.199, No.59), October 10, 1980 (P.L.924, No.159) and May 10, 2000 (P.L.44, No.16), is reenacted to read:~~

~~Section 922.1 A. Auxiliary Services. (a) Legislative Finding; Declaration of Policy. The welfare of the Commonwealth requires that the present and future generation of school age children be assured ample opportunity to develop to the fullest, their intellectual capacities. It is the intent of the General Assembly by this enactment to ensure that the intermediate units in the Commonwealth shall furnish on an equal basis auxiliary services to all pupils in the Commonwealth in both public and nonprofit nonpublic schools.~~

~~(b) Definitions. The following terms, whenever used or referred to in this section, shall have the following meanings, except in those circumstances where the context clearly indicates otherwise:~~

~~"Auxiliary services" means guidance, counseling and testing services; psychological services; visual services as defined in section 923.2 A; services for exceptional children; remedial services; speech and hearing services; services for the improvement of the educationally disadvantaged (such as, but not limited to, the teaching of English as a second language), and such other secular, neutral, nonideological services as are of~~

~~benefit to all school children and are presently or hereafter
provided for public school children of the Commonwealth.~~

~~"Nonpublic school" means nonprofit school, other than a
public school within the Commonwealth of Pennsylvania, wherein a
resident of the Commonwealth may legally fulfill the compulsory
school attendance requirements of this act and which meet the
requirements of Title VI of the Civil Rights Act of 1964
(Pub.L.88-352; 42 U.S.C. Section 2000 et seq).~~

~~(c) Program of Auxiliary Services. Students attending
nonpublic schools shall be furnished a program of auxiliary
services which are provided to public school students in the
school district in which their nonpublic school is located. The
program of auxiliary services shall be provided by the
intermediate unit in which the nonpublic school is located, in
accordance with standards of the Secretary of Education. Before
an intermediate unit makes any decision that affects the
opportunities for children attending nonpublic schools to
participate in the auxiliary services provided under this
section, the intermediate unit shall consult with such nonpublic
schools to determine at a minimum: which general categories of
children shall receive services; what services shall be
provided; how and where the services shall be provided; and how
the services shall be evaluated. Such services shall be provided
directly to the nonpublic school students by the intermediate
unit in the schools which the students attend, in mobile
instructional units located on the grounds of such schools or in
any alternative setting mutually agreed upon by the school and
the intermediate unit, to the extent permitted by the
Constitution of the United States and the Constitution of the
Commonwealth of Pennsylvania.~~

~~Such auxiliary services shall be provided directly by the intermediate units and no auxiliary services presently provided to public school students by the intermediate units and/or school districts by means of State or local revenues, during the school year 1974-1975, shall be eliminated. No school districts shall be required, pursuant to any section of this act, to offer auxiliary services provided by any other school districts within such intermediate units.~~

~~(d) Allocations. In July of 1977 and annually thereafter in July, the Secretary of Education shall allocate to each intermediate unit an amount equal to the number of nonpublic school students as of October 1 of the preceding school year who are enrolled in nonpublic schools within the intermediate unit times seventy two dollars (\$72). The Secretary of Education shall increase this figure on a proportionate basis whenever there is an increase in the median actual instruction expense per WADM as defined in clause (12.1) of section 2501 of this act. The Commonwealth shall pay to each intermediate unit fifteen per centum (15%) of its allocation on August 1, seventy five per centum (75%) on October 1, and the remaining ten per centum (10%) on the first day of February.~~

~~(e) Limitations. The intermediate unit shall not use more than six per centum (6%) of the funds it receives for administration or eighteen per centum (18%) for rental of facilities. The Department of Education shall not use more than one per centum (1%) of the funds it allocates under this section for administrative expenses. If all funds allocated by the intermediate units to administration, or rental facilities are not expended for those purposes, such funds may be used for the program costs.~~

~~(f) Interest. There shall be no adjustment in the allocation as provided in subsection (d) because of interest earned on the allocations by the intermediate units. Interest so earned shall be used for the purpose of this section but shall not be subject to the limitations of subsection (c).~~

~~(g) Preliminary Budget. Annually, each intermediate unit shall submit to the secretary a preliminary budget on or before January 31 and a final budget on or before June 15, for the succeeding year; and shall file a final financial report on or before October 31 for the preceding year.~~

~~Section 3.1. Article XII A of the act is repealed.~~

~~Section 4. Section 1376 of the act, amended June 7, 1993 (P.L.49, No.16), June 30, 1995 (P.L.220, No.26) and June 22, 2001 (P.L.530, No.35), is 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~~

~~1 Department of Education, or its "tuition charge per elementary
2 pupil" or its "tuition charge per high school pupil," as
3 calculated pursuant to section 2561, and the Commonwealth shall
4 pay, out of funds appropriated to the department for special
5 education, the balance due for the costs of such child's tuition
6 and maintenance, as determined by the department. For the school
7 years 1989-1990, 1990-1991 and 1991-1992, the school district
8 payment shall be no greater than forty percent (40%) of the
9 actual audited costs of tuition and maintenance of such child in
10 such school. For the 1992-1993 school year and each school year
11 thereafter, the school district or charter school payment shall
12 be the greater of forty percent (40%) of the actual audited
13 costs of tuition and maintenance of such child in such school,
14 as determined by the Department of Education, or its "tuition
15 charge per elementary pupil" or its "tuition charge per high
16 school pupil," as calculated pursuant to section 2561, and the
17 Commonwealth shall pay, out of funds appropriated to the
18 department for approved private schools, the balance due for the
19 costs of such child's tuition and maintenance, as determined by
20 the department. The department will credit the district of
21 residence with average daily membership for such child
22 consistent with the rules of procedure developed in accordance
23 with section 2501. If the residence of such child in a
24 particular school district cannot be determined, the
25 Commonwealth shall pay, out of moneys appropriated to the
26 department for special education, the whole cost of tuition and
27 maintenance of such child. [The Department of Education shall be
28 provided with such financial data from approved private schools
29 as may be necessary to determine the reasonableness of costs for
30 tuition and room and board concerning Pennsylvania resident~~

~~approved reimbursed students. The Department of Education shall evaluate such data and shall disallow any cost deemed unreasonable. Any costs deemed unreasonable by the Department of Education for disallowance shall be considered an adjudication within the meaning of Title 2 of the Pa.C.S. (relating to administrative law and procedure) and regulations promulgated thereunder.}]~~

~~(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), 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 its budgeted costs for the upcoming school year. Based upon this information and the prior year's settled audit, the Department of Education shall develop an interim reimbursement rate for the approved private school. The~~

~~1 Department of Education shall provide the approved private
2 school with monthly payments in advance of the final cost
3 settlement as provided for in subsection (c.2). The Department
4 of Education shall adopt final reimbursement rates based on the
5 final cost settlement. The Department of Education may withhold
6 a portion of such payments not exceeding five percent (5%) of
7 such payment, pending final cost settlement. In no event shall
8 either the payments made in advance of the final cost settlement
9 or final reimbursements based on the final cost settlement made
10 by the Department of Education exceed the appropriation
11 available for approved private schools.~~

~~12 [(c) Each approved private school, prior to the start of the
13 school year, shall submit to the department such information as
14 the department may require in order to establish an estimate of
15 reimbursable costs. Based upon this information, any other data
16 deemed necessary by the department and in accordance with
17 department standards, the department shall develop for each
18 approved private school an estimate of reimbursable costs. Based
19 upon such estimate, the department shall provide each approved
20 private school with monthly payments in advance of department
21 audit. The department may withhold a portion of such payments
22 not exceeding five percent (5%) of such payment, pending final
23 audit. In no event shall either the advance payments or final
24 reimbursement made by the department following audit exceed the
25 appropriation available for approved private schools.]~~

~~26 (c.1) Any funds remaining from the appropriation line items
27 "for special education — approved private schools" or for
28 Pennsylvania Charter Schools for the Deaf and Blind from the
29 general appropriations acts for fiscal years 1978 1979 and each
30 fiscal year thereafter shall be transferred by the State~~

1 ~~Treasurer into a restricted account (continuing appropriation)~~
2 ~~for audit resolution which is hereby established. The Department~~
3 ~~of Education shall also deposit into this restricted account any~~
4 ~~funds returned to or recovered by the department from approved~~
5 ~~private schools or chartered schools for overpayments during~~
6 ~~fiscal years 1978 1979 and each fiscal year thereafter. The~~
7 ~~funds in the restricted account are hereby appropriated upon~~
8 ~~approval of the Governor to the Department of Education for~~
9 ~~payments to approved private schools for audit resolutions for~~
10 ~~fiscal years 1978 1979 and each fiscal year thereafter. Funds in~~
11 ~~this restricted account shall not be subject to the limitations~~
12 ~~in subsection [(c)] (b.1) which prohibit advance payments and~~
13 ~~final reimbursement from exceeding the appropriation available~~
14 ~~for approved private schools. During the 1995 1996 fiscal year~~
15 ~~and during each fiscal year thereafter, the Department of~~
16 ~~Education shall review the activity in the restricted account~~
17 ~~and may recommend that the Governor authorize the lapsing into~~
18 ~~the General Fund of any funds that are estimated not to be~~
19 ~~needed for audit resolution.~~

20 ~~(c.2) The Department of Education shall establish procedures~~
21 ~~and audit standards to govern the scope of reportable costs, the~~
22 ~~methods used to examine costs and determine allowability and~~
23 ~~timeliness of cost reporting. For the 2004 2005 school year and~~
24 ~~each school year thereafter, cost reports shall be prepared by~~
25 ~~an approved private school and audited by the approved private~~
26 ~~school's independent public accountant. Such cost reports shall~~
27 ~~be prepared in accordance with established procedures and audit~~
28 ~~standards and delivered to the Department of Education within~~
29 ~~six (6) months after the conclusion of the school year. The~~
30 ~~Department of Education shall have six (6) months to process~~

~~1 these cost reports and settle any outstanding payments due to or~~
~~2 from the approved private school. Nothing in this subsection~~
~~3 shall be construed to preclude the Department of Education from~~
~~4 conducting its own audits on a periodic basis. Where the~~
~~5 Department of Education conducts such audits, the audits must be~~
~~6 completed within one (1) year of the cost report deadline and~~
~~7 may not delay the allowable period for settlement of any~~
~~8 payments due to or from the approved private school. Audits of~~
~~9 cost reports submitted for school years prior to the 2004-2005~~
~~10 school year shall be completed in a manner consistent with prior~~
~~11 audit practices.~~

~~12 (d) No private institution receiving payment in accordance~~
~~13 with this section shall impose any charge on the student and/or~~
~~14 parents who are Pennsylvania approved reimbursable residents for~~
~~15 a program of individualized instruction and maintenance~~
~~16 appropriate to the child's needs; except that charges for~~
~~17 services not part of such program may be made if agreed to by~~
~~18 the parents.~~

~~19 [(c) (1) The Education Committees of the Senate and House~~
~~20 of Representatives are directed to jointly examine the issues of~~
~~21 the funding of approved private schools and special education~~
~~22 students' access to approved private schools as part of the full~~
~~23 continuum of special education placements. The committees'~~
~~24 examination should address, at a minimum, the following issues:~~

~~25 (i) The funding methodology which supports the school~~
~~26 district's responsibility for individualized, appropriate~~
~~27 educational services to special education students through~~
~~28 access to the most comprehensive continuum of educational~~
~~29 options and settings.~~

~~30 (ii) The role of the approved private school in the mandated~~

~~continuum of special education services available to students in Pennsylvania.~~

~~(iii) The relative roles of the Department of Education and school districts to ensure free appropriate public education (FAPE) through adequate funding and appropriate distribution of comprehensive services.~~

~~(iv) The provisions of the Individuals with Disabilities Education Act (IDEA) (P.L.101-476), the Cordero Court Orders, this act and 22 Pa. Code Chs. 14 and 342 as they relate to the provision of programs and services to special education students should be carefully reviewed as they pertain to approved private schools, continuum of placement options, funding, FAPE and other pertinent issues.~~

~~(2) The committees shall report back to the General Assembly by November 15, 1993, with legislative and/or administrative recommendations. The committees may hold such meetings and hearings as they deem appropriate to accomplish the provisions of this subsection.]~~

~~Section 5. The act is amended by adding a section 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 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 6. Section 1501 C of the act, amended June 29, 2002 (P.L.524, No.88), is reenacted 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:~~

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

~~"Eligible student." A resident of this Commonwealth who is enrolled in third, fourth, fifth or sixth grade in a school entity and is deemed eligible pursuant to section 1502 C(b).~~

~~"Eligibility test." The Pennsylvania System of School Assessment or a commercially prepared, standardized achievement test approved by the Department of Education. A list of approved tests under this article shall be published annually in the Pennsylvania Bulletin.~~

~~"Grant." A grant awarded to a grant recipient under this article.~~

~~"Grant recipient." A resident of this Commonwealth who is a parent, guardian or person in parental relation to an eligible student.~~

~~"Program." The Education Support Services Program established in section 1502 C.~~

~~"Provider." A school entity, an institution of higher education, a nonprofit or for profit organization or a certified teacher employed by a school entity, that is approved by the Department of Education to provide education support services.~~

~~"School entity." Any of the following located in this Commonwealth: a school district, intermediate unit, joint school district, area vocational technical school, charter school, independent school, licensed private academic school, accredited school, a school registered under section 1327(b), the Scotland School for Veterans' Children or the Scranton School for the Deaf.~~

~~Section 7. Sections 1502 C, 1503 C and 1504 C, of the act, added May 17, 2001 (P.L.4, No.4), are reenacted to read:~~

~~Section 1502 C. Establishment of program.~~

~~(a) Establishment. The Education Support Services Program is established within the department to provide individual or small group instruction in reading and mathematics to strengthen the skills that an eligible student needs to achieve the standards in 22 Pa. Code Ch. 4 (relating to academic standards and assessment), which shall be provided at a time other than the regularly scheduled school hours.~~

~~(b) Eligibility. The department shall utilize the Pennsylvania System of School Assessment test or other test results to identify eligible students under this article. Scores used to determine eligible students in each grade shall be published annually in the Pennsylvania Bulletin.~~

~~(c) Approval. A provider must be approved by the department in order to provide education support services under this article.~~

~~Section 1503 C. Application and approval.~~

~~(a) Application. A prospective grant recipient shall apply annually to the department for a grant to purchase education support services for an eligible student from an approved provider in a time and manner prescribed by the department.~~

~~(b) Required information. An application submitted under this section shall include verification of the eligibility test results and such other information as the department may require.~~

~~Section 1504 C. Powers and duties of the department.~~

~~The department shall:~~

~~(1) Establish criteria to annually identify eligible students in grades three, four, five and six to participate in the program under section 1502 C.~~

~~(2) Approve providers of education support services.~~

~~(3) Adopt standards, procedures and guidelines to be used to approve providers of education support services under this article.~~

~~(4) Award grants to a grant recipient in an amount not to exceed \$500 per fiscal year for each eligible student.~~

~~(5) Establish minimum qualifications for individuals utilized by providers of education support services.~~

~~(6) Establish periods during which applications will be reviewed to accommodate the dates when results of approved eligibility tests become available.~~

~~Section 8. Section 1505 C of the act, amended June 29, 2002 (P.L.524, No.88), is reenacted to read:~~

~~Section 1505 C. Providers.~~

~~A prospective provider shall submit an application to the department for approval to provide education support services under this article. The application shall include a description~~

1 ~~of the services to be provided, the cost of the services, the~~
2 ~~qualification of all individuals providing those services,~~
3 ~~including evidence of compliance with section 111 and with 23~~
4 ~~Pa.C.S. § 6355 (relating to requirement), and such other~~
5 ~~information as may be required by the department.~~

6 ~~Section 9. Sections 1506 C, 1507 C, 1508 C, 1509 C, 1510 C~~
7 ~~and 1511 C of the act, added May 17, 2001 (P.L.4, No.4), are~~
8 ~~reenacted to read:~~

9 ~~Section 1506 C. Notification of program.~~

10 ~~A school entity in this Commonwealth with students enrolled~~
11 ~~in third, fourth, fifth or sixth grade shall notify parents of~~
12 ~~the availability of education support services at such time as~~
13 ~~the parents receive the results of any eligibility test.~~

14 ~~Section 1507 C. Payment of grants.~~

15 ~~(a) Certificates. A certificate for education support~~
16 ~~services under this article shall be issued by the department in~~
17 ~~an amount authorizing up to \$500 for each eligible student~~
18 ~~identified on the certificate. The certificate shall be issued~~
19 ~~to the grant recipient and shall be valid only for the fiscal~~
20 ~~year in which it is issued. After receiving the certificate from~~
21 ~~a grant recipient, the provider shall include the following~~
22 ~~information on the certificate: name of eligible student served,~~
23 ~~type of instruction, date and length of instruction and cost of~~
24 ~~instruction provided to the eligible student. When the amount of~~
25 ~~the certificate has been utilized or when the eligible student~~
26 ~~is no longer receiving education support services from the~~
27 ~~provider, the provider shall return the completed certificate to~~
28 ~~the grant recipient for submission to the department for~~
29 ~~payment. The department shall make payment directly to the grant~~
30 ~~recipient for the amount due. Grant recipients must send all~~

~~outstanding certificates to the department for payment no later than 90 days after receiving the completed certificate from the provider.~~

~~(b) Penalty for grant recipients. A grant recipient who knowingly defrauds the Commonwealth by receiving reimbursement for education support services not rendered to the eligible student and grant recipient identified on the certificate commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 per violation and shall be disqualified from eligibility for an additional grant for a period of not less than five years.~~

~~(c) Penalty for providers. A provider that knowingly violates section 1509-C or knowingly defrauds the Commonwealth by receiving reimbursement for education support services not rendered to the eligible student and grant recipient identified on the certificate commits a misdemeanor of the third degree and shall, upon conviction, be sentenced to pay a fine of not more than \$1,000 per violation and shall be barred from participation in the program for not less than five years.~~

~~Section 1508-C. Limitations.~~

~~(a) Amount. The amount of grants provided under this article in a fiscal year shall be limited to the funds appropriated for that purpose. No more than 10% of the total funds appropriated for this program in any fiscal year shall be awarded to grant recipients within a specific school district except that, if the department determines that all school entities in the Commonwealth have had an opportunity to participate in the program and that funds remain available, it may waive the 10% limitation under this subsection.~~

~~(b) Availability of funds. In the event that the funds~~

~~appropriated in any fiscal year are insufficient to provide grants to all grant recipients, grants shall be awarded on a first come, first served basis. The department shall hold a portion of the funds in reserve to ensure that money is available for each application period established under section 1504 C(6).~~

~~Section 1509 C. Confidentiality.~~

~~Nothing in this article shall authorize the department, a school entity or a provider to release or otherwise utilize student identifiable information or individual student test scores for purposes other than the administration of this article.~~

~~Section 1510 C. Nontaxable income.~~

~~A grant received by a grant recipient shall not be considered to be taxable income for the purposes of Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.~~

~~Section 1511 C. Applicability.~~

~~Services provided under this article do not constitute tutoring or instruction under the act of January 28, 1988 (P.L.24, No.11), known as the Private Academic Schools Act.~~

~~Section 10. Section 1705 B(h)(4) of the act, amended June 29, 2002 (P.L.524, No.88) and December 9, 2002 (P.L.1472, No.187), is amended to read:~~

~~Section 1705 B. Education Empowerment Districts. * * *~~

~~(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~~

1 ~~district under paragraph (3). There is hereby established a~~
2 ~~restricted account from which payments under this paragraph~~
3 ~~shall be paid. Funds shall be transferred by the Secretary of~~
4 ~~the Budget to the restricted account to the extent necessary to~~
5 ~~make payments under this paragraph. Funds in the restricted~~
6 ~~account are hereby appropriated to carry out the purposes of~~
7 ~~this paragraph. The subsidy payment from this account shall be~~
8 ~~utilized to supplement the operational budget of the eligible~~
9 ~~school districts. This paragraph shall apply to fiscal years~~
10 ~~2000-2001, 2001-2002 [and], 2002-2003 and 2003-2004 and shall~~
11 ~~expire June 30, [2003] 2004.~~

12 ~~Section 11. Section 1709 B of the act, added May 10, 2000~~
13 ~~(P.L.44, No.16), is reenacted to read:~~

14 ~~Section 1709 B. School Improvement Grants. (a) The~~
15 ~~department shall establish a program of annual school~~
16 ~~improvement grants for school districts on the education~~
17 ~~empowerment list or certified as an education empowerment~~
18 ~~district to assist in the implementation of their school~~
19 ~~district improvement plans.~~

20 ~~(b) Grants shall be limited to the amount appropriated for~~
21 ~~that purpose.~~

22 ~~(c) Grants shall be provided annually to the school district~~
23 ~~for use as directed by the school district empowerment team or~~
24 ~~the board of control in implementing the school district~~
25 ~~improvement plan developed pursuant to sections 1703 B and 1706-~~
26 ~~B as follows:~~

27 ~~(1) To purchase instructional materials, including~~
28 ~~textbooks, technology and related educational materials and~~
29 ~~supplies.~~

30 ~~(2) To reduce class size in kindergarten through grade~~

1 ~~three.~~

2 ~~(3) To establish after school, summer and weekend programs.~~

3 ~~(4) To establish or expand full day kindergarten program.~~

4 ~~(5) To fund curriculum development.~~

5 ~~(6) To fund enhanced staff professional development.~~

6 ~~(7) To fund any other program contained in the school~~

7 ~~district improvement plan.~~

8 ~~(d) Subject to the requirements of this section, each~~

9 ~~qualifying school district shall receive a base annual grant of~~

10 ~~four hundred fifty thousand dollars (\$450,000) and an additional~~

11 ~~grant of up to seventy five dollars (\$75) per average daily~~

12 ~~membership for the prior school year of the school district. The~~

13 ~~school district or the board of control shall give priority in~~

14 ~~allocating the grant funding received under this section to the~~

15 ~~individual schools identified pursuant to sections 1703 B(b) and~~

16 ~~1706 B(b).~~

17 ~~(e) The department shall set forth the specific allowable~~

18 ~~uses for grant funds and place conditions, as necessary, on the~~

19 ~~use of grant funds. The department shall establish~~

20 ~~accountability procedures and auditing guidelines to ensure that~~

21 ~~grant funds are utilized in accordance with the allowable uses~~

22 ~~and conditions.~~

23 ~~(f) A school district receiving a grant under this section~~

24 ~~shall be required to maintain separate accounts in that school~~

25 ~~district's budget to facilitate monitoring the use of these~~

26 ~~grant funds. In no case shall a school district use more than~~

27 ~~five per centum of the grant funds for administrative costs.~~

28 ~~(g) The department shall reduce the amount of a State~~

29 ~~subsidy payment to a school district by the amount of any grant~~

30 ~~funds provided under this section if the school district does~~

~~not use the grant funds in accordance with the allowable uses and conditions set forth by the department.~~

~~Section 12. Section 1714 B(g) of the act, added May 10, 2000 (P.L.44, No.16), is 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, 687, 688, 701.1, 708, 736, 737, 738, 739, 740, 741, 752, 753, 755, 771, 776, 777, 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 13. The definition of "educational improvement organization" and "scholarship organization" in section 2002 B of the act, added May 17, 2001 (P.L.4, No.4), are amended to read:~~

~~Section 2002 B. 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:~~

~~* * *~~

~~"Educational improvement organization." A nonprofit entity which:~~

~~(1) is exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.); and~~

~~(2) contributes at least 80% of its annual receipts as~~

~~grants to a public school for innovative educational programs.~~

~~For purposes of this definition, a nonprofit entity "contributes" its annual cash receipts when it expends or otherwise irrevocably encumbers those funds for expenditure during the then current fiscal year of the nonprofit entity or during the next succeeding fiscal year of the nonprofit entity.~~

~~* * *~~

~~"Scholarship organization."—A nonprofit entity which:~~

~~(1) is exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.); and~~

~~(2) contributes at least 80% of its annual cash receipts to a scholarship program.~~

~~For purposes of this definition, a nonprofit entity "contributes" its annual cash receipts to a scholarship program when it expends or otherwise irrevocably encumbers those funds for distribution during the then current fiscal year of the nonprofit entity or during the next succeeding fiscal year of the nonprofit entity.~~

~~* * *~~

~~Section 14. Section 2502.8 of the act, amended June 22, 2001 (P.L.530, No. 35), is reenacted to read:~~

~~Section 2502.8. Payments on Account of Pupils Enrolled in Vocational Curriculums.—(a) For the purpose of reimbursement in accordance with this section, vocational curriculums are agriculture education, distributive education, health occupations education, home economics education (gainful), business education, technical education, trade and industrial education, or any other occupational oriented program approved~~

1 ~~by the Secretary of Education.~~

2 ~~(b) For the 1981-1982 school year through the 1984-1985~~
3 ~~school year, each school district so entitled shall be paid, in~~
4 ~~addition to any other subsidy to which it is entitled, an amount~~
5 ~~on account of resident pupils enrolled in vocational~~
6 ~~curriculums; for the 1985-1986 school year through the 1999-2000~~
7 ~~school year, each school district and area vocational technical~~
8 ~~school shall be paid an amount on account of students enrolled~~
9 ~~in vocational curriculums; for the 2000-2001 school year and~~
10 ~~each school year thereafter, each school district, area~~
11 ~~vocational technical school and charter school shall be paid an~~
12 ~~amount on account of students enrolled in vocational~~
13 ~~curriculums, determined as follows:~~

14 ~~(1) Determine the increase in the weighted average daily~~
15 ~~membership by multiplying the number of students in average~~
16 ~~daily membership in vocational curriculums in area vocational-~~
17 ~~technical schools by twenty one hundredths (.21) and the number~~
18 ~~of students in average daily membership in school district and~~
19 ~~charter school vocational curriculums by seventeen hundredths~~
20 ~~(.17).~~

21 ~~(2) Multiply the lesser of the district's actual instruction~~
22 ~~expense per weighted average daily membership or the base earned~~
23 ~~for reimbursement by the market value/income aid ratio or by~~
24 ~~three hundred seventy five thousandths (.375), whichever is~~
25 ~~greater.~~

26 ~~(3) Multiply the increase in weighted average daily~~
27 ~~membership determined in clause (1) by the result of clause (2).~~

28 ~~(4) For the 1985-1986 through 1999-2000 school years, the~~
29 ~~Commonwealth shall pay the amount required by this section to~~
30 ~~the school district or area vocational technical school which~~

~~provides the program upon which reimbursement is based.~~

~~(5) For the 2000-2001 school year and each school year thereafter, the Commonwealth shall pay the amount required under this section to the school district, area vocational technical school or charter school which provides the programs upon which reimbursement is based.~~

~~(c) For the school year 1998-1999, any additional funding provided by the Commonwealth over the amount provided for the school year 1997-1998 will be distributed to area vocational technical schools and to school districts with eight (8) or more vocational programs based on subsection (b).~~

~~(d) For the school year 1999-2000, any additional funding provided by the Commonwealth over the amount provided for the school year 1998-1999 will be distributed to area vocational technical schools, to school districts with eight (8) or more vocational programs and to school districts offering a vocational agricultural education program, based on subsection (b).~~

~~(e) For the school year 2000-2001 and each school year thereafter, any additional funding provided by the Commonwealth over the amount provided for the school year 1998-1999 will be distributed to area vocational technical schools, to school districts and charter schools with eight (8) or more vocational programs and to school districts and charter schools offering a vocational agricultural education program based on subsection (b).~~

~~Section 15. Section 2502.13 of the act, amended June 29, 2002 (P.L.524, No.88), is amended to read:~~

~~Section 2502.13. Small District Assistance. For the 1984-1985 and 1985-1986 school years, the Commonwealth shall pay to~~

~~1 each school district which has an average daily membership of
2 one thousand five hundred (1,500) or less and has a market
3 value/income aid ratio of five thousand ten thousandths (0.5000)
4 or greater, an amount equal to fifty dollars (\$50) multiplied by
5 that district's average daily membership. For the 1985-1986
6 school year, no school district shall receive less on account of
7 this section than it did for the 1984-1985 school year. For the
8 school year 1986-1987, the Commonwealth shall pay to each school
9 district which has an average daily membership of one thousand
10 five hundred (1,500) or less and has a market value/income aid
11 ratio of five thousand ten thousandths (0.5000) or greater, or
12 received payments under this section for the 1985-1986 school
13 year, an amount equal to seventy five dollars (\$75) multiplied
14 by that district's average daily membership. For the school year
15 1987-1988, the Commonwealth shall pay to each school district
16 which has an average daily membership of one thousand five
17 hundred (1,500) or less and a market value/income aid ratio of
18 five thousand ten thousandths (0.5000) or greater, or received
19 payments under this section for the 1986-1987 school year, an
20 amount equal to eighty five dollars (\$85) multiplied by that
21 district's average daily membership. For the school year 1988-
22 1989, the Commonwealth shall pay to each school district which
23 has an average daily membership of one thousand five hundred
24 (1,500) or less and a market value/income aid ratio of five
25 thousand ten thousandths (0.5000) or greater, or received
26 payments under this section for the 1987-1988 or 1988-1989
27 school year, an amount equal to one hundred five dollars (\$105).
28 For the school year 1989-1990, the Commonwealth shall pay to
29 each school district which has an average daily membership of
30 one thousand five hundred (1,500) or less and a market~~

1 ~~value/income aid ratio of five thousand ten thousandths (0.5000)~~
2 ~~or greater, or received payments under this section for the~~
3 ~~1987-1988 school year, an amount equal to one hundred fifteen~~
4 ~~dollars (\$115) multiplied by the district's average daily~~
5 ~~membership as provided for in section 212 of the act of July 1,~~
6 ~~1990 (P.L.1591, No.7A), known as the "General Appropriation Act~~
7 ~~of 1990." For the school year 1990-1991, the Commonwealth shall~~
8 ~~pay to each school district which has an average daily~~
9 ~~membership of one thousand five hundred (1,500) or less and a~~
10 ~~market value/income aid ratio of five thousand ten thousandths~~
11 ~~(0.5000) or greater, or received payments under this section for~~
12 ~~the prior school year, an amount equal to one hundred seventy~~
13 ~~dollars (\$170) multiplied by that district's average daily~~
14 ~~membership. For the school year 1990-1991, each school district~~
15 ~~with a population per square mile of less than ninety (90),~~
16 ~~which otherwise meets the average daily membership and market~~
17 ~~value/income aid ratio requirements of this section, or received~~
18 ~~payments under this section for the prior school year, shall~~
19 ~~instead receive an amount equal to one hundred ninety dollars~~
20 ~~(\$190) multiplied by that district's average daily membership.~~
21 ~~For the 1987-1988 school year through the 1990-1991 school year,~~
22 ~~no school district shall receive less on account of this section~~
23 ~~than it did for the prior school year. For the school year 1994-~~
24 ~~1995, the Commonwealth shall pay to each school district which~~
25 ~~has an average daily membership of one thousand five hundred~~
26 ~~(1,500) or less and a market value/income aid ratio of five~~
27 ~~thousand ten thousandths (0.5000) or greater, an amount equal to~~
28 ~~ninety five dollars (\$95) multiplied by that district's average~~
29 ~~daily membership. For each of the school years 1997-1998 through~~
30 ~~1999-2000, the Commonwealth shall pay to each school district~~

1 ~~which has an average daily membership of one thousand five~~
2 ~~hundred (1,500) or less and a market value/income aid ratio of~~
3 ~~five thousand ten thousandths (0.5000) or greater an amount~~
4 ~~equal to seventy five dollars (\$75) multiplied by that~~
5 ~~district's average daily membership. For the school years 2000-~~
6 ~~2001 [and], 2001 2002 and 2002 2003, the Commonwealth shall pay~~
7 ~~to each school district which has an average daily membership of~~
8 ~~one thousand five hundred (1,500) or less an amount equal to~~
9 ~~seventy five dollars (\$75) multiplied by that district's average~~
10 ~~daily membership.~~

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

12 ~~Section 2502.41. Basic Education Funding for 2002 2003~~
13 ~~School Year. For the 2002 2003 school year, the Commonwealth~~
14 ~~shall pay to each school district a basic education funding~~
15 ~~allocation which shall consist of the following:~~

16 ~~(1) An amount equal to the basic education funding~~
17 ~~allocation for the 2001 2002 school year pursuant to sections~~
18 ~~2502.13 and 2502.40.~~

19 ~~(2) A base supplement calculated as follows:~~

20 ~~(i) Multiply the school district's 2003 2004 market~~
21 ~~value/income aid ratio by its 2002 2003 average daily~~
22 ~~membership.~~

23 ~~(ii) Multiply the product from subparagraph (i) by fifty~~
24 ~~million dollars (\$50,000,000).~~

25 ~~(iii) Divide the product from subparagraph (ii) by the sum~~
26 ~~of the products of the 2003 2004 market value/income aid ratio~~
27 ~~multiplied by the 2002 2003 average daily membership for all~~
28 ~~school districts.~~

29 ~~(3) A poverty supplement calculated for qualifying school~~
30 ~~districts as follows:~~

~~(i) To qualify for the poverty supplement, a school district's 2003-2004 market value/income aid ratio shall be equal to or greater than 0.6500 and its personal income valuation when divided by its 2002-2003 average daily membership shall 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 2002-2003 average daily membership by thirty million dollars (\$30,000,000).~~

~~(B) Divide the product from clause (A) by the sum of the 2002-2003 average daily membership for all qualifying school districts.~~

~~(4) A tax effort supplement calculated for qualifying school districts as follows:~~

~~(i) To qualify for the tax effort supplement, a school district's 2001 equalized millage must be equal to or greater than 20.6 equalized mills.~~

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

~~(A) Multiply the school district's 2002-2003 average daily membership by fifteen million dollars (\$15,000,000).~~

~~(B) Divide the product from clause (A) by the sum of the 2002-2003 average daily membership for all qualifying school districts.~~

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

~~(i) To qualify for the growth supplement, a school district's 2002-2003 average daily membership must be greater than its 2001-2002 average daily membership.~~

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

~~(A) Subtract the school district's 2001-2002 average daily
membership from its 2002-2003 average daily membership.~~

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

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

~~(6) Each school district shall receive additional funding as
necessary so that the sum of the amounts under section 2502.13
and under paragraphs (2), (3), (4), (5) and this paragraph will
equal at least two percent (2%) of the amount in paragraph (1).~~

~~Section 17. Sections 2509.1 and 2509.5 of the act are
amended by adding subsections to read:~~

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

~~(b.11) Up to nine million five hundred thousand dollars
(\$9,500,000) may be utilized for programs administered and
operated by intermediate units during the 2003-2004 school year
for institutionalized children as established in subsection
(b.1).~~

~~* * *~~

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

~~(ll) During the 2003-2004 school year, each school district
shall be paid the amount it received during the 2002-2003 school
year under subsection (kk).~~

~~(mm) During the 2003-2004 school year, thirty six million
one hundred forty nine thousand five hundred eighty seven
dollars (\$36,149,587) of the funds appropriated to the
Department of Education for special education shall be used to~~

~~provide supplemental funding for special education to all school districts. The supplemental funding shall be calculated as follows:~~

~~(1) multiply each school district's 2003-2004 market value/income aid ratio by sixteen per centum (16%) of its 2002-2003 average daily membership;~~

~~(2) multiply the product from paragraph (1) by thirty six million one hundred forty nine thousand five hundred eighty seven dollars (\$36,149,587); and~~

~~(3) divide the resultant product from paragraph (2) by the sum of the products of the 2003-2004 market value/income aid ratio multiplied by sixteen per centum (16%) of the 2002-2003 average daily membership for all school districts.~~

~~Section 18. Section 2591.1 of the act, added June 29, 2002 (P.L.524, No.88), is amended to read:~~

~~Section 2591.1. Commonwealth Reimbursements for Charter Schools and Cyber Charter Schools. (a) For the 2001-2002 school year, the Commonwealth shall pay to each school district with resident students enrolled 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 pursuant to Article XVII-A an amount equal to thirty percent (30%) of the total funding required under section 1725-A(a). If insufficient funds are appropriated to make Commonwealth reimbursements under this section, the reimbursements shall be made on a pro rata basis.~~

~~(b) For the 2002-2003 school year, the Commonwealth shall pay to each school district that received funding under subsection (a) for the 2001-2002 school year and that had resident students enrolled 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 during the 2002 2003 school year an amount equal to the lesser of:~~

~~(1) the payment received for the 2001 2002 school year pursuant to subsection (a); or~~

~~(2) thirty percent (30%) of the total funding required under section 1725 A(a).~~

~~(c) For the 2002 2003 school year, the Commonwealth shall pay to each school district that did not receive funding under subsection (a) for the 2001 2002 school year and that had resident students enrolled 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 during the 2002 2003 school year an amount equal to thirty percent (30%) of the total funding required under section 1725 A(a).~~

~~Section 19. The following amounts are hereby appropriated from the General Fund to the Department of Education for the fiscal period July 1, 2003, to June 30, 2004, as follows:~~

~~(1) The sum of \$25,000,000 is hereby appropriated for payments to any school district of the first class which has been declared distressed pursuant to section 691(c) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, provided that such school district submits a quarterly itemization of all Federal, State and local funds distributed to each school in the school district, including schools governed by agreements currently in effect pursuant to section 696(i)(2) of the Public School Code of 1949 and schools designated as partnership schools~~

1 under the School Reform Commission Resolution Number 10 of
2 April 17, 2002, to the Department of Education and to the
3 chairman and minority chairman of the Education Committee of
4 the Senate and to the chairman and minority chairman of the
5 Education Committee of the House of Representatives. If the
6 Department of Education determines that the report is not
7 being submitted in accordance with the requirements of this
8 paragraph, the Department of Education shall withhold from
9 any and all payments to which that school district of the
10 first class may be entitled under the act an amount equal to
11 the funds received from this appropriation.

12 (2) The sum of \$56,762,000 is hereby appropriated for
13 payments on account of vocational education as provided for
14 under section 2502.8 of the Public School Code of 1949,
15 provided that any amounts expended by the Department of
16 Education pursuant to the former State appropriation in the
17 amount of \$55,378,000 for vocational education under section
18 212 of the act of March 20, 2003 (P.L. —, No.1A), known as
19 the General Appropriation Act of 2003, shall be deducted from
20 the sum appropriated in this paragraph.

21 (3) The sum of \$896,177,000 is hereby appropriated for
22 payments on account of special education of exceptional
23 children, provided that this amount includes \$563,000 for
24 community support services which is not to be included in the
25 base calculations of the special education program
26 components, and provided further that this amount includes
27 \$500,000 for payments to Pennsylvania charter schools for the
28 deaf and blind, and provided further that this amount
29 includes \$500,000 for special education approved private
30 schools, and provided further that any amounts expended by

1 ~~the Department of Education pursuant to the former State~~
2 ~~appropriation in the amount of \$874,319,000 for payments on~~
3 ~~account of special education of exceptional children under~~
4 ~~section 212 of the General Appropriation Act of 2003 shall be~~
5 ~~deducted from the sum appropriated in this paragraph.~~

6 ~~(4) The sum of \$4,204,406,906 is hereby appropriated for~~
7 ~~basic education funding to school districts, provided that~~
8 ~~the Secretary of Education, with the approval of the~~
9 ~~Governor, may make payments from this appropriation in~~
10 ~~advance of the due date prescribed by law to school districts~~
11 ~~which are financially handicapped whenever the Secretary of~~
12 ~~Education shall deem it necessary to make such advance~~
13 ~~payments to enable the school districts to keep their schools~~
14 ~~open.~~

15 ~~(5) The sum of \$25,380,000 is hereby appropriated for~~
16 ~~school improvement grants as provided for under section 1709-~~
17 ~~B of the Public School Code of 1949.~~

18 ~~(6) The sum of \$15,000,000 is hereby appropriated for~~
19 ~~education support services as provided for under Article XV-C~~
20 ~~of the Public School Code of 1949.~~

21 ~~(7) The sum of \$73,991,328 is hereby appropriated for~~
22 ~~services to nonpublic schools as provided under section~~
23 ~~922.1 A of the Public School Code of 1949, provided that any~~
24 ~~amounts expended by the Department of Education pursuant to~~
25 ~~the former State appropriation in the amount of \$71,976,000~~
26 ~~for services to nonpublic schools under section 212 of the~~
27 ~~General Appropriation Act of 2003, shall be deducted from the~~
28 ~~sum appropriated in this paragraph.~~

29 ~~Section 20. The following acts and parts of acts are~~
30 ~~repealed to the extent specified:~~

~~Section 2509.8 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.~~

~~As much as relates to the State appropriations in the amount of \$55,378,000 for vocational education and in the amount of \$874,319,000 for payments on account of special education of exceptional children, and in the amount of \$71,976,000 for services to nonpublic schools in section 212 of the act of March 20, 2003 (P.L. —, No.1A), known as the General Appropriation Act of 2003.~~

~~Section 21. This act shall take effect July 1, 2003, or immediately, whichever is later.~~

SECTION 1. SECTION 102 OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED TO READ:

SECTION 102. DEFINITIONS.--WHEN USED IN THIS ACT THE FOLLOWING WORDS AND PHRASES SHALL HAVE THE FOLLOWING MEANINGS:

[(1) "BOARD OF SCHOOL DIRECTORS" SHALL INCLUDE THE BOARD OF PUBLIC EDUCATION IN SCHOOL DISTRICTS OF THE FIRST CLASS, EXCEPT WHERE SPECIFICALLY LIMITED TO SCHOOL DISTRICTS OF OTHER CLASSES.

(2) "SCHOOL DISTRICT" SHALL INCLUDE SCHOOL DISTRICTS OF ALL CLASSES, EXCEPT WHERE SPECIFICALLY LIMITED TO DISTRICTS OF A PARTICULAR CLASS OR CLASSES.

(3) "SCHOOL TERM" SHALL MEAN THE PERIOD OF TIME ELAPSING BETWEEN THE OPENING OF THE PUBLIC SCHOOLS IN THE FALL OF ONE YEAR AND THE CLOSING OF THE PUBLIC SCHOOLS IN THE SPRING OF THE FOLLOWING YEAR.

(4) "SCHOOL YEAR" SHALL MEAN THE PERIOD OF TIME ELAPSING IN SCHOOL DISTRICTS OF THE FIRST CLASS BETWEEN THE FIRST DAY OF JANUARY AND THE THIRTY-FIRST DAY OF DECEMBER OF ANY YEAR, AND IN SCHOOL DISTRICTS OF ALL OTHER CLASSES BETWEEN THE FIRST DAY OF

1 JULY OF ONE YEAR AND THE THIRTIETH DAY OF JUNE OF THE FOLLOWING
2 YEAR. EFFECTIVE JULY 1, 1997, FOR THE 1997-1998 SCHOOL YEAR AND
3 EACH SCHOOL YEAR THEREAFTER, SCHOOL DISTRICTS WITH A YEAR-ROUND
4 EDUCATION PROGRAM MAY SUBMIT A REQUEST TO THE SECRETARY OF
5 EDUCATION FOR APPROVAL OR DISAPPROVAL TO EXTEND THE SCHOOL YEAR
6 UNTIL AUGUST 15 FOR THE PURPOSE OF DETERMINING AVERAGE DAILY
7 MEMBERSHIPS FOR STUDENTS WHOSE ONE HUNDRED EIGHTY (180) DAYS OF
8 INSTRUCTION CONTINUE INTO THE SUMMER MONTHS.

9 (5) "OFFICIAL VISITOR" SHALL INCLUDE THE GOVERNOR,
10 LIEUTENANT GOVERNOR, MEMBERS OF THE SENATE AND THE HOUSE OF
11 REPRESENTATIVES, THE SECRETARY OF EDUCATION AND MEMBERS OF THE
12 STATE BOARD OF EDUCATION. ((5) ADDED MAY 11, 1982, P.L.396,
13 NO.115)

14 (6) "PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST" OR "PSSA
15 TEST" SHALL MEAN A TEST DEVELOPED AND IMPLEMENTED BY THE
16 DEPARTMENT OF EDUCATION TO DETERMINE ONLY ACADEMIC ACHIEVEMENT
17 RELATING TO OBJECTIVE ACADEMIC STANDARDS IN THE AREAS OF
18 READING, WRITING, MATHEMATICS AND SCIENCE. THE PSSA TEST SHALL
19 BE DEVELOPED AND IMPLEMENTED AS NECESSARY TO COMPLY WITH FEDERAL
20 LAW.]

21 "ACADEMIC PERFORMANCE TARGET." A PERCENTAGE OF STUDENTS IN A
22 SCHOOL OR SCHOOL DISTRICT REQUIRED TO SCORE AT A LEVEL EQUAL TO
23 OR ABOVE PROFICIENT IN THOSE SUBJECT AREAS ASSESSED THROUGH A
24 PSSA TEST AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF
25 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) IN ORDER TO ACHIEVE
26 ADEQUATE YEARLY PROGRESS PURSUANT TO 22 PA.CODE § 403.3
27 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

28 "ADEQUATE YEARLY PROGRESS" OR "AYP." ADEQUATE YEARLY
29 PROGRESS AS DEFINED BY SECTION 1111(B)(2)(C) OF THE NO CHILD
30 LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) AND

IN 22 PA. CODE §§ 403.2 (RELATING TO DEFINITIONS) AND 403.3
(RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

"BOARD OF SCHOOL DIRECTORS." INCLUDES THE BOARD OF PUBLIC
EDUCATION IN SCHOOL DISTRICTS OF THE FIRST CLASS, EXCEPT WHERE
SPECIFICALLY LIMITED TO SCHOOL DISTRICTS OF OTHER CLASSES.

"CORRECTIVE ACTION." CLASSIFICATION AS PROVIDED IN 22 PA.
CODE § 403.3 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM)
INDICATING THAT A SCHOOL OR SCHOOL DISTRICT FAILED TO MEET AYP
FOR FOUR OR MORE CONSECUTIVE YEARS AND REQUIRING DEVELOPMENT OF
A CORRECTIVE ACTION PLAN.

"NO CHILD LEFT BEHIND ACT OF 2001." THE NO CHILD LEFT BEHIND
ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425).

"OFFICIAL VISITOR." INCLUDES THE GOVERNOR, LIEUTENANT
GOVERNOR, MEMBERS OF THE SENATE AND THE HOUSE OF
REPRESENTATIVES, THE SECRETARY OF EDUCATION AND MEMBERS OF THE
STATE BOARD OF EDUCATION.

"PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST" OR "PSSA
TEST." A TEST DEVELOPED AND IMPLEMENTED BY THE DEPARTMENT OF
EDUCATION TO DETERMINE ONLY ACADEMIC ACHIEVEMENT RELATING TO
OBJECTIVE ACADEMIC STANDARDS IN THE AREAS OF READING, WRITING,
MATHEMATICS AND SCIENCE. THE PSSA TEST SHALL BE DEVELOPED AND
IMPLEMENTED AS NECESSARY TO COMPLY WITH FEDERAL LAW.

"PROFICIENT." THE ATTAINMENT OF PERFORMANCE LEVELS IN THOSE
SUBJECT AREAS ASSESSED THROUGH THE PSSA TEST AND REQUIRED UNDER
THE NO CHILD LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115
STAT. 1425) THAT HAVE BEEN APPROVED BY THE STATE BOARD OF
EDUCATION TO REFLECT SATISFACTORY ACADEMIC PERFORMANCE.

"SCHOOL DISTRICT." INCLUDES SCHOOL DISTRICTS OF ALL CLASSES,
EXCEPT WHERE SPECIFICALLY LIMITED TO DISTRICTS OF A PARTICULAR
CLASS OR CLASSES.

1 "SCHOOL IMPROVEMENT." CLASSIFICATION AS PROVIDED IN 22 PA.
2 CODE § 403.3 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM)
3 INDICATING A SCHOOL OR SCHOOL DISTRICT HAS FAILED TO MAKE AYP
4 FOR TWO CONSECUTIVE YEARS AND NEEDS IMPROVEMENT.

5 "SCHOOL TERM." THE PERIOD OF TIME ELAPSING BETWEEN THE
6 OPENING OF THE PUBLIC SCHOOLS IN THE FALL OF ONE YEAR AND THE
7 CLOSING OF THE PUBLIC SCHOOLS IN THE SPRING OF THE FOLLOWING
8 YEAR.

9 "SCHOOL YEAR." THE PERIOD OF TIME ELAPSING IN SCHOOL
10 DISTRICTS OF THE FIRST CLASS BETWEEN THE FIRST DAY OF JANUARY
11 AND THE 31ST DAY OF DECEMBER OF ANY YEAR, AND IN SCHOOL
12 DISTRICTS OF ALL OTHER CLASSES BETWEEN THE FIRST DAY OF JULY OF
13 ONE YEAR AND THE 30TH DAY OF JUNE OF THE FOLLOWING YEAR.
14 EFFECTIVE JULY 1, 1997, FOR THE 1997-1998 SCHOOL YEAR AND EACH
15 SCHOOL YEAR THEREAFTER, SCHOOL DISTRICTS WITH A YEAR-ROUND
16 EDUCATION PROGRAM MAY SUBMIT A REQUEST TO THE SECRETARY OF
17 EDUCATION FOR APPROVAL OR DISAPPROVAL TO EXTEND THE SCHOOL YEAR
18 UNTIL AUGUST 15 FOR THE PURPOSE OF DETERMINING AVERAGE DAILY
19 MEMBERSHIPS FOR STUDENTS WHOSE 180 DAYS OF INSTRUCTION CONTINUE
20 INTO THE SUMMER MONTHS.

21 "WARNING." CLASSIFICATION AS PROVIDED IN 22 PA. CODE § 403.3
22 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM) INDICATING THAT A
23 GIVEN SCHOOL OR SCHOOL DISTRICT HAS FAILED TO MAKE ITS ACADEMIC
24 PERFORMANCE TARGETS FOR ONE YEAR AND HAS ANOTHER YEAR TO MAKE
25 THEM.

26 SECTION 2. 220(C) OF THE ACT, ADDED DECEMBER 9, 2002
27 (P.L.1317, NO.153), IS AMENDED TO READ:

28 SECTION 220. STATE REPORT CARD.--* * *

29 (C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
30 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS

1 SUBSECTION:

2 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
3 COMMONWEALTH.

4 "LOCAL EDUCATION AGENCY." A SCHOOL DISTRICT, CYBER CHARTER
5 SCHOOL, CHARTER SCHOOL, AREA VOCATIONAL-TECHNICAL SCHOOL OR
6 INTERMEDIATE UNIT.

7 ["NO CHILD LEFT BEHIND ACT OF 2001." THE NO CHILD LEFT
8 BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425).]

9 SECTION 3. SECTION 671 OF THE ACT OF MARCH 10, 1949 (P.L.30,
10 NO.14), AMENDED JULY 31, 1963 (P.L.389, NO.206), IS AMENDED TO
11 READ:

12 SECTION 671. FISCAL YEAR.--(A) IN ALL SCHOOL DISTRICTS OF
13 THE SECOND, THIRD, AND FOURTH CLASS, THE FISCAL YEAR SHALL BEGIN
14 ON THE FIRST DAY OF JULY IN EACH YEAR: PROVIDED, THAT THE BOARD
15 OF SCHOOL DIRECTORS OF ANY DISTRICT OF THE SECOND CLASS MAY, BY
16 RESOLUTION ADOPTED BY TWO-THIRDS VOTE OF THE MEMBERS THEREOF AT
17 A MEETING OF THE BOARD AFTER NOT LESS THAN TEN DAYS' NOTICE OF
18 THE FACT THAT SUCH RESOLUTION WOULD BE PRESENTED FOR ACTION AT
19 SUCH MEETING, FIX THE FISCAL YEAR OF SUCH SCHOOL DISTRICT SO AS
20 TO BEGIN ON THE FIRST DAY OF JANUARY IN EACH YEAR INSTEAD OF ON
21 THE FIRST DAY OF JULY AS HEREINABOVE PROVIDED.

22 (B) (1) FOR FISCAL YEARS BEGINNING AFTER JUNE 30, 2004, A
23 SCHOOL DISTRICT OF THE SECOND, THIRD OR FOURTH CLASS MAY DELAY
24 THE ADOPTION OF ITS ANNUAL BUDGET BEYOND THE LAST DAY IN JUNE
25 WHERE LEGISLATION PROVIDING THE APPROPRIATION FOR BASIC
26 EDUCATION FUNDING TO BE PAID AS A REIMBURSEMENT FOR THE
27 PRECEDING SCHOOL YEAR IS NOT ENACTED BY JUNE 15.

28 (2) A SCHOOL DISTRICT THAT DELAYS THE ADOPTION OF ITS ANNUAL
29 BUDGET UNDER PARAGRAPH (1) SHALL ADOPT AN ANNUAL BUDGET NO LATER
30 THAN FIFTEEN DAYS SUBSEQUENT TO THE ENACTMENT OF LEGISLATION

1 PROVIDING THE APPROPRIATION FOR BASIC EDUCATION FUNDING TO BE
2 PAID AS A REIMBURSEMENT FOR THE PRECEDING YEAR.

3 (3) THE PROVISIONS OF SECTION 687 REQUIRING TEN DAYS' PUBLIC
4 NOTICE PRIOR TO FINAL ACTION SHALL APPLY IN CASES WHEN THE
5 ADOPTION OF A SCHOOL DISTRICT'S BUDGET IS DELAYED UNDER THIS
6 SUBSECTION.

7 SECTION 4. SECTION 672(A) OF THE ACT, AMENDED JUNE 16, 1972
8 (P.L.449, NO.138), IS AMENDED TO READ:

9 SECTION 672. TAX LEVY; LIMITATIONS.--(A) IN ALL SCHOOL
10 DISTRICTS OF THE SECOND, THIRD, AND FOURTH CLASS, ALL SCHOOL
11 TAXES SHALL BE LEVIED AND ASSESSED BY THE BOARD OF SCHOOL
12 DIRECTORS THEREIN, DURING THE MONTH OF FEBRUARY OR MARCH OR
13 APRIL OR MAY OR JUNE EACH YEAR, OR NO LATER THAN TWENTY DAYS
14 FOLLOWING THE ENACTMENT OF LEGISLATION PROVIDING THE
15 APPROPRIATION FOR BASIC EDUCATION FUNDING TO BE PAID AS A
16 REIMBURSEMENT FOR THE PRECEDING SCHOOL YEAR, FOR THE ENSUING
17 FISCAL YEAR, EXCEPT IN DISTRICTS OF THE SECOND CLASS WHERE THE
18 FISCAL YEAR BEGINS ON THE FIRST DAY OF JANUARY, IN WHICH THE
19 SCHOOL TAXES SHALL BE LEVIED AND ASSESSED DURING THE MONTH OF
20 OCTOBER OR NOVEMBER OF EACH YEAR. IN SUCH SCHOOL DISTRICTS THE
21 TAX RATE SHALL NOT EXCEED TWENTY-FIVE MILLS ON THE DOLLAR, ON
22 THE TOTAL AMOUNT OF THE ASSESSED VALUATION OF ALL PROPERTY
23 TAXABLE FOR SCHOOL PURPOSES THEREIN. EACH SCHOOL DISTRICT OF THE
24 SECOND, THIRD OR FOURTH CLASS MAY ALSO COLLECT A PER CAPITA TAX
25 ON EACH RESIDENT OR INHABITANT OF SUCH DISTRICT OVER EIGHTEEN
26 YEARS OF AGE, AS HEREIN PROVIDED.

27 * * *

28 SECTION 5. SECTION 679 OF THE ACT, AMENDED NOVEMBER 26, 1982
29 (P.L.760, NO.215), IS AMENDED TO READ:

30 SECTION 679. PER CAPITA TAXES.--EACH RESIDENT OR INHABITANT,

1 OVER EIGHTEEN YEARS OF AGE, IN EVERY SCHOOL DISTRICT OF THE
2 SECOND, THIRD, AND FOURTH CLASS, WHICH SHALL LEVY SUCH TAX,
3 SHALL ANNUALLY PAY, FOR THE USE OF THE SCHOOL DISTRICT IN WHICH
4 HE OR SHE IS A RESIDENT OR INHABITANT, A PER CAPITA TAX OF NOT
5 LESS THAN ONE DOLLAR NOR MORE THAN FIVE DOLLARS, AS MAY BE
6 ASSESSED BY THE LOCAL SCHOOL DISTRICT. THE TAX COLLECTOR SHALL
7 NOT PROCEED AGAINST A SPOUSE OR HIS EMPLOYER UNTIL HE HAS
8 PURSUED REMEDIES AGAINST THE DELINQUENT TAXPAYER AND THE
9 TAXPAYER'S EMPLOYER UNDER THIS SECTION.

10 EACH SCHOOL DISTRICT MAY EXEMPT ANY PERSON WHOSE TOTAL INCOME
11 FROM ALL SOURCES IS LESS THAN [FIVE THOUSAND DOLLARS] TEN
12 THOUSAND DOLLARS PER ANNUM FROM ITS PER CAPITA TAX OR ANY
13 PORTION THEREOF. THE SCHOOL DISTRICT MAY ADOPT AND EMPLOY
14 REGULATIONS FOR THE PROCESSING OF CLAIMS FOR THE EXEMPTION.

15 SECTION 6. SECTION 687 OF THE ACT IS AMENDED BY ADDING A
16 SUBSECTION TO READ:

17 SECTION 687. ANNUAL BUDGET; ADDITIONAL OR INCREASED
18 APPROPRIATIONS; TRANSFER OF FUNDS.--* * *

19 (J) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, THE
20 BOARD OF SCHOOL DIRECTORS OF EACH SCHOOL DISTRICT MAY REOPEN ITS
21 2003-2004 BUDGET TO REFLECT ANY STATE ALLOCATIONS UNDER SECTIONS
22 2502.13 AND 2502.41 FOR FISCAL YEAR 2003-2004 PROVIDED BY THE
23 GENERAL ASSEMBLY THROUGH THIS ACT.

24 SECTION 7. SECTION 696(H)(1) OF THE ACT, AMENDED JUNE 29,
25 2002 (P.L.524, NO.88), IS AMENDED TO READ:

26 SECTION 696. DISTRESS IN SCHOOL DISTRICTS OF THE FIRST
27 CLASS.--* * *

28 (H) THE SCHOOL REFORM COMMISSION SHALL BE RESPONSIBLE FOR
29 FINANCIAL MATTERS RELATED TO THE DISTRESSED SCHOOL DISTRICT OF
30 THE FIRST CLASS AND:

1 (1) [ALL] EXCEPT AS PROVIDED IN ARTICLE VI-C, ALL TAXES
2 AUTHORIZED TO BE LEVIED BY A SCHOOL DISTRICT OF THE FIRST CLASS
3 OR FOR A SCHOOL DISTRICT OF THE FIRST CLASS BY A CITY OR COUNTY
4 OF THE FIRST CLASS ON THE DATE OF THE DECLARATION OF DISTRESS
5 SHALL CONTINUE TO BE AUTHORIZED AND LEVIED IN ACCORDANCE WITH
6 THIS ACT AND SHALL BE TRANSMITTED TO THE SCHOOL DISTRICT. FOR
7 THE FIRST FISCAL YEAR OR PART THEREOF AND EVERY FISCAL YEAR
8 THEREAFTER IN WHICH THE SCHOOL DISTRICT IS DECLARED TO BE
9 DISTRESSED, THE AMOUNT APPROPRIATED OR PAID BY THE CITY OR
10 COUNTY TO THE SCHOOL DISTRICT AND THE TAX AUTHORIZED BY THE CITY
11 OR COUNTY TO BE LEVIED FOR THE SCHOOL DISTRICT OR DEDICATED TO
12 THE SCHOOL DISTRICT SHALL BE AN AMOUNT OR TAX NOT LESS THAN THE
13 HIGHEST AMOUNT PAID BY THE CITY OR COUNTY TO THE SCHOOL DISTRICT
14 OR AUTHORIZED BY THE CITY OR COUNTY TO BE LEVIED FOR THE SCHOOL
15 DISTRICT OR DEDICATED TO THE SCHOOL DISTRICT DURING ANY OF THE
16 THREE FULL PRECEDING FISCAL YEARS. IN ADDITION, THE CITY OF THE
17 FIRST CLASS SHALL PROVIDE TO THE SCHOOL DISTRICT OF THE FIRST
18 CLASS ALL OTHER AVAILABLE LOCAL NON-TAX REVENUE, INCLUDING
19 GRANTS, SUBSIDIES OR PAYMENTS MADE DURING THE PRIOR YEAR.

20 * * *

21 SECTION 8. THE ACT IS AMENDED BY ADDING ARTICLES TO READ:

22 ARTICLE VI-A

23 TAXATION BY SCHOOL DISTRICTS

24 (A) GENERAL PROVISIONS

25 SECTION 601-A. SHORT TITLE OF ARTICLE.

26 THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE TAXPAYER
27 CHOICE ACT.

28 SECTION 602-A. DEFINITIONS.

29 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
30 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

2 "ASSESSOR." AS DEFINED IN 53 PA.C.S. § 8582 (RELATING TO
3 DEFINITIONS).

4 "AVERAGE INDEX" OR "INDEX." THE AVERAGE OF THE PERCENTAGE
5 INCREASE IN THE STATEWIDE AVERAGE WEEKLY WAGE AND THE EMPLOYMENT
6 COST INDEX CALCULATED BY THE DEPARTMENT OF EDUCATION AND
7 PUBLISHED IN THE PENNSYLVANIA BULLETIN UNDER SECTION 614-A(K).

8 "BOARD OF SCHOOL DIRECTORS." A BOARD OF SCHOOL DIRECTORS OF
9 A SCHOOL DISTRICT OF THE FIRST CLASS A, SECOND CLASS, THIRD
10 CLASS OR FOURTH CLASS.

11 "CURRENT YEAR." THE FISCAL YEAR FOR WHICH A TAX IS LEVIED.

12 "DOMICILE." AS DEFINED IN SECTION 13 OF THE ACT OF DECEMBER
13 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING
14 ACT.

15 "EARNED INCOME." AS DEFINED IN SECTION 13 OF THE ACT OF
16 DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX
17 ENABLING ACT.

18 "ELECTION OFFICIALS." THE COUNTY BOARD OF ELECTIONS OF A
19 COUNTY.

20 "EMPLOYER." AS DEFINED IN SECTION 301 OF THE ACT OF MARCH 4,
21 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

22 "EMPLOYMENT COST INDEX." THE MOST RECENT OFFICIAL FIGURES,
23 FOR THE PREVIOUS 12-MONTH PERIOD FOR THE EMPLOYMENT COST INDEX
24 SERIES FOR ELEMENTARY AND SECONDARY SCHOOLS, REPORTED BY THE
25 BUREAU OF LABOR STATISTICS OF THE DEPARTMENT OF LABOR.

26 "FARMSTEAD." AS DEFINED IN 53 PA.C.S. § 8582 (RELATING TO
27 DEFINITIONS).

28 "FARMSTEAD PROPERTY." AS DEFINED IN 53 PA.C.S. § 8582
29 (RELATING TO DEFINITIONS).

30 "FUND." THE PROPERTY TAX RELIEF FUND ESTABLISHED IN THE

1 STATE TREASURY WHICH INCLUDES REVENUES FROM GAMING AS PROVIDED
2 BY LAW.

3 "HOMESTEAD." AS DEFINED IN 53 PA.C.S. § 8401 (RELATING TO
4 DEFINITIONS).

5 "HOMESTEAD PROPERTY." AS DEFINED IN 53 PA.C.S § 8401
6 (RELATING TO DEFINITIONS).

7 "INCOME TAX." A TAX ON EARNED INCOME AND NET PROFITS OR A
8 TAX ON PERSONAL INCOME IMPOSED PURSUANT TO THIS ARTICLE.

9 "LOCAL TAX ENABLING ACT." THE ACT OF DECEMBER 31, 1965
10 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

11 "LOCAL TAX REVENUE." THE REVENUE FROM TAXES ACTUALLY LEVIED
12 AND ASSESSED BY A SCHOOL DISTRICT. THE TERM DOES NOT INCLUDE
13 INTEREST OR DIVIDEND EARNINGS, FEDERAL OR STATE GRANTS,
14 CONTRACTS OR APPROPRIATIONS, INCOME GENERATED FROM OPERATIONS OR
15 ANY OTHER SOURCE THAT IS NOT DERIVED FROM TAXES LEVIED AND
16 ASSESSED BY A SCHOOL DISTRICT.

17 "MUNICIPALITY." AS DEFINED IN 1 PA.C.S. § 1991 (RELATING TO
18 DEFINITIONS).

19 "NET PROFITS." AS DEFINED IN SECTION 13 OF THE ACT OF
20 DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX
21 ENABLING ACT.

22 "PERSONAL INCOME." INCOME ENUMERATED IN SECTION 303 OF THE
23 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE
24 OF 1971, AS RETURNED TO AND ASCERTAINED BY THE DEPARTMENT OF
25 REVENUE, SUBJECT, HOWEVER, TO ANY CORRECTION THEREOF FOR FRAUD,
26 EVASION OR ERROR AS FINALLY DETERMINED BY THE COMMONWEALTH.

27 "POLITICAL SUBDIVISION." AS DEFINED IN 1 PA.C.S. § 1991
28 (RELATING TO DEFINITIONS).

29 "PRECEDING YEAR." THE FISCAL YEAR BEFORE THE CURRENT YEAR.

30 "RESIDENT INDIVIDUAL." AN INDIVIDUAL WHO IS DOMICILED IN A

1 SCHOOL DISTRICT.

2 "SCHOOL DISTRICT." A SCHOOL DISTRICT OF THE FIRST CLASS A,
3 SECOND CLASS, THIRD CLASS OR FOURTH CLASS.

4 "STATEWIDE AVERAGE WEEKLY WAGE." THAT AMOUNT DETERMINED
5 ANNUALLY FOR EACH CALENDAR YEAR BY THE DEPARTMENT OF LABOR AND
6 INDUSTRY UNDER SECTION 105.1 OF THE ACT OF JUNE 2, 1915
7 (P.L.736, NO.338), KNOWN AS THE WORKERS' COMPENSATION ACT.

8 "SUCCEEDING YEAR." THE FISCAL YEAR FOLLOWING THE CURRENT
9 YEAR.

10 "TAX REFORM CODE." THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),
11 KNOWN AS THE TAX REFORM CODE OF 1971.

12 "TAXPAYER." AN INDIVIDUAL REQUIRED UNDER THIS ARTICLE TO
13 FILE A TAX RETURN OR TO PAY A TAX.

14 SECTION 603-A. INTENT; SCOPE AND LIMITATIONS.

15 (A) INTENT.--

16 (1) IT IS THE INTENT OF THIS ARTICLE TO ULTIMATELY
17 PROVIDE QUALIFYING SCHOOL DISTRICTS WITH STATE FUNDS WHICH,
18 WHEN SUPPLEMENTED WITH THE MINIMUM LOCAL CONTRIBUTION, ARE
19 SUFFICIENT SO THAT SCHOOL DISTRICTS IN THE AGGREGATE ARE ABLE
20 TO REDUCE PROPERTY TAXES ON HOMESTEAD PROPERTY AND FARMSTEAD
21 PROPERTY BY \$5 FOR EVERY DOLLAR OF LOCAL CONTRIBUTION.

22 (2) IT IS THE INTENT OF THIS ARTICLE TO PERMIT SCHOOL
23 DISTRICTS TO SUPPLEMENT THE MINIMUM LOCAL CONTRIBUTION AND
24 THE STATE FUNDS WITH ADDITIONAL LOCAL FUNDS TO PERMIT FURTHER
25 REDUCTIONS IN PROPERTY TAXES ON HOMESTEAD PROPERTY AND
26 FARMSTEAD PROPERTY.

27 (B) GENERAL RULE.--

28 (1) EACH SCHOOL DISTRICT IN WHICH THE GOVERNING BODY HAS
29 ADOPTED A RESOLUTION UNDER SECTION 611-A(A)(1) AND EACH
30 SCHOOL DISTRICT IN WHICH THE ELECTORS HAVE APPROVED A

1 REFERENDUM UNDER SECTION 613-A(B)(2)(I) SHALL BE QUALIFIED
2 FOR A DISTRIBUTION OF FUNDS FROM THE FUND PURSUANT TO ARTICLE
3 VI-B FOR THE PURPOSE OF PROVIDING EXCLUSIONS FOR HOMESTEAD
4 PROPERTY AND FARMSTEAD PROPERTY.

5 (2) IF A SCHOOL DISTRICT CHOOSES TO IMPOSE THE TAX
6 AUTHORIZED BY SECTION 611-A(A)(1) OR IF THE ELECTORS HAVE
7 APPROVED A REFERENDUM UNDER SECTION 613-A(B)(2)(I), IT SHALL
8 HAVE THE POWER TO IMPOSE, SUBJECT TO SECTION 613-A,
9 ADDITIONAL EARNED INCOME AND NET PROFITS TAX OR PERSONAL
10 INCOME TAX FOR THE PURPOSE OF HOMESTEAD AND FARMSTEAD
11 EXCLUSIONS.

12 (3) THIS ARTICLE SHALL NOT BE CONSTRUED TO AFFECT THE
13 POWER OF A SCHOOL DISTRICT TO DO ANY OF THE FOLLOWING:

14 (I) TO ELECT TO PLACE A REFERENDUM QUESTION ON THE
15 BALLOT PURSUANT TO THE ACT OF JUNE 22, 2001 (P.L.374,
16 NO.24), KNOWN AS THE OPTIONAL OCCUPATION TAX ELIMINATION
17 ACT. A SCHOOL DISTRICT MAY PLACE SUCH REFERENDUM QUESTION
18 ON THE BALLOT AT THE SAME MUNICIPAL ELECTION AS A
19 REFERENDUM QUESTION PLACED ON THE BALLOT PURSUANT TO
20 SUBDIVISION (B).

21 (II) TO ELIMINATE ITS OCCUPATION TAX PURSUANT TO THE
22 OPTIONAL OCCUPATION TAX ELIMINATION ACT.

23 (III) EXCEPT AS PROVIDED IN SECTIONS 614-A(B)(2) AND
24 621-A(C)(3), TO LEVY, ASSESS OR COLLECT A TAX ON EARNED
25 INCOME AND NET PROFITS UNDER SECTION 13 OF THE LOCAL TAX
26 ENABLING ACT.

27 SECTION 604-A. (RESERVED).

28 SECTION 605-A. CERTAIN RATES OF TAXATION LIMITED.

29 IF A MUNICIPALITY AND SCHOOL DISTRICT BOTH IMPOSE AN EARNED
30 INCOME AND NET PROFITS TAX ON THE SAME INDIVIDUAL UNDER THE

1 LOCAL TAX ENABLING ACT AND THE MUNICIPALITY AND SCHOOL DISTRICT
2 ARE LIMITED TO OR HAVE AGREED UPON A DIVISION OF THE TAX RATE IN
3 ACCORDANCE WITH SECTION 8 OF THE LOCAL TAX ENABLING ACT, THEN
4 THE MUNICIPALITY THAT CONTINUES TO LEVY THE EARNED INCOME AND
5 NET PROFITS TAX UNDER THE LOCAL TAX ENABLING ACT SHALL REMAIN
6 SUBJECT TO THAT LIMITATION OR AGREEMENT IN THE EVENT THAT THE
7 SCHOOL DISTRICT OPTS TO IMPOSE AN INCOME TAX UNDER SECTION 621-
8 A.

9 (B) TAX AUTHORIZATION

10 SECTION 611-A. GENERAL TAX AUTHORIZATION.

11 (A) MINIMUM LOCAL CONTRIBUTION.--

12 (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 613-A,
13 EACH SCHOOL DISTRICT MAY, BY RESOLUTION, LEVY, ASSESS AND
14 COLLECT AN EARNED INCOME AND NET PROFITS TAX IN THE AMOUNT OF
15 ONE TENTH OF ONE PERCENT (.1%) UNDER SUBDIVISION (C) IN ORDER
16 TO QUALIFY FOR DISTRIBUTION OF MONEY FROM THE FUND UNDER
17 ARTICLE VI-B.

18 (2) NO LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE OF
19 THIS ARTICLE, THE BOARD OF SCHOOL DIRECTORS SHALL ADOPT A
20 RESOLUTION IMPOSING THE TAX AUTHORIZED BY PARAGRAPH (1) AND
21 SHALL IMMEDIATELY NOTIFY THE DEPARTMENT OF EDUCATION IN ORDER
22 TO ESTABLISH THE SCHOOL DISTRICT'S ELIGIBILITY TO RECEIVE A
23 PROPERTY TAX REDUCTION ALLOCATION PURSUANT TO ARTICLE VI-B.
24 THE TAX IMPOSED UNDER THE AUTHORITY OF THIS SUBSECTION SHALL
25 BE EFFECTIVE BEGINNING ON THE FIRST DAY OF JULY AFTER THE
26 CERTIFICATION UNDER SECTION 603-B IS MADE IN AN AMOUNT
27 GREATER THAN ZERO.

28 (I) SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS
29 ARTICLE, THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE
30 COUNTY BOARD OF ELECTIONS OF EACH COUNTY OF THE SCHOOL

1 DISTRICTS IN THAT COUNTY WHICH HAVE FAILED TO TAKE THE
2 ACTION REQUIRED UNDER THIS PARAGRAPH.

3 (II) THE COUNTY BOARD OF ELECTIONS SHALL PROCEED TO
4 HAVE THE REFERENDUM QUESTION SET FORTH IN SECTION 613-
5 A(B)(2)(I) PLACED ON THE BALLOT AT THE PRIMARY ELECTION
6 OF 2004.

7 (III) THE COUNTY BOARD OF ELECTIONS SHALL CERTIFY TO
8 THE DEPARTMENT OF EDUCATION THE RESULTS OF THE REFERENDUM
9 REFERRED TO IN SUBPARAGRAPH (II) AS SOON AS PRACTICABLE.

10 (IV) IF, SUBSEQUENT TO INITIAL NOTIFICATION THAT A
11 SCHOOL DISTRICT HAD NOT COMPLIED WITH THE REQUIREMENTS OF
12 THIS PARAGRAPH, THE DEPARTMENT OF EDUCATION NOTIFIES THE
13 BOARD THAT THE SCHOOL DISTRICT HAS SUBSEQUENTLY COMPLIED,
14 THE COUNTY BOARD OF ELECTIONS MAY TAKE WHATEVER ACTION IT
15 DEEMS APPROPRIATE TO EITHER REMOVE THE QUESTION FROM THE
16 BALLOT IN THAT SCHOOL DISTRICT OR DECLARE THE VOTE OR
17 POTENTIAL VOTE NULL AND VOID.

18 (B) SUPPLEMENTAL TAX RELIEF.--

19 (1) SUBJECT TO SECTION 613-A, EACH SCHOOL DISTRICT MAY
20 UNDER SUBDIVISION (C), BY RESOLUTION, LEVY, ASSESS AND
21 COLLECT:

22 (I) AN ADDITIONAL TAX ON EARNED INCOME AND NET
23 PROFITS UP TO THE MAXIMUM RATE AUTHORIZED UNDER SECTION
24 621-A(B); OR

25 (II) A TAX ON PERSONAL INCOME UP TO THE MAXIMUM RATE
26 AUTHORIZED UNDER SECTION 621-A(C). IF A SCHOOL DISTRICT
27 IMPOSES A PERSONAL INCOME TAX, IT SHALL RELINQUISH THE
28 RIGHT TO IMPOSE AN EARNED INCOME AND NET PROFITS TAX
29 UNDER THIS ARTICLE OR ANY OTHER ACT AND SHALL CONVERT ANY
30 EXISTING INCOME TAX TO A PERSONAL INCOME TAX PURSUANT TO

1 THE REQUIREMENTS OF SECTION 621-A(C)(2).

2 (2) IMPOSITION OF THE TAX AUTHORIZED BY 611-A(A)(1) OR
3 APPROVED BY THE ELECTORS UNDER SECTION 613-A(B)(2)(I) SHALL
4 AUTHORIZE THE SCHOOL DISTRICT TO SUBMIT A REFERENDUM QUESTION
5 TO THE VOTERS REQUESTING THEIR APPROVAL FOR EITHER THE
6 IMPOSITION OF AN ADDITIONAL RATE OF EARNED INCOME AND NET
7 PROFITS TAX OR A NEWLY IMPOSED PERSONAL INCOME TAX TO BE USED
8 FOR AN ADDITIONAL DEGREE OF HOMESTEAD EXCLUSIONS, CONSISTENT
9 WITH THE REQUIREMENTS OF SECTION 613-A.

10 SECTION 612-A. CONTINUITY OF TAX.

11 AN EARNED INCOME AND NET PROFITS TAX OR PERSONAL INCOME TAX
12 LEVIED UNDER THE PROVISIONS OF SUBDIVISION (C) SHALL CONTINUE IN
13 FORCE ON A FISCAL YEAR BASIS WITHOUT ANNUAL REENACTMENT EXCEPT
14 IN A YEAR IN WHICH THE RATE OF TAX IS INCREASED OR THE TAX IS
15 SUBSEQUENTLY REPEALED.

16 SECTION 613-A. ADOPTION OF REFERENDUM.

17 (A) GENERAL RULE.--

18 (1) THE FOLLOWING APPLY:

19 (I) ALL SCHOOL DISTRICTS ARE AUTHORIZED TO IMPOSE A
20 ONE TENTH OF ONE PERCENT (.1%) EARNED INCOME AND NET
21 PROFITS TAX PURSUANT TO SECTION 611-A(A)(1) WITHOUT
22 SUBMITTING THE ISSUE TO THE ELECTORS OF THE SCHOOL
23 DISTRICT IN A REFERENDUM. ACTION UNDER THIS PARAGRAPH
24 WILL TRIGGER THE SCHOOL DISTRICT'S ELIGIBILITY TO OBTAIN
25 A STATE MATCH FROM THE FUND FOR THE SOLE PURPOSE OF
26 PROVIDING FOR HOMESTEAD OR FARMSTEAD PROPERTY TAX
27 EXCLUSIONS. THE BOARD OF SCHOOL DIRECTORS MAY CHOOSE TO <—
28 IF THE BOARD OF SCHOOL DIRECTORS ACCEPTS THE STATE MATCH, <—
29 THEN THE BOARD OF SCHOOL DIRECTORS SHALL REQUEST THE
30 APPROVAL OF THE VOTERS TO INCREASE INCOME TAXES TO BE

1 ABLE TO PROVIDE UP TO THE FULL HOMESTEAD EXCLUSION
2 PERMITTED BY THE CONSTITUTION OF PENNSYLVANIA. IF THE <—
3 BOARD CHOOSES TO REQUEST THE APPROVAL OF THE VOTERS TO
4 ENACT A PERSONAL INCOME TAX AND THE VOTERS IF THE VOTERS <—
5 APPROVE THE REFERENDUM TO ENACT A PERSONAL INCOME TAX, <—
6 THEN ANY EARNED INCOME AND NET PROFITS TAX IMPOSED BY THE
7 SCHOOL DISTRICT WHICH WAS IN EXISTENCE PRIOR TO THE
8 EFFECTIVE DATE OF THIS ARTICLE AND THE EARNED INCOME AND
9 NET PROFITS TAX NEWLY IMPOSED PURSUANT TO SECTION 611-
10 A(A)(1) WILL BE CONVERTED INTO A PERSONAL INCOME TAX AT
11 THE RATE DETERMINED UNDER SECTION 621-A(C)(2).

12 (II) IF A SCHOOL DISTRICT FAILS TO IMPOSE THE TAX
13 AUTHORIZED PURSUANT TO SECTION 611-A(A)(1), THE COUNTY
14 BOARD OF ELECTIONS SHALL PLACE A QUESTION ON THE BALLOT
15 IN THE SCHOOL DISTRICT. THE QUESTION SHALL SEEK APPROVAL
16 OF THE ELECTORS FOR A ONE TENTH OF ONE PERCENT (.1%)
17 INCREASE IN THE EARNED INCOME TAX IN ORDER TO OBTAIN THE
18 STATE MATCHING FUNDS FOR HOMESTEAD AND FARMSTEAD PROPERTY
19 TAX EXCLUSIONS AND TO ENACT A PERSONAL INCOME TAX AT THE <—
20 RATE DETERMINED UNDER SECTION 621-A(C)(2).

21 (2) IN ORDER TO LEVY, IN ADDITION TO THE TAX AUTHORIZED
22 UNDER SECTION 611-A(A)(1), AN EARNED INCOME AND NET PROFITS
23 TAX OR PERSONAL INCOME TAX UNDER SUBDIVISION (C), A BOARD OF
24 SCHOOL DIRECTORS SHALL USE THE PROCEDURES SET FORTH IN
25 SUBSECTION (B).

26 (3) IF A SCHOOL DISTRICT DOES NOT TAKE ACTION TO IMPOSE
27 THE TAX AUTHORIZED UNDER SECTION 611-A(A)(1), THE PROCEDURE
28 SET FORTH IN SUBSECTION (B)(2)(I) SHALL APPLY.

29 (B) PUBLIC REFERENDUM REQUIREMENTS.--EXCEPT AS SET FORTH IN
30 SUBSECTION (C) THE FOLLOWING APPLY:

1 (1) A BOARD OF SCHOOL DIRECTORS MAY, IN ADDITION TO THE
2 TAX IMPOSED UNDER SECTION 611-A(A)(1), LEVY THE EARNED INCOME
3 AND NET PROFITS TAX OR PERSONAL INCOME TAX UNDER SUBDIVISION
4 (C) ONLY BY OBTAINING THE APPROVAL OF THE ELECTORATE OF THE
5 AFFECTED SCHOOL DISTRICT IN A PUBLIC REFERENDUM AT ONLY THE
6 MUNICIPAL ELECTION PRECEDING THE FISCAL YEAR WHEN THE EARNED
7 INCOME AND NET PROFITS TAX OR PERSONAL INCOME TAX WILL BE
8 INITIALLY IMPOSED. THE COUNTY BOARD OF ELECTIONS SHALL CAUSE
9 THE REFERENDUM QUESTION REQUIRED BY THIS SECTION TO BE
10 SUBMITTED TO THE ELECTORS OF THE SCHOOL DISTRICT.

11 (2) EXCEPT IN THE CASE OF A REFERENDUM REQUIRED IF A
12 SCHOOL DISTRICT FAILS TO ADOPT THE TAX AUTHORIZED BY SECTION
13 611-A(A)(1), THE REFERENDUM QUESTION SHALL STATE THE INITIAL
14 RATE OF THE PROPOSED EARNED INCOME AND NET PROFITS TAX OR
15 PERSONAL INCOME TAX TO BE LEVIED UNDER SUBDIVISION (C) AND
16 THE REASON FOR THE TAX. THE REFERENDUM QUESTION SHALL BE
17 FRAMED IN ONE OF THE FOLLOWING FORMS WITH THE SCHOOL DISTRICT
18 RESOLUTION DETERMINING THE VARIABLE PERCENTAGES REPRESENTED
19 BY THE TERMS "X" AND "Y" IN THE FORM OF THE QUESTION CHOSEN
20 BY THE SCHOOL DISTRICT:

21 (I) IF A SCHOOL DISTRICT FAILS TO TAKE ANY ACTION
22 UNDER SECTION 611-A(A), THE REFERENDUM QUESTION SUBMITTED
23 TO THE VOTERS SHALL BE IN ONE OF THE FOLLOWING FORMS:

24 (A) DO YOU FAVOR IMPOSITION AND COLLECTION OF AN
25 INCREASE IN THE EARNED INCOME AND NET PROFITS TAX OF
26 ONE TENTH OF ONE PERCENT (.1%) IN ORDER TO OBTAIN
27 STATE MATCHING FUNDS IN A MULTIPLE DETERMINED BY THE
28 LEVEL OF PROCEEDS IN THE PROPERTY TAX RELIEF FUND TO
29 PROVIDE FOR RESIDENTIAL PROPERTY TAX RELIEF?

30 (B) DO YOU FAVOR IMPOSITION AND COLLECTION OF AN

1 EARNED INCOME AND NET PROFITS TAX OF ONE TENTH OF ONE
2 PERCENT (.1%) IN ORDER TO OBTAIN STATE MATCHING FUNDS
3 IN A MULTIPLE DETERMINED BY THE LEVEL OF PROCEEDS IN
4 THE PROPERTY TAX RELIEF FUND TO PROVIDE FOR
5 RESIDENTIAL PROPERTY TAX RELIEF?

6 (II) IF A SCHOOL DISTRICT HAS IMPOSED THE TAX
7 AUTHORIZED UNDER SECTION 611-A(A)(1) OR IF THE ELECTORS
8 HAVE APPROVED THE IMPOSITION OF THE TAX UNDER SUBSECTION
9 (B)(2)(I), A REFERENDUM QUESTION MAY BE SUBMITTED TO THE
10 VOTERS IN ONE OF THE FOLLOWING FORMS:

11 (A) DO YOU FAVOR THE IMPOSITION OF AN X% EARNED
12 INCOME AND NET PROFITS TAXES IN ORDER TO PROVIDE
13 FURTHER RESIDENTIAL PROPERTY TAX REDUCTIONS OF UP TO
14 Y%?

15 (B) DO YOU FAVOR CONVERTING THE SCHOOL
16 DISTRICT'S CURRENT EARNED INCOME AND NET PROFITS TAX
17 INTO A PERSONAL INCOME TAX AT X% IN ORDER TO GENERATE
18 FUNDS TO PROVIDE FOR RESIDENTIAL PROPERTY TAX
19 REDUCTIONS OF Y% IN ADDITION TO REPLACING THE REVENUE
20 FROM THE CURRENT EARNED INCOME AND NET PROFITS TAX?

21 (3) A NONLEGAL INTERPRETATIVE STATEMENT SHALL ACCOMPANY
22 THE REFERENDUM QUESTION IN ACCORDANCE WITH SECTION 201.1 OF
23 THE ACT OF JUNE 3, 1937 (P.L.1333, NO.320), KNOWN AS THE
24 PENNSYLVANIA ELECTION CODE.

25 (C) SEGREGATED AMOUNTS.--WHEN THE REFERENDUM UNDER
26 SUBSECTION (B)(2)(I) HAS BEEN APPROVED, THE NEW TAX RATE SHALL
27 BE SELF-EXECUTING AND SHALL BE EFFECTIVE THE FIRST DAY OF JULY
28 AFTER THE CERTIFICATION UNDER SECTION 603-B IS MADE IN AN AMOUNT
29 GREATER THAN ZERO, AND EACH SCHOOL YEAR THEREAFTER. COLLECTIONS
30 OF THE NEW TAX SHALL BE HELD IN A SEGREGATED ACCOUNT OF THE

1 SCHOOL DISTRICT AND USED IN CONJUNCTION WITH ITS PROPERTY TAX
2 REDUCTION ALLOCATION FROM THE COMMONWEALTH ONLY FOR HOMESTEAD
3 AND FARMSTEAD PROPERTY TAX RELIEF. NO PROPERTY TAX REDUCTION
4 ALLOCATION SHALL BE PAID TO THE SCHOOL DISTRICT UNTIL IT
5 RATIFIES THE REFERENDUM BY RESOLUTION AND PASSES THE RESOLUTION
6 REQUIRED UNDER SUBSECTION (D).

7 (D) RESOLUTION IMPLEMENTING TAX PROVISIONS REQUIRED.--THE
8 BOARD OF SCHOOL DIRECTORS SHALL, WITHIN 30 DAYS OF THE
9 CERTIFICATION OF THE PASSAGE OF THE REFERENDUM REQUIRED BY
10 SUBSECTION (B)(2), ADOPT A RESOLUTION IMPLEMENTING THE TAX.
11 FAILURE TO ADOPT A RESOLUTION SHALL SUSPEND THE SCHOOL
12 DISTRICT'S RIGHT TO RECEIVE THE DISTRIBUTION OF ITS PROPERTY TAX
13 REDUCTION ALLOCATION UNDER ARTICLE VI-B UNTIL A RESOLUTION IS
14 ADOPTED. THE SCHOOL DISTRICT'S ALLOCATION SHALL BE RESERVED BY
15 THE DEPARTMENT OF EDUCATION IN A SEPARATE ACCOUNT FOR PAYMENT
16 WHEN THE SCHOOL DISTRICT SATISFIES THE REQUIREMENTS OF THIS
17 SUBSECTION.

18 (E) PUBLIC REFERENDUM REQUIREMENTS TO END PARTICIPATION
19 UNDER THIS SUBDIVISION.--AFTER A PERIOD OF AT LEAST FOUR FULL
20 FISCAL YEARS OF THE TAX BEING LEVIED AND SUBJECT TO THE NOTICE
21 AND PUBLIC HEARING REQUIREMENTS IN SECTION 4 OF THE LOCAL TAX
22 ENABLING ACT, A BOARD OF SCHOOL DIRECTORS MAY ELECT TO END
23 PARTICIPATION UNDER THIS SUBDIVISION BY OBTAINING THE APPROVAL
24 OF THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A PUBLIC
25 REFERENDUM AT A MUNICIPAL ELECTION.

26 (F) EFFECT ON CERTAIN SCHOOL DISTRICTS.--

27 (1) THIS SECTION SHALL NOT APPLY TO A SCHOOL DISTRICT OF
28 THE FIRST CLASS.

29 (2) EXCEPT FOR SUBSECTIONS (B)(2)(I), (G) AND (H), THIS
30 SECTION SHALL NOT APPLY TO A SCHOOL DISTRICT IN WHICH A

1 REFERENDUM QUESTION UNDER 53 PA.C.S. § 8703 (RELATING TO
2 ADOPTION OF REFERENDUM) HAS BEEN APPROVED AND IMPLEMENTED.

3 (G) ELECTION.--A SCHOOL DISTRICT IN WHICH A REFERENDUM
4 QUESTION UNDER 53 PA.C.S. § 8703 HAS BEEN APPROVED AND
5 IMPLEMENTED MAY, BY RESOLUTION, MAKE AN ELECTION TO ADOPT THE
6 PROVISIONS OF SECTION 611-A. THE ADOPTION OF A RESOLUTION
7 AUTHORIZING ELECTION UNDER THIS ARTICLE SHALL HAVE THE SAME
8 EFFECT AS A PUBLIC REFERENDUM QUESTION UNDER THIS SECTION
9 RECEIVING A MAJORITY VOTE, AND THE PROVISIONS OF THIS ARTICLE
10 SHALL APPLY IN A MANNER DESIGNED TO ATTAIN THAT OUTCOME. IF A
11 SCHOOL BOARD OF DIRECTORS MAKES AN ELECTION UNDER THIS
12 SUBSECTION, THE SCHOOL DISTRICT SHALL NO LONGER BE REQUIRED TO
13 IMPLEMENT THE PROVISIONS OF 53 PA.C.S. CH. 87.

14 (H) EFFECT OF ELECTION ON EXISTING TAX RATES AND
15 EXCLUSIONS.--EXCEPT AS AUTHORIZED UNDER THIS ARTICLE, AN
16 ELECTION UNDER SUBSECTION (G) SHALL AFFECT NEITHER THE RATE OF
17 THE EARNED INCOME AND NET PROFITS TAX IMPOSED PRIOR TO SUCH
18 ELECTION NOR SHALL IT AFFECT THE AMOUNT OF THE HOMESTEAD
19 EXCLUSION OR FARMSTEAD EXCLUSION ENACTED PRIOR TO SUCH ELECTION.

20 (I) ELECTION CODE PROVISIONS.--PROCEEDINGS UNDER THIS
21 SECTION SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE ACT OF
22 JUNE 3, 1937 (P.L.1333, NO.320), KNOWN AS THE PENNSYLVANIA
23 ELECTION CODE.

24 SECTION 614-A. PUBLIC REFERENDUM REQUIREMENTS FOR INCREASING
25 CERTAIN TAXES.

26 (A) APPLICABILITY.--THIS SECTION SHALL APPLY TO THE BOARD OF
27 SCHOOL DIRECTORS OF A SCHOOL DISTRICT THAT HAS BEEN NOTIFIED BY
28 THE DEPARTMENT THAT IT WILL RECEIVE A PROPERTY TAX REDUCTION
29 ALLOCATION UNDER SECTION 604-B(B) AND:

30 (1) THE TAX UNDER SECTION 611-A(A)(1) IS ENACTED; OR

1 (2) A REFERENDUM UNDER SECTION 613-A IS APPROVED.

2 (B) PROHIBITIONS.--EXCEPT AS SET FORTH IN SUBSECTION (E) OR
3 (F), UNLESS THERE IS COMPLIANCE WITH SUBSECTION (C), A BOARD OF
4 SCHOOL DIRECTORS MAY NOT DO ANY OF THE FOLLOWING:

5 (1) INCREASE THE RATE OF A TAX LEVIED FOR THE SUPPORT OF
6 THE PUBLIC SCHOOLS BY MORE THAN THE PERCENTAGE INCREASE IN
7 THE INDEX IN THE PRECEDING YEAR.

8 (2) LEVY A TAX FOR THE SUPPORT OF THE PUBLIC SCHOOLS
9 WHICH WAS NOT LEVIED IN THE FISCAL YEAR IN WHICH A REFERENDUM
10 UNDER SECTION 613-A WAS APPROVED OR A TAX UNDER SECTION 611-
11 A(A)(1) WAS IMPOSED.

12 (3) RAISE THE RATE OF THE EARNED INCOME AND NET PROFITS
13 TAX, IF ALREADY IMPOSED UNDER THE AUTHORITY OF SECTION 13 OF
14 THE LOCAL TAX ENABLING ACT, EXCEPT AS OTHERWISE PROVIDED FOR
15 UNDER SECTION 621-A.

16 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE
17 TO THE CONTRARY, THE ADOPTION OF A REFERENDUM UNDER SECTION
18 613-A CONFERS ON THE BOARD OF SCHOOL DIRECTORS THE AUTHORITY
19 TO RAISE INCOME TAXES ONLY TO THE EXTENT CONTAINED IN THE
20 LANGUAGE OF THE REFERENDUM AND ANY FUTURE, ADDITIONAL
21 INCREASE OF THE INCOME TAX TO BE USED FOR THE SOLE PURPOSE OF
22 PROPERTY TAX REDUCTION SHALL BE REQUIRED TO BE SUBMITTED TO
23 THE VOTERS AT A SUBSEQUENT REFERENDUM PURSUANT TO THE
24 PROVISIONS OF SECTION 613-A.

25 (C) REFERENDUM.--

26 (1) IN ORDER TO TAKE AN ACTION UNDER SUBSECTION (B)(1),
27 AT THE ELECTION IMMEDIATELY PRECEDING THE START OF THE SCHOOL
28 DISTRICT FISCAL YEAR IN WHICH THE PROPOSED TAX INCREASE WOULD
29 TAKE EFFECT, A REFERENDUM STATING THE SPECIFIC RATE OR RATES
30 OF THE TAX INCREASE MUST BE SUBMITTED TO THE ELECTORS

1 RESIDING IN THE SCHOOL DISTRICT.

2 (2) IN ORDER TO TAKE AN ACTION UNDER SUBSECTION (B)(2),
3 AT THE ELECTION IMMEDIATELY PRECEDING THE START OF THE SCHOOL
4 DISTRICT FISCAL YEAR IN WHICH THE PROPOSED TAX WOULD TAKE
5 EFFECT, A REFERENDUM STATING THE SPECIFIC TAX AND RATE TO BE
6 LEVIED MUST BE SUBMITTED TO THE ELECTORS RESIDING IN THE
7 SCHOOL DISTRICT.

8 (3) PROCEEDINGS UNDER THIS SECTION SHALL BE IN
9 ACCORDANCE WITH THE PROVISIONS OF THE ACT OF JUNE 3, 1937
10 (P.L.1333, NO.320), KNOWN AS THE PENNSYLVANIA ELECTION CODE.

11 (D) FAILURE TO APPROVE REFERENDUM.--

12 (1) IF THERE IS NO APPROVAL UNDER SUBSECTION (C)(1), THE
13 BOARD OF SCHOOL DIRECTORS MAY APPROVE AN INCREASE IN THE TAX
14 RATE OF NOT MORE THAN THE PERCENTAGE INCREASE IN THE INDEX IN
15 THE PRECEDING YEAR.

16 (2) IF THERE IS NO APPROVAL UNDER SUBSECTION (C)(2), THE
17 BOARD OF SCHOOL DIRECTORS MAY NOT LEVY THE TAX.

18 (E) EXCEPTION TO GENERAL RULE.--THE PROVISIONS OF SUBSECTION
19 (B)(1) SHALL NOT APPLY TO AN INCREASE IN THE RATE OF ANY TAX
20 LEVIED FOR THE SUPPORT OF THE PUBLIC SCHOOLS WHICH IS LESS THAN
21 OR EQUAL TO THE PERCENTAGE INCREASE IN THE INDEX IN THE
22 PRECEDING YEAR. PRIOR TO ANY INCREASE UNDER THIS SUBSECTION, THE
23 BOARD OF SCHOOL DIRECTORS SHALL CERTIFY TO THE DEPARTMENT OF
24 EDUCATION THE ESTIMATES OF LOCAL TAX RATES UNDER THIS
25 SUBSECTION. THE DEPARTMENT OF EDUCATION MAY, ON ITS OWN MOTION
26 OR ON PETITION OF A PERSON HAVING STANDING UNDER SUBSECTION (J),
27 REVISE THE ESTIMATES CERTIFIED BY THE BOARD OF SCHOOL DIRECTORS
28 AND REDUCE THE ALLOWABLE INCREASE IN THE RATE OF ANY TAX UNDER
29 THIS SUBSECTION.

30 (F) REFERENDUM EXCEPTIONS.--THE PROVISIONS OF SUBSECTION

1 (B)(1) SHALL NOT APPLY TO AN INCREASE IN THE RATE OF ANY TAX
2 LEVIED FOR THE SUPPORT OF THE PUBLIC SCHOOLS WHERE THE INCREASE
3 AUTHORIZED UNDER SUBSECTION (E) IS INSUFFICIENT TO RESPOND TO
4 ONE OR MORE OF THE FOLLOWING CONDITIONS:

5 (1) TO RESPOND TO OR RECOVER FROM AN EMERGENCY OR
6 DISASTER DECLARED PURSUANT TO 35 PA.C.S. § 7301 (RELATING TO
7 GENERAL AUTHORITY OF GOVERNOR) OR 75 PA.C.S. § 6108 (RELATING
8 TO POWER OF GOVERNOR DURING EMERGENCY), ONLY FOR THE DURATION
9 OF THE EMERGENCY OR DISASTER.

10 (2) TO IMPLEMENT A COURT ORDER OR AN ADMINISTRATIVE
11 ORDER FROM A FEDERAL OR STATE AGENCY THAT REQUIRES THE
12 EXPENDITURE OF FUNDS THAT EXCEED CURRENT AVAILABLE REVENUES,
13 PROVIDED THAT THE RATE INCREASE IS RESCINDED FOLLOWING
14 FULFILLMENT OF THE COURT ORDER OR ADMINISTRATIVE ORDER.

15 (3) AS FOLLOWS:

16 (I) TO PAY INTEREST AND PRINCIPAL ON ANY
17 INDEBTEDNESS INCURRED UNDER 53 PA.C.S. PT. VII SUBPT. B
18 (RELATING TO INDEBTEDNESS AND BORROWING) PRIOR TO THE
19 EFFECTIVE DATE OF THIS SECTION, PROVIDED THAT IN NO CASE
20 MAY THE SCHOOL DISTRICT INCUR ADDITIONAL DEBT UNDER THIS
21 PARAGRAPH, EXCEPT FOR THE REFINANCING OF EXISTING DEBT,
22 INCLUDING THE PAYMENT OF COSTS AND EXPENSES RELATED TO
23 SUCH REFINANCING AND THE ESTABLISHMENT OR FUNDING OF
24 APPROPRIATE DEBT SERVICE RESERVES AND PROVIDED FURTHER
25 THAT THE INCREASE IS RESCINDED FOLLOWING THE FINAL
26 PAYMENT OF INTEREST AND PRINCIPAL.

27 (II) TO PAY INTEREST AND PRINCIPAL ON ANY ELECTORAL
28 DEBT INCURRED UNDER 53 PA.C.S. PT VII SUBPT. B.

29 (III) TO PAY INTEREST AND PRINCIPAL ON ANY
30 INDEBTEDNESS INCURRED FOR SCHOOL CONSTRUCTION PROJECTS

1 UNDER 22 PA. CODE CH. 21 (RELATING TO SCHOOL BUILDINGS),
2 WHETHER SUCH INDEBTEDNESS IS INCURRED BEFORE OR AFTER THE
3 ENACTMENT OF THIS ARTICLE, WHEN THE PROJECT HAS RECEIVED
4 PLAN CON A APPROVAL BY THE DEPARTMENT OF EDUCATION PRIOR
5 TO THE EFFECTIVE DATE OF THIS SECTION AND TO ESTABLISH
6 AND FUND APPROPRIATE DEBT SERVICE RESERVED, PROVIDED THAT
7 THE INCREASE IS RESCINDED FOLLOWING FINAL PAYMENT OF
8 INTEREST AND PRINCIPAL.

9 (IV) THE EXCEPTION PROVIDED UNDER THIS PARAGRAPH MAY
10 NOT BE USED IN LIEU OF THE REFERENDUM UNDER SUBSECTION
11 (C)(2) TO PAY FOR COSTS WHICH COULD NOT BE FINANCED BY
12 THE ISSUANCE OF DEBT UNDER 53 PA.C.S. (RELATING TO
13 MUNICIPALITIES GENERALLY).

14 (4) TO RESPOND TO CONDITIONS THAT POSE AN IMMEDIATE
15 THREAT OF SERIOUS PHYSICAL HARM OR INJURY TO THE STUDENTS,
16 STAFF OR RESIDENTS OF THE SCHOOL DISTRICT, BUT ONLY UNTIL THE
17 CONDITIONS CAUSING THE THREAT HAVE BEEN FULLY RESOLVED.

18 (5) SPECIAL PURPOSE TAX LEVIES APPROVED BY THE
19 ELECTORATE.

20 (6) TO PAY COSTS ATTRIBUTABLE TO AN INCREASE IN THE SUM
21 OF SELECTED SCHOOL EXPENDITURES WHERE SUCH EXPENDITURES
22 EXCEED THE SUM OF SELECTED STATE ALLOCATIONS AS DEFINED IN
23 THIS PARAGRAPH.

24 (I) FOR THE PURPOSES OF THIS PARAGRAPH, SUCH
25 "SELECTED SCHOOL EXPENDITURES" SHALL INCLUDE ANY INCREASE
26 OR DECREASE IN COSTS ASSOCIATED WITH:

27 (A) NEW, UNFUNDED FEDERAL MANDATED EDUCATIONAL
28 PROGRAMS;

29 (B) PAYMENTS MADE TO CHARTER SCHOOLS OR CYBER
30 CHARTER SCHOOLS AS DEFINED UNDER ARTICLE XVII-A;

1 (C) PAYMENTS MADE TO INTERMEDIATE UNITS OR
2 COMMUNITY COLLEGES FOR VOCATIONAL EDUCATION EXPENSES;

3 (D) CHANGES IN THE PAYMENTS ON BEHALF OF ACTIVE
4 MEMBERS OF THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT
5 SYSTEM AS REQUIRED PURSUANT TO 24 PA.C.S. § 8327
6 (RELATING TO PAYMENTS BY EMPLOYERS);

7 (E) COSTS DIRECTLY RELATED TO THE PROVISION OF
8 MANDATED SPECIAL EDUCATION PROGRAMS AND SERVICES TO
9 STUDENTS WITH DISABILITIES, EXCLUDING COSTS UNDER
10 CLAUSE (F); AND

11 (F) COSTS DIRECTLY ATTRIBUTABLE TO A COLLECTIVE
12 BARGAINING AGREEMENT IN EFFECT ON THE EFFECTIVE DATE
13 OF THIS ARTICLE, BETWEEN A SCHOOL DISTRICT AND ITS
14 EMPLOYEE ORGANIZATION. THIS CLAUSE SHALL NOT APPLY TO
15 A COLLECTIVE BARGAINING AGREEMENT RENEWED, EXTENDED
16 OR ENTERED INTO AFTER THE EFFECTIVE DATE OF THIS
17 ARTICLE.

18 (II) FOR THE PURPOSES OF THIS PARAGRAPH, "SELECTED
19 STATE ALLOCATIONS" SHALL INCLUDE ANY INCREASE OR DECREASE
20 IN PAYMENTS PROVIDED THROUGH THE BASIC EDUCATION FUNDING
21 ALLOCATION, SPECIAL EDUCATION FUNDING ALLOCATION AND
22 PROVIDED UNDER SECTIONS 2502.16, 2502.30, 2541, 2542,
23 2543, 2572 AND 2591.1 BETWEEN THE SCHOOL YEAR PRIOR TO
24 THE SCHOOL YEAR IN WHICH AN EXCEPTION UNDER THIS
25 PARAGRAPH IS SOUGHT AND THE SCHOOL YEAR IN WHICH AN
26 EXCEPTION UNDER THIS PARAGRAPH IS SOUGHT.

27 (7) (I) TO MAINTAIN PER-STUDENT LOCAL TAX REVENUE IN
28 THE SCHOOL DISTRICT AT AN AMOUNT NOT EXCEEDING THE AMOUNT
29 OF PER-STUDENT LOCAL TAX REVENUE AT THE LEVEL OF THE
30 PRECEDING YEAR, ADJUSTED FOR THE PERCENTAGE INCREASE IN

1 THE INDEX IN THE PRECEDING YEAR.

2 (II) THIS PARAGRAPH SHALL APPLY ONLY IF THE
3 PERCENTAGE GROWTH IN AVERAGE DAILY MEMBERSHIP IN THE
4 SCHOOL DISTRICT BETWEEN THE CURRENT FISCAL YEAR AND THE
5 THIRD FISCAL YEAR IMMEDIATELY PRECEDING THE CURRENT
6 FISCAL YEAR EXCEEDS 5%. FOR THE PURPOSES OF THIS
7 PARAGRAPH, PER-STUDENT LOCAL TAX REVENUE SHALL BE
8 DETERMINED BY DIVIDING LOCAL TAX REVENUE BY AVERAGE DAILY
9 MEMBERSHIP.

10 (8) TO COMPENSATE FOR A ONE-YEAR DECREASE OF 10% OR MORE
11 IN THE SCHOOL DISTRICT'S REAL PROPERTY TAX BASE. FOR THE
12 PURPOSES OF THIS PARAGRAPH, THE DECREASE SHALL BE MEASURED BY
13 THE PERCENT CHANGE IN THE ASSESSED VALUE OF ALL TAXABLE
14 PROPERTY WITHIN THE SCHOOL DISTRICT BETWEEN THE FISCAL YEAR
15 IN WHICH AN EXCEPTION UNDER THIS PARAGRAPH IS SOUGHT AND THE
16 FISCAL YEAR IMMEDIATELY PRECEDING THE FISCAL YEAR IN WHICH AN
17 EXCEPTION UNDER THIS PARAGRAPH IS SOUGHT.

18 (G) REVENUE DERIVED FROM INCREASE.--ANY REVENUE DERIVED FROM
19 AN INCREASE IN THE RATE OF ANY TAX ALLOWED PURSUANT TO AN
20 EXCEPTION UNDER SUBSECTION (F)(3) OR (5) SHALL NOT EXCEED THE
21 ANTICIPATED DOLLAR VALUE OF THE EXPENDITURE FOR WHICH THE
22 EXCEPTION UNDER SUBSECTION (F) WAS SOUGHT.

23 (H) LIMITATION ON RATE.--THE INCREASE IN THE RATE OF ANY TAX
24 ALLOWED PURSUANT TO AN EXCEPTION UNDER SUBSECTION (F)(1), (2),
25 (4), (6), (7) OR (8) SHALL NOT EXCEED THE RATE INCREASE REQUIRED
26 AS DETERMINED BY A COURT OF COMMON PLEAS PURSUANT TO SUBSECTION
27 (I).

28 (I) COURT ACTION.--PRIOR TO THE IMPOSITION OF THE TAX
29 INCREASE UNDER SUBSECTION (F)(1), (2), (4), (6), (7) OR (8),
30 APPROVAL BY THE COURT OF COMMON PLEAS IN THE JUDICIAL DISTRICT

1 IN WHICH THE ADMINISTRATIVE OFFICE OF THE SCHOOL DISTRICT IS
2 LOCATED MUST BE OBTAINED. THE BOARD OF SCHOOL DIRECTORS SHALL
3 PUBLISH IN A NEWSPAPER OF GENERAL CIRCULATION A NOTICE OF ITS
4 INTENT TO FILE AN ACTION UNDER THIS SUBSECTION AT LEAST ONE WEEK
5 PRIOR TO THE FILING OF THE PETITION. THE BOARD OF SCHOOL
6 DIRECTORS SHALL ALSO PUBLISH IN A NEWSPAPER OF GENERAL
7 CIRCULATION NOTICE, AS SOON AS POSSIBLE FOLLOWING NOTIFICATION
8 FROM THE COURT THAT A HEARING HAS BEEN SCHEDULED, STATING THE
9 DATE, TIME AND PLACE OF THE HEARING ON THE PETITION. THE
10 FOLLOWING SHALL APPLY TO ANY PROCEEDINGS INSTITUTED UNDER THIS
11 SUBSECTION:

12 (1) THE BOARD OF SCHOOL DIRECTORS MUST PROVE BY CLEAR
13 AND CONVINCING EVIDENCE THE NECESSITY FOR THE TAX INCREASE.

14 (2) THE BOARD OF SCHOOL DIRECTORS MUST PROVE BY CLEAR
15 AND CONVINCING EVIDENCE THE ANTICIPATED DOLLAR VALUE OF THE
16 EXPENDITURE FOR WHICH AN EXCEPTION UNDER SUBSECTION (F) IS
17 SOUGHT.

18 (3) THE BOARD OF SCHOOL DIRECTORS MUST PROVE BY CLEAR
19 AND CONVINCING EVIDENCE THAT THERE ARE NO ASSETS OR OTHER
20 FEASIBLE ALTERNATIVES AVAILABLE TO THE SCHOOL DISTRICT.

21 (4) THE COURT SHALL DETERMINE THE DOLLAR VALUE OF THE
22 EXPENDITURE FOR WHICH AN EXCEPTION UNDER SUBSECTION (F) IS
23 SOUGHT, THE RATE INCREASE REQUIRED AND THE APPROPRIATE
24 DURATION OF THE INCREASE. THE COURT MAY RETAIN CONTINUING
25 JURISDICTION AND MAY, ON ITS OWN MOTION OR ON PETITION OF AN
26 INTERESTED PARTY, REVOKE APPROVAL FOR OR ORDER RESCISSION OF
27 A TAX INCREASE.

28 (J) STANDING.--A PERSON SHALL HAVE STANDING AS A PARTY TO A
29 PROCEEDING UNDER THIS SECTION AS LONG AS THE PERSON RESIDES
30 WITHIN OR PAYS REAL PROPERTY TAXES TO THE TAXING JURISDICTION OF

1 THE BOARD OF SCHOOL DIRECTORS INSTITUTING THE ACTION.

2 (K) AVERAGED INDEX CALCULATION.--ON OR ABOUT JANUARY 15 OF
3 EACH YEAR, THE DEPARTMENT OF EDUCATION SHALL CALCULATE THE
4 AVERAGE OF THE PERCENTAGE INCREASES IN THE STATEWIDE AVERAGE
5 WEEKLY WAGE AND THE PERCENTAGE INCREASE IN THE EMPLOYMENT COST
6 INDEX FOR THE PREVIOUS 12-MONTH PERIOD. THE DEPARTMENT OF
7 EDUCATION SHALL PUBLISH NOTICE OF THIS CALCULATED AVERAGE BY
8 FEBRUARY 1 OF EACH YEAR IN THE PENNSYLVANIA BULLETIN.

9 SECTION 615-A. PROPERTY TAX LIMITS ON REASSESSMENT.

10 AFTER ANY COUNTY MAKES A COUNTYWIDE REVISION OF ASSESSMENT OF
11 REAL PROPERTY AT VALUES BASED UPON AN ESTABLISHED PREDETERMINED
12 RATIO AS REQUIRED BY LAW OR AFTER ANY COUNTY CHANGES ITS
13 ESTABLISHED PREDETERMINED RATIO, A BOARD OF SCHOOL DIRECTORS IN
14 A SCHOOL DISTRICT WHICH HAS ADOPTED A RESOLUTION IMPOSING THE
15 TAX UNDER SECTION 611-A(A)(1) OR IN WHICH A REFERENDUM UNDER
16 SECTION 613-A HAS BEEN APPROVED, WHICH AFTER THE EFFECTIVE DATE
17 OF THIS SECTION FOR THE FIRST TIME LEVIES ITS REAL ESTATE TAXES
18 ON THAT REVISED ASSESSMENT OR VALUATION, SHALL FOR THE FIRST
19 YEAR REDUCE ITS TAX RATE, IF NECESSARY, FOR THE PURPOSE OF
20 HAVING THE PERCENTAGE INCREASE IN TAXES LEVIED FOR THAT YEAR
21 AGAINST THE REAL PROPERTIES CONTAINED IN THE DUPLICATE FOR THE
22 PRECEDING YEAR BE LESS THAN OR EQUAL TO THE PERCENTAGE INCREASE
23 IN THE AVERAGE INDEX FOR THE PRECEDING YEAR NOTWITHSTANDING THE
24 INCREASED VALUATIONS OF SUCH PROPERTIES UNDER THE REVISED
25 ASSESSMENT. FOR THE PURPOSE OF DETERMINING THE TOTAL AMOUNT OF
26 TAXES TO BE LEVIED FOR THE FIRST YEAR, THE AMOUNT TO BE LEVIED
27 ON NEWLY CONSTRUCTED BUILDINGS OR STRUCTURES OR ON INCREASED
28 VALUATIONS BASED ON NEW IMPROVEMENTS MADE TO EXISTING HOUSES
29 NEED NOT BE CONSIDERED. THE TAX RATE SHALL BE FIXED FOR THAT
30 YEAR AT A FIGURE WHICH WILL ACCOMPLISH THIS PURPOSE. THE

1 PROVISIONS OF SECTION 614-A SHALL APPLY TO INCREASES IN THE TAX
2 RATE ABOVE THE LIMITS PROVIDED IN THIS SECTION.

3 (C) EARNED INCOME AND NET PROFITS TAX

4 OR PERSONAL INCOME TAX

5 SECTION 621-A. AUTHORIZATION.

6 (A) GENERAL RULE.--A BOARD OF SCHOOL DIRECTORS MAY CHOOSE TO
7 LEVY, ASSESS AND COLLECT A TAX ON EARNED INCOME AND NET PROFITS
8 OR A PERSONAL INCOME TAX UNDER THIS SECTION.

9 (B) EARNED INCOME AND NET PROFITS TAX.--

10 (1) A BOARD OF SCHOOL DIRECTORS MAY LEVY, ASSESS AND
11 COLLECT A TAX ON EARNED INCOME AND NET PROFITS OF RESIDENT
12 INDIVIDUALS OF THE SCHOOL DISTRICT AT THE RATE AND PURSUANT
13 TO THE AUTHORITY PROVIDED IN SECTION 611-A(A)(1) WITHOUT
14 SUBMITTING THE QUESTION TO THE VOTERS IN A REFERENDUM UNDER
15 SECTION 613-A.

16 (2) A BOARD OF SCHOOL DIRECTORS MAY LEVY, ASSESS AND
17 COLLECT AN ADDITIONAL TAX ON THE EARNED INCOME AND NET
18 PROFITS OF RESIDENT INDIVIDUALS OF THE SCHOOL DISTRICT.

19 (3) THE COMBINED RATE OF THE EARNED INCOME AND NET
20 PROFITS TAX AUTHORIZED UNDER PARAGRAPHS (1) AND (2) SHALL NOT
21 EXCEED THE RATE REQUIRED TO PROVIDE AN EXCLUSION FOR
22 FARMSTEAD PROPERTY AND AN EXCLUSION FOR HOMESTEAD PROPERTY
23 EQUAL TO THE MAXIMUM EXCLUSION UNDER 53 PA.C.S. § 8586. THE
24 BOARD OF SCHOOL DIRECTORS SHALL ROUND THE RATE OF THE EARNED
25 INCOME AND NET PROFITS TAX LEVIED PURSUANT TO THIS SECTION TO
26 THE NEAREST TENTH OF A PERCENT. THE EXCLUSION FOR FARMSTEAD
27 PROPERTY GRANTED UNDER THIS SECTION SHALL NOT EXCEED THE
28 AMOUNT GRANTED FOR THE EXCLUSION FOR HOMESTEAD PROPERTY.

29 (C) PERSONAL INCOME TAX.--

30 (1) A BOARD OF SCHOOL DIRECTORS MAY LEVY, ASSESS AND

1 COLLECT A TAX ON THE PERSONAL INCOME OF RESIDENT INDIVIDUALS
2 OF THE SCHOOL DISTRICT AT A RATE DETERMINED BY THE BOARD OF
3 SCHOOL DIRECTORS.

4 (2) THE PERSONAL INCOME TAX AUTHORIZED UNDER PARAGRAPH
5 (1) SHALL EQUAL THE SUM OF THE RATE REQUIRED TO GENERATE THE
6 SAME AMOUNT OF EARNED INCOME AND NET PROFITS TAX REVENUE
7 RECEIVED BY THE SCHOOL DISTRICT PRIOR TO THE ADOPTION OF THIS
8 SUBSECTION AND PURSUANT TO SECTION 611-A(A)(1) OR 613-
9 A(B)(2)(I) AND TO PROVIDE AN EXCLUSION FOR FARMSTEAD PROPERTY
10 AND AN EXCLUSION FOR HOMESTEAD PROPERTY THAT SHALL NOT EXCEED
11 THE RATE REQUIRED TO PROVIDE AN EXCLUSION FOR FARMSTEAD
12 PROPERTY AND AN EXCLUSION FOR HOMESTEAD PROPERTY EQUAL TO THE
13 MAXIMUM EXCLUSION UNDER 53 PA.C.S. § 8586. THE BOARD OF
14 SCHOOL DIRECTORS SHALL ROUND THE RATE OF THE PERSONAL INCOME
15 TAX PURSUANT TO THIS SECTION TO THE NEAREST TENTH OF A
16 PERCENT. THE EXCLUSION FOR FARMSTEAD PROPERTY GRANTED UNDER
17 THIS SECTION SHALL NOT EXCEED THE AMOUNT GRANTED FOR THE
18 EXCLUSION FOR HOMESTEAD PROPERTY.

19 (3) IF A BOARD OF SCHOOL DIRECTORS ELECTS TO IMPOSE A
20 PERSONAL INCOME TAX UNDER THIS SUBSECTION, THE BOARD OF
21 SCHOOL DIRECTORS SHALL NOT BE PERMITTED TO IMPOSE THE EARNED
22 INCOME AND NET PROFITS TAX UNDER SUBSECTION (B) OR UNDER THE
23 LOCAL TAX ENABLING ACT.

24 (4) A PERSONAL INCOME TAX IMPOSED UNDER THE AUTHORITY OF
25 THIS ARTICLE SHALL BE LEVIED AND ASSESSED ON THE SAME BASIS
26 AND ADMINISTERED IN THE SAME FASHION AS THE TAX IMPOSED BY
27 ARTICLE III OF THE TAX REFORM CODE, THE PROVISIONS OF WHICH
28 ARE INCORPORATED BY REFERENCE INTO THIS ARTICLE.

29 (I) NOTWITHSTANDING THE PROVISIONS OF SECTION 353(F)
30 OF THE TAX REFORM CODE, THE DEPARTMENT OF REVENUE MAY

1 PERMIT THE PROPER OFFICER OF A SCHOOL DISTRICT IMPOSING A
2 TAX PURSUANT TO THIS ARTICLE TO INSPECT THE TAX RETURNS
3 OF ANY TAXPAYER OR MAY FURNISH TO THE OFFICER OR AN
4 AUTHORIZED REPRESENTATIVE AN ABSTRACT OF THE RETURN OF
5 INCOME OF ANY CURRENT OR FORMER RESIDENT OF THE SCHOOL
6 DISTRICT, OR SUPPLY INFORMATION CONCERNING ANY ITEM OF
7 INCOME CONTAINED IN ANY TAX RETURN. THE OFFICER OR
8 AUTHORIZED AGENT OF THE SCHOOL DISTRICT IMPOSING A TAX
9 UNDER THIS ARTICLE SHALL BE FURNISHED THE REQUESTED
10 INFORMATION UPON PAYMENT TO THE DEPARTMENT OF THE COST OF
11 COLLECTING AND REPRODUCING THE REQUESTED INFORMATION.

12 (II) (A) EXCEPT FOR OFFICIAL PURPOSES OR AS
13 PROVIDED BY LAW, IT SHALL BE UNLAWFUL FOR ANY
14 OFFICER, AGENT OR EMPLOYEE OF A SCHOOL DISTRICT TO DO
15 ANY OF THE FOLLOWING:

16 (I) DISCLOSE THE AMOUNT OR SOURCE OF INCOME,
17 PROFITS, LOSSES, EXPENDITURES OR ANY PARTICULAR
18 INFORMATION CONCERNING INCOME, PROFITS, LOSSES OR
19 EXPENDITURES CONTAINED IN ANY RETURN.

20 (II) PERMIT ANY RETURN OR COPY OF A RETURN
21 OR ANY BOOK CONTAINING ANY ABSTRACT OR
22 PARTICULARS TO BE SEEN OR EXAMINED.

23 (III) PRINT OR PUBLISH IN ANY MANNER ANY
24 RETURN OR ANY PARTICULAR INFORMATION CONCERNING
25 THE RETURN.

26 (IV) PRINT OR PUBLISH IN ANY MANNER ANY
27 AMOUNT OR SOURCE OF INCOME, PROFITS, LOSSES,
28 EXPENDITURES OR ANY PARTICULAR INFORMATION
29 CONCERNING INCOME, PROFITS, LOSSES OR
30 EXPENDITURES CONTAINED IN ANY RETURN.

1 (B) ANY OFFICER, AGENT OR EMPLOYEE OF A SCHOOL
2 DISTRICT THAT VIOLATES CLAUSE (A):

3 (I) MAY BE FINED NOT MORE THAN \$1,000 OR
4 IMPRISONED FOR NOT MORE THAN ONE YEAR, OR BOTH.

5 (II) SHALL BE DISMISSED FROM OFFICE OR
6 DISCHARGED FROM EMPLOYMENT.

7 (D) PROHIBITIONS.--

8 (1) A SCHOOL DISTRICT THAT LEVIES A LOCAL PERSONAL
9 INCOME TAX UNDER THIS SECTION SHALL HAVE NO POWER TO LEVY,
10 ASSESS OR COLLECT THE EARNED INCOME AND NET PROFITS TAX UNDER
11 THIS SECTION.

12 (2) PAYMENT OF ANY TAX ON INCOME TO ANY STATE OTHER THAN
13 PENNSYLVANIA OR TO ANY POLITICAL SUBDIVISION LOCATED OUTSIDE
14 THE BOUNDARIES OF THIS COMMONWEALTH, BY RESIDENTS OF A SCHOOL
15 DISTRICT LOCATED IN PENNSYLVANIA SHALL NOT BE CREDITED TO AND
16 ALLOWED AS A DEDUCTION FROM THE LIABILITY OF SUCH PERSON FOR
17 ANY INCOME TAX IMPOSED BY THE SCHOOL DISTRICT OF RESIDENCE.

18 SECTION 622-A. COLLECTIONS.

19 A BOARD OF SCHOOL DIRECTORS IMPOSING A TAX UNDER THIS ARTICLE
20 SHALL DESIGNATE A TAX OFFICER UNDER SECTION 10 OF THE LOCAL TAX
21 ENABLING ACT, OR OTHERWISE BY LAW, AS THE COLLECTOR OF THE
22 EARNED INCOME AND NET PROFITS TAX OR PERSONAL INCOME TAX. IN THE
23 PERFORMANCE OF THE TAX COLLECTION DUTIES UNDER THIS SUBDIVISION,
24 THE DESIGNATED TAX OFFICER SHALL HAVE ALL THE SAME POWERS,
25 RIGHTS, RESPONSIBILITIES AND DUTIES FOR THE COLLECTION OF THE
26 TAXES WHICH MAY BE IMPOSED UNDER THE LOCAL TAX ENABLING ACT, 53
27 PA.C.S. CH. 84 SUBCH. C (RELATING TO LOCAL TAXPAYERS BILL OF
28 RIGHTS) OR AS OTHERWISE PROVIDED BY LAW.

29 SECTION 623-A. CREDITS AND REIMBURSEMENT.

30 (A) CREDIT.--THE PROVISIONS OF SECTION 14 OF THE LOCAL TAX

1 ENABLING ACT SHALL BE APPLIED BY A BOARD OF SCHOOL DIRECTORS TO
2 DETERMINE ANY CREDITS UNDER THE PROVISIONS OF THIS SUBDIVISION
3 FOR A TAX IMPOSED UNDER SECTION 621-A.

4 (B) REIMBURSEMENT.--NOTWITHSTANDING ANY OTHER PROVISIONS OF
5 LAW TO THE CONTRARY, THE FOLLOWING APPLY:

6 (1) THIS SUBSECTION ONLY APPLIES TO A TAXPAYER WHO IS A
7 RESIDENT OF THIS COMMONWEALTH AND NOT A RESIDENT OF A CITY OF
8 THE FIRST CLASS BUT WHO IS SUBJECT TO THE TAX ON SALARIES,
9 WAGES, COMMISSIONS OR OTHER COMPENSATION IMPOSED BY A CITY OF
10 THE FIRST CLASS UNDER THE AUTHORITY OF THE ACT OF AUGUST 5,
11 1932 (SP.SESS., P.L.45, NO.45), REFERRED TO AS THE STERLING
12 ACT.

13 (2) FOR TAXABLE YEARS BEGINNING IN THE FIRST CALENDAR
14 YEAR IN WHICH A CERTIFICATION UNDER SECTION 603-B IS MADE IN
15 AN AMOUNT GREATER THAN ZERO AND EACH TAXABLE YEAR THEREAFTER,
16 PAYMENT OF A TAX ON SALARIES, WAGES, COMMISSION OR OTHER
17 COMPENSATION AS SET FORTH IN PARAGRAPH (1) SHALL BE CREDITED
18 TO THE SCHOOL DISTRICT OF THE TAXPAYER'S RESIDENCE AT AN
19 AMOUNT NO GREATER THAN THE RATE OF TAX IMPOSED ON THE EARNED
20 INCOME AND NET PROFITS OF THE TAXPAYER BY THE SCHOOL DISTRICT
21 IN WHICH THE TAXPAYER RESIDES.

22 (3) AN AMOUNT EQUAL TO THE AGGREGATE AMOUNT OF THE TAX
23 CREDITED UNDER PARAGRAPH (2) SHALL BE PAID FROM THE FUND TO
24 THE SCHOOL DISTRICT OF RESIDENCE OF EACH TAXPAYER UNDER
25 PARAGRAPH (1) FOR THE SOLE PURPOSE OF FUNDING HOMESTEAD AND
26 FARMSTEAD EXCLUSIONS IN ACCORDANCE WITH THIS ARTICLE. THE
27 DEPARTMENT OF EDUCATION SHALL PRESCRIBE PROCEDURES TO
28 CALCULATE THE AMOUNT DUE TO EACH SCHOOL DISTRICT QUALIFYING
29 UNDER THIS PARAGRAPH.

30 SECTION 624-A. EXEMPTION AND SPECIAL PROVISIONS.

1 (A) GENERAL RULE.--A SCHOOL DISTRICT THAT IMPOSES AN EARNED
2 INCOME AND NET PROFITS TAX UNDER SECTION 621-A MAY EXEMPT FROM
3 THE PAYMENT OF THAT TAX ANY PERSON WHOSE TOTAL INCOME FROM ALL
4 SOURCES IS LESS THAN \$10,000.

5 (B) APPLICABILITY.--THE PROVISIONS OF SECTION 304 OF THE TAX
6 REFORM CODE SHALL APPLY TO THE LOCAL PERSONAL INCOME TAX BY ANY
7 SCHOOL DISTRICT THAT LEVIES A TAX ON PERSONAL INCOME OF
8 RESIDENTS UNDER SECTION 621-A(C).

9 SECTION 625-A. RULES AND REGULATIONS.

10 A SCHOOL DISTRICT THAT IMPOSES:

11 (1) AN EARNED INCOME AND NET PROFITS TAX UNDER SECTION
12 621-A SHALL BE SUBJECT TO ALL REGULATIONS ADOPTED UNDER
13 SECTION 13 OF THE LOCAL TAX ENABLING ACT AND MAY ADOPT
14 REGULATIONS FOR THE PROCESSING OF CLAIMS FOR CREDITS OR
15 EXEMPTIONS UNDER SECTIONS 623-A AND 624-A; OR

16 (2) A PERSONAL INCOME TAX UNDER SECTION 621-A SHALL BE
17 SUBJECT TO ALL REGULATIONS ADOPTED BY THE DEPARTMENT OF
18 REVENUE IN ADMINISTERING THE TAX DUE TO THE COMMONWEALTH
19 UNDER SECTION 302 OF THE TAX REFORM CODE.

20 SECTION 626-A. PROCEDURE AND ADMINISTRATION.

21 (A) LEVY.--IN ORDER TO LEVY OR INCREASE A TAX UNDER SECTION
22 621-A, THE BOARD OF SCHOOL DIRECTORS MUST ADOPT A RESOLUTION
23 REFERRING TO THIS SUBDIVISION PRIOR TO PLACING A REFERENDUM
24 QUESTION ON THE BALLOT UNDER SECTION 613-A. PRIOR TO ADOPTING A
25 RESOLUTION IMPOSING A TAX UNDER SECTION 621-A(B)(2) OR (C), THE
26 BOARD OF SCHOOL DIRECTORS MUST GIVE PUBLIC NOTICE OF ITS INTENT
27 TO ADOPT THE RESOLUTION IN THE MANNER PROVIDED BY SECTION 4 OF
28 THE LOCAL TAX ENABLING ACT AND MUST CONDUCT AT LEAST ONE PUBLIC
29 HEARING REGARDING THE PROPOSED ADOPTION OF THE RESOLUTION.

30 (B) CALCULATION.--FOR THE PURPOSES OF PROPOSING A REFERENDUM

1 UNDER SECTION 613-A, THE BOARD OF SCHOOL DIRECTORS SHALL
2 ESTIMATE THE MAXIMUM HOMESTEAD EXCLUSION PERMITTED UNDER 53
3 PA.C.S. § 8586 (RELATING TO LIMITATIONS), THE PROPOSED HOMESTEAD
4 EXCLUSION FOR THE SCHOOL DISTRICT AND THE PERCENTAGE REDUCTION
5 IN RESIDENTIAL REAL PROPERTY TAXES.

6 (C) CONFLICT.--IN ANY SITUATION WHERE THERE IS A CONFLICT
7 INVOLVING THE AUTHORITY CONFERRED ON A LOCAL TAX COLLECTOR, BY
8 THE PROVISIONS OF THE LOCAL TAX ENABLING ACT AND THE TAX REFORM
9 CODE, THE PROVISIONS OF THE LOCAL TAX ENABLING ACT SHALL
10 CONTROL.

11 SECTION 627-A. DISPOSITION OF INCOME TAX REVENUE.

12 (A) FISCAL YEAR OF IMPLEMENTATION.--

13 (1) FOR THE FIRST FISCAL YEAR THAT A TAX IMPOSED
14 PURSUANT TO SECTION 611-A(A)(1) OR A TAX AUTHORIZED PURSUANT
15 TO SECTION 613-A IS IMPLEMENTED, AN INCREASE IN REVENUE
16 RECEIVED BY A SCHOOL DISTRICT THAT IS DIRECTLY ATTRIBUTABLE
17 TO ANY OF THE FOLLOWING SHALL BE USED BY THE SCHOOL DISTRICT
18 TO PROVIDE FOR A REDUCTION IN THE SCHOOL DISTRICT PROPERTY
19 TAX BY MEANS OF AN EXCLUSION FOR FARMSTEAD PROPERTY AND
20 HOMESTEAD PROPERTY:

21 (I) IMPLEMENTATION OF A NEW TAX ON EARNED INCOME AND
22 NET PROFITS.

23 (II) IMPLEMENTATION OF A NEW TAX ON PERSONAL INCOME.

24 (III) AN INCREASE IN THE RATE OF A TAX ON EARNED
25 INCOME AND NET PROFITS.

26 (IV) A CONVERSION OF A TAX ON PERSONAL INCOME FROM A
27 TAX ON EARNED INCOME AND NET PROFITS.

28 (2) IN THE SECOND FISCAL YEAR AND EACH FISCAL YEAR
29 THEREAFTER, THE FUNDS DERIVED FROM THE SOURCES DELINEATED IN
30 PARAGRAPH (1) SHALL BE USED TO THE EXTENT NECESSARY TO

1 CONTINUE TO PROVIDE FOR A REDUCTION IN SCHOOL DISTRICT
2 PROPERTY TAXES AT THE LEVEL ESTABLISHED IN THE IMMEDIATELY
3 PRIOR FISCAL YEAR.

4 (B) SUBSEQUENT RATE INCREASES OR BASE CHANGES.--

5 (1) FOR THE FISCAL YEAR OF IMPLEMENTATION OF AN INCREASE
6 IN THE RATE OF AN EXISTING TAX IMPOSED UNDER SECTION 621-A OR
7 THE CONVERSION OF A TAX ON PERSONAL INCOME FROM A TAX ON
8 EARNED INCOME AND NET PROFITS UNDER THIS ARTICLE, ALL REVENUE
9 RECEIVED BY A SCHOOL DISTRICT DIRECTLY ATTRIBUTABLE TO THE
10 INCREASED RATE OR CONVERSION SHALL BE USED TO REDUCE THE
11 SCHOOL DISTRICT REAL PROPERTY TAX BY MEANS OF AN EXCLUSION
12 FOR FARMSTEAD PROPERTY AND HOMESTEAD PROPERTY PURSUANT TO
13 SECTION 621-A.

14 (2) IN THE SECOND FISCAL YEAR AFTER THE IMPLEMENTATION
15 OF AN INCREASE REFERRED TO IN PARAGRAPH (1) AND EACH FISCAL
16 YEAR THEREAFTER, THE FUNDS DERIVED FROM THE SOURCES
17 DELINEATED IN PARAGRAPH (1) SHALL BE USED TO THE EXTENT
18 NECESSARY TO CONTINUE TO PROVIDE FOR A REDUCTION IN SCHOOL
19 DISTRICT PROPERTY TAXES AT THE LEVEL ESTABLISHED IN THE
20 IMMEDIATELY PRIOR FISCAL YEAR.

21 (C) SCHOOL DISTRICT COSTS.--NOT MORE THAN 2% OF THE INCREASE
22 IN REVENUE CALCULATED UNDER SUBSECTION (A)(1) MAY BE RETAINED BY
23 THE SCHOOL DISTRICT TO OFFSET COSTS TO IMPLEMENT THIS ARTICLE.

24 (D) EXCLUSIVE USE.--ALL FUNDS RECEIVED BY A SCHOOL DISTRICT
25 FROM THE FUND IN ANY FISCAL YEAR PURSUANT TO ITS PROPERTY TAX
26 REDUCTION ALLOCATION SHALL BE USED EXCLUSIVELY TO PROVIDE FOR A
27 REDUCTION IN THE SCHOOL DISTRICT REAL PROPERTY TAX BY MEANS OF
28 AN EXCLUSION FROM FARMSTEAD PROPERTY AND HOMESTEAD PROPERTY
29 PURSUANT TO THE PROVISIONS OF SUBDIVISION (D).

30 (E) EXCEPTION.--ANY SCHOOL DISTRICT WHOSE FISCAL YEAR BEGINS

1 ON JANUARY 1, SHALL, IN LIEU OF REDUCING REAL PROPERTY TAXES BY
2 MEANS OF AN EXCLUSION FROM FARMSTEAD PROPERTY AND HOMESTEAD
3 PROPERTY, AS REQUIRED BY THIS SECTION, FOR ITS FIRST FISCAL YEAR
4 IN WHICH THE SECRETARY OF THE BUDGET HAS CERTIFIED AN AMOUNT
5 AVAILABLE FOR DISTRIBUTION UNDER SECTION 603-B(A)(1) PROVIDE FOR
6 REBATES TO OWNERS OF FARMSTEAD PROPERTY AND HOMESTEAD PROPERTY.
7 THE REBATES SHALL BE MAILED NO LATER THAN 180 DAYS FOLLOWING THE
8 CERTIFICATION BY THE SECRETARY OF THE BUDGET.

9 (D) HOMESTEAD EXCLUSION

10 SECTION 691-A. CHANGES TO THE AMOUNT OF THE HOMESTEAD
11 EXCLUSION.

12 (A) INCREASES IN THE HOMESTEAD EXCLUSION.--A SCHOOL DISTRICT
13 MAY INCREASE THE AMOUNT OF THE EXCLUSION FOR HOMESTEAD PROPERTY
14 REQUIRED PURSUANT TO SECTION 627-A CONSISTENT WITH THE
15 PROHIBITIONS IN 53 PA.C.S. § 8586 (RELATING TO LIMITATIONS).

16 (B) DECREASES IN THE HOMESTEAD EXCLUSION.--A SCHOOL DISTRICT
17 MAY ONLY REDUCE THE EXCLUSION FOR HOMESTEAD PROPERTY BELOW THE
18 LEVEL AUTHORIZED PURSUANT TO SUBSECTION (C), SECTION 692-A(B)
19 AND THE REFERENDUM AUTHORIZED UNDER SECTION 613-A, WHEN THE
20 MEDIAN ASSESSED VALUE USED IN CALCULATING THE HOMESTEAD
21 EXCLUSION DECREASES.

22 (C) REASSESSMENT.--AFTER A REVISION OF ASSESSMENTS BY MEANS
23 OF REVALUING ALL PROPERTIES, THE GOVERNING BODY PROVIDING AN
24 EXCLUSION FOR HOMESTEAD PROPERTY UNDER SECTION 613-A SHALL
25 ADJUST THE AMOUNT OF THE EXCLUSION PURSUANT TO 53 PA.C.S. §
26 8583(E) (RELATING TO EXCLUSION FOR HOMESTEAD PROPERTY).

27 (D) EXCESS FUNDING.--A SCHOOL DISTRICT WHICH COLLECTS OR
28 ANTICIPATES COLLECTING REVENUE FROM TAXES AUTHORIZED UNDER THIS
29 ARTICLE, TOGETHER WITH STATE FUNDS RECEIVED PURSUANT TO ARTICLE
30 VI-B, IN AN AMOUNT GREATER THAN THAT NECESSARY TO PROVIDE FOR

HOMESTEAD EXCLUSIONS EQUAL TO 100% OF THE AMOUNT AUTHORIZED
PURSUANT TO THE CONSTITUTION OF PENNSYLVANIA SHALL USE SUCH
EXCESS TO EITHER:

(1) REDUCE THE RATE OF ITS EARNED INCOME AND NET PROFITS
TAX OR ITS PERSONAL INCOME TAX TO A LEVEL THAT RETURNS TO
THOSE TAXPAYERS ALL EXCESS FUNDS; OR

(2) REDUCE THE MILLAGE RATE ON ALL TAXABLE REAL PROPERTY
WITHIN THE SCHOOL DISTRICT TO THE EXTENT NECESSARY TO USE ALL
THE EXCESS REVENUE FOR PROPERTY TAX RELIEF.

(E) REDUCTION IN FUNDING.--IN ANY YEAR SUBSEQUENT TO A YEAR
IN WHICH AN INCOME TAX RATE WAS REDUCED PURSUANT TO SUBSECTION
(D), IF THE REVENUE COLLECTED OR ANTICIPATED TO BE COLLECTED
UNDER THIS ARTICLE AND ARTICLE VI-B FALLS BELOW THE AMOUNT
NECESSARY TO MAINTAIN HOMESTEAD PROPERTY TAX EXCLUSIONS AT 100%
OF THE MAXIMUM, THE SCHOOL DISTRICT MAY RERAISE THE RATE OF THE
INCOME TAX SO REDUCED UP TO THE AMOUNT PREVIOUSLY REDUCED
WITHOUT COMPLYING WITH THE REFERENDUM PROVISIONS OF SECTION 613-
A OR 614-A.

SECTION 692-A. HOMESTEAD EXCLUSION PROCESS.

(A) NOTIFICATION TO PROPERTY OWNERS.--A BOARD OF SCHOOL
DIRECTORS SHALL, BY FIRST CLASS MAIL, NOTIFY THE OWNERS OF EACH
PARCEL OF PROPERTY WITHIN THE DISTRICT OF THE FOLLOWING
INFORMATION AT A MINIMUM:

(1) THE RATE OF ADDITIONAL EARNED INCOME AND NET PROFITS
TAX OR PERSONAL INCOME TAX AUTHORIZED PURSUANT TO SECTION
611-A.

(2) THE ESTIMATED DOLLAR AMOUNT OF PROPERTY TAX RELIEF
FOR EACH QUALIFYING HOMESTEAD AND FARMSTEAD PROPERTY. THIS
INFORMATION SHALL BE ACCOMPANIED BY A STATEMENT THAT THE
ACTUAL DOLLAR PROPERTY TAX RELIEF MAY BE AFFECTED BY THE

1 TOTAL NUMBER OF APPLICATIONS RECEIVED AND APPROVED.

2 (3) THE REQUIREMENT TO SUBMIT A COMPLETED APPLICATION AS
3 REQUIRED UNDER 53 PA.C.S. CH. 85 SUBCH. F (RELATING TO
4 HOMESTEAD PROPERTY EXCLUSION) IN ORDER TO QUALIFY FOR THE
5 PROPERTY TAX REDUCTIONS ESTIMATED IN PARAGRAPH (2).

6 THE NOTICE REQUIRED BY THIS SECTION SHALL INCLUDE A COPY OF THE
7 APPLICATION REQUIRED BY THE ASSESSOR OF THE COUNTY WHERE THE
8 PROPERTY IS LOCATED AND THE INSTRUCTIONS FOR COMPLETING AND
9 RETURNING THE APPLICATION. THE NOTICE REQUIRED BY THIS
10 SUBSECTION SHALL BE MADE BY DECEMBER 15, 2003, AND AGAIN BY
11 JANUARY 31, 2004.

12 (B) REVISIONS TO THE INITIAL CALCULATION OF HOMESTEAD AND
13 FARMSTEAD EXCLUSION FOR SCHOOL DISTRICTS.--IF THE BOARD OF
14 SCHOOL DIRECTORS IMPOSES A TAX UNDER SECTION 611-A(A)(1) OR IF
15 THE ELECTORS OF A SCHOOL DISTRICT APPROVE A REFERENDUM QUESTION
16 PURSUANT TO SECTION 613-A, THE BOARD OF SCHOOL DIRECTORS SHALL
17 REVISE THE CALCULATION UTILIZED UNDER SECTION 626-A(B) WITH
18 INFORMATION DERIVED FROM THE SUPPLEMENTAL REPORT FROM THE
19 ASSESSOR UNDER THIS SECTION. SUCH REVISED CALCULATION SHALL BE
20 USED TO PROVIDE HOMESTEAD AND FARMSTEAD EXCLUSIONS. WHERE THE
21 TAX IMPOSED UNDER SECTION 621-A AND THE FUNDS DISTRIBUTED
22 PURSUANT TO ARTICLE VI-B ARE INSUFFICIENT TO PROVIDE THE
23 HOMESTEAD AND FARMSTEAD EXCLUSIONS AUTHORIZED THROUGH APPROVAL
24 OF A REFERENDUM QUESTION, THE EXCLUSIONS MAY BE REDUCED
25 ACCORDINGLY.

26 (C) APPEALS.--REAL PROPERTY FOR WHICH AN APPLICATION UNDER
27 53 PA.C.S. § 8584 (RELATING TO ADMINISTRATION AND PROCEDURE) HAS
28 BEEN FILED BY MARCH 1, 2004, SHALL BE DEEMED TO BE A HOMESTEAD
29 PROPERTY OR FARMSTEAD PROPERTY, AS THE CASE MAY BE, FOR THE
30 PURPOSES OF IMPLEMENTING A HOMESTEAD OR FARMSTEAD EXCLUSION

1 UNDER 53 PA.C.S. § 8717 (RELATING TO DISPOSITION OF EARNED
2 INCOME AND NET PROFITS TAX REVENUE) IN THE SCHOOL DISTRICT
3 FISCAL YEAR BEGINNING JULY 1, 2004, UNLESS THE ASSESSOR DENIES
4 THE APPLICATION WITHIN THE TIME PROVIDED BY LAW AND THE DENIAL
5 IS UNAPPEALED OR UNAPPEALABLE. THE SCHOOL DISTRICT IS AUTHORIZED
6 TO COLLECT TAXES, INTEREST AND PENALTIES RELATING TO A HOMESTEAD
7 OR FARMSTEAD EXCLUSION THAT IS DENIED AFTER THE DENIAL IS
8 UNAPPEALED OR UNAPPEALABLE.

9 (D) REPORTS.--IN ADDITION TO THE REPORT REQUIRED UNDER 53
10 PA.C.S. § 8584(I), THE ASSESSOR SHALL BE REQUIRED TO PROVIDE A
11 SUPPLEMENTAL REPORT CONTAINING THE INFORMATION REQUIRED UNDER 53
12 PA.C.S. § 8584(I) FOR APPLICATIONS FILED BY MARCH 1, 2004. THE
13 DATE OF THE SUPPLEMENTAL REPORT SHALL BE SET BY THE SCHOOL
14 DISTRICT, BUT SHALL NOT BE EARLIER THAN JUNE 1, 2004.

15 (E) DUTIES OF ASSESSORS--THE ASSESSOR SHALL MAIL TO THE
16 OWNER OF EACH HOMESTEAD PROPERTY AND FARMSTEAD PROPERTY FOR
17 WHICH AN APPLICATION HAS BEEN SUBMITTED AND APPROVED PRIOR TO
18 THE EFFECTIVE DATE OF THIS SECTION A NOTICE STATING THE DATE BY
19 WHICH THE OWNER WOULD BE REQUIRED TO RESUBMIT AN APPLICATION TO
20 MAINTAIN THE PROPERTY'S STATUS AS HOMESTEAD PROPERTY OR
21 FARMSTEAD PROPERTY UNDER THE COUNTY'S SCHEDULE FOR REVIEW OR
22 REAPPLICATION FOR HOMESTEAD AND FARMSTEAD EXCLUSIONS. THE NOTICE
23 UNDER THIS SECTION SHALL BE MADE BY FIRST CLASS MAIL NO LATER
24 THAN DECEMBER 15, 2003.

25 (F) PROHIBITION.--A COUNTY SHALL NOT REQUIRE AN APPLICATION
26 FEE FOR THE SUBMISSION OR REVIEW OF APPLICATIONS SUBMITTED TO
27 QUALIFY FOR A HOMESTEAD EXCLUSION OR FARMSTEAD EXCLUSION UNDER
28 THIS ARTICLE OR UNDER 53 PA.C.S. CH. 85 SUBCH. F.

29 (G) APPLICABILITY.--WITH THE EXCEPTION OF SUBSECTIONS (A),
30 (E) AND (F), THIS SECTION SHALL APPLY ONLY TO SCHOOL DISTRICTS

1 IN WHICH THE BOARD OF SCHOOL DIRECTORS IMPOSES A TAX UNDER
2 SECTION 611-A(A)(1).

3 (E) REGISTER

4 SECTION 693-A. REGISTER FOR TAXES.

5 (A) GENERAL RULE.--THE DEPARTMENT OF COMMUNITY AND ECONOMIC
6 DEVELOPMENT SHALL MAINTAIN AN OFFICIAL CONTINUING REGISTER
7 SUPPLEMENTED ANNUALLY OF ALL EARNED INCOME AND NET PROFITS TAXES
8 OR PERSONAL INCOME TAXES LEVIED UNDER SUBDIVISION (C).

9 (B) CONTENTS OF REGISTER.--THE REGISTER SHALL LIST:

10 (1) THE SCHOOL DISTRICTS LEVYING THE TAX.

11 (2) THE RATE OF TAX AS STATED IN THE RESOLUTION LEVYING
12 THE TAX.

13 (3) THE RATE ON TAXPAYERS.

14 (4) THE NAME AND ADDRESS OF THE OFFICIAL RESPONSIBLE FOR
15 ADMINISTERING THE COLLECTION OF THE TAX AND FROM WHOM
16 INFORMATION, FORMS AND COPIES OF REGULATIONS ARE AVAILABLE.

17 SECTION 694-A. INFORMATION FOR REGISTER.

18 INFORMATION FOR THE REGISTER SHALL BE FURNISHED BY THE SCHOOL
19 DISTRICT TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
20 AS PRESCRIBED BY THE DEPARTMENT. THE INFORMATION MUST BE
21 RECEIVED BY THE DEPARTMENT NO LATER THAN JULY 15 OF EACH YEAR TO
22 SHOW NEW TAX ENACTMENTS, REPEALS AND CHANGES. FAILURE TO COMPLY
23 WITH THE FILING DATE MAY RESULT IN THE OMISSION OF THE TAX LEVY
24 FROM THE REGISTER FOR THAT YEAR. FAILURE OF THE DEPARTMENT TO
25 RECEIVE INFORMATION OF TAXES CONTINUED WITHOUT CHANGE MAY BE
26 CONSTRUED BY THE DEPARTMENT TO MEAN THAT THE INFORMATION
27 CONTAINED IN THE PREVIOUS REGISTER REMAINS IN FORCE.

28 SECTION 695-A. AVAILABILITY AND EFFECTIVE PERIOD OF REGISTER.

29 THE REGISTER, WITH SUCH ANNUAL SUPPLEMENTS AS MAY BE REQUIRED
30 BY NEW TAX ENACTMENTS, REPEALS OR CHANGES, SHALL BE AVAILABLE

1 UPON REQUEST NO LATER THAN AUGUST 15 OF EACH YEAR. THE EFFECTIVE
2 PERIOD FOR EACH REGISTER SHALL BE FROM JULY 1 OF THE YEAR IN
3 WHICH IT IS ISSUED TO JUNE 30 OF THE FOLLOWING YEAR.

4 SECTION 696-A. EFFECT OF NONFILING.

5 EMPLOYERS SHALL NOT BE REQUIRED BY ANY ORDINANCE TO WITHHOLD
6 FROM THE COMPENSATION OF THEIR EMPLOYEES ANY LOCAL EARNED INCOME
7 AND NET PROFITS TAX OR PERSONAL INCOME TAX IMPOSED UNDER
8 SUBDIVISION (C) WHICH IS NOT LISTED IN THE REGISTER OR TO MAKE
9 REPORTS OF COMPENSATION IN CONNECTION WITH TAXES NOT SO LISTED.
10 IF THE REGISTER IS NOT AVAILABLE BY AUGUST 15, THE REGISTER OF
11 THE PREVIOUS YEAR SHALL CONTINUE TO BE EFFECTIVE FOR AN
12 ADDITIONAL PERIOD OF NOT MORE THAN ONE YEAR.

13 SECTION 697-A. EFFECT OF SUBDIVISION ON LIABILITY OF TAXPAYER.

14 THE PROVISIONS OF THIS SUBDIVISION SHALL NOT BE CONSTRUED TO
15 AFFECT THE LIABILITY OF ANY TAXPAYER FOR TAXES LAWFULLY IMPOSED
16 UNDER SUBDIVISIONS (B) AND (C).

17 ARTICLE VI-B

18 STATE MATCHING FUNDS FORMULA

19 SECTION 601-B. SCOPE.

20 THIS ARTICLE RELATES TO THE STATE MATCHING FUNDS FORMULA.

21 SECTION 602-B. DEFINITIONS.

22 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
23 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
24 CONTEXT CLEARLY INDICATES OTHERWISE:

25 "ALLOCATION MAXIMUM." A NUMERICAL VALUE OF 0.4 PLUS THE
26 MODIFIER CALCULATED UNDER SECTION 603-B(C)(2). THE VALUE,
27 INCLUDING THE MAXIMUM MODIFIER, SHALL NOT EXCEED 0.6.

28 "ALLOCATION MINIMUM." A NUMERICAL VALUE OF 0.1 PLUS THE
29 MODIFIER CALCULATED UNDER SECTION 603-B(C)(1). THE VALUE,
30 INCLUDING THE MINIMUM MODIFIER, SHALL NOT EXCEED 0.15.

1 "FUND." THE PROPERTY TAX RELIEF FUND ESTABLISHED IN THE
2 STATE TREASURY WHICH INCLUDES REVENUES FROM GAMING AS PROVIDED
3 BY LAW.

4 "INCOME TAX." AS DEFINED IN SECTION 602-A.

5 "MINIMUM LOCAL CONTRIBUTION." THE REVENUES COLLECTED IN A
6 FISCAL YEAR FROM THE IMPOSITION OF THE TAX AUTHORIZED UNDER
7 SECTION 611-A(A)(1), REGARDLESS OF WHETHER SUCH TAX IS IMPOSED
8 PURSUANT TO SECTION 611-A OR 613-A(B)(2)(I).

9 "PROPERTY TAX REDUCTION INDEX." A QUOTIENT EQUAL TO THE SUM
10 OF THE NUMERICAL RANK OF A SCHOOL DISTRICT'S PERSONAL INCOME
11 VALUATION PER AVERAGE DAILY MEMBERSHIP, THE NUMERICAL RANK OF
12 ITS MARKET-VALUE/INCOME-AID RATIO, THE NUMERICAL RANK OF ITS
13 EQUALIZED MILLAGE AND THE NUMERICAL RANK OF ITS SCHOOL TAX
14 RATIO, DIVIDED BY 1,000.

15 "RESIDENTIAL PROPERTY TAX." THE DOLLAR VALUE OF REAL
16 PROPERTY TAXES PAID BY RESIDENTIAL PROPERTY OWNERS IN A SCHOOL
17 DISTRICT, DETERMINED BY MULTIPLYING THE REAL PROPERTY TAXES
18 COLLECTED BY THE SCHOOL DISTRICT TIMES THE PERCENTAGE OF THE
19 TOTAL PROPERTY VALUE IN THE SCHOOL DISTRICT CLASSIFIED AS
20 RESIDENTIAL BY THE STATE TAX EQUALIZATION BOARD.

21 "SCHOOL TAX RATIO." THE DOLLAR VALUE OF LOCAL TAXES
22 COLLECTED BY THE SCHOOL DISTRICT OR BY A CITY OF THE FIRST CLASS
23 FOR A SCHOOL DISTRICT OF THE FIRST CLASS DIVIDED BY THE PERSONAL
24 INCOME VALUATION OF THE SCHOOL DISTRICT.

25 SECTION 603-B. CERTIFICATION; CALCULATION OF MINIMUM AND MAXIMUM
26 MODIFIERS.

27 (A) SECRETARY OF THE BUDGET CERTIFICATION.--THE FOLLOWING
28 SHALL APPLY:

29 (1) NO LATER THAN MARCH 1, 2004, AND EACH MARCH 1
30 THEREAFTER, THE SECRETARY OF THE BUDGET SHALL CERTIFY THE

1 AMOUNT OF MONEY THAT WILL BE AVAILABLE FOR DISTRIBUTION TO
2 SCHOOL DISTRICTS UNDER THIS ARTICLE DURING THE FISCAL YEAR
3 BEGINNING THE FOLLOWING JULY 1. THE SECRETARY OF THE BUDGET,
4 IN MAKING HIS CERTIFICATION, MAY TAKE INTO ACCOUNT MONEYS
5 THAT ARE THEN IN THE FUND AND MONEYS THAT HE DETERMINES ON A
6 SUSTAINABLE BASIS ARE REASONABLY EXPECTED TO BE DEPOSITED
7 INTO THE FUND IN THE NEXT FOLLOWING FISCAL YEAR.

8 (2) THE MINIMUM THE SECRETARY OF THE BUDGET MAY CERTIFY
9 UNDER THIS SUBSECTION IS \$600,000,000. IF THE SECRETARY OF
10 THE BUDGET DETERMINES THAT LESS THAN \$600,000,000 IS
11 AVAILABLE FOR DISTRIBUTION TO SCHOOL DISTRICTS UNDER THIS
12 ARTICLE, HIS CERTIFICATION SHALL STATE THAT NO FUNDS ARE
13 AVAILABLE FOR DISTRIBUTION.

14 (3) IF THE SECRETARY OF THE BUDGET CERTIFIES AN AMOUNT
15 EQUAL TO OR EXCEEDING \$750,000,000, HE SHALL ESTABLISH A
16 MODIFIER VALUE FOR THE ALLOCATION MAXIMUM AND THE ALLOCATION
17 MINIMUM UNDER SUBSECTION (C).

18 (B) SCHOOL DISTRICT CERTIFICATION.--THE FOLLOWING SHALL
19 APPLY:

20 (1) SCHOOL DISTRICTS SHALL CERTIFY TO THE DEPARTMENT THE
21 AMOUNT OF THE MINIMUM LOCAL CONTRIBUTION BY DECEMBER 15 OF
22 EACH YEAR. THE CERTIFICATION SHALL BE BASED UPON THE PREVIOUS
23 FISCAL YEAR'S INCOME TAX REVENUES AND CASH FLOW EXPERIENCE.
24 THE DEPARTMENT SHALL FORWARD THE CERTIFICATION TO THE
25 SECRETARY OF THE BUDGET BY THE FOLLOWING JANUARY 15.

26 (2) FOR SCHOOL DISTRICTS THAT DO NOT IMPOSE AN INCOME
27 TAX PRIOR TO THE IMPLEMENTATION OF THIS ARTICLE, THE
28 DEPARTMENT SHALL CERTIFY TO THE SECRETARY OF THE BUDGET BY
29 JANUARY 15 AN ESTIMATE OF THE AMOUNT OF THE MINIMUM LOCAL
30 CONTRIBUTION BASED UPON THE MOST RECENT FINANCIAL INFORMATION

1 FORWARDED TO THE DEPARTMENT BY THE DEPARTMENT OF REVENUE AND
2 THE EXPECTED CASH FLOW. THE DEPARTMENT SHALL RECONCILE
3 ESTIMATES MADE PURSUANT TO THIS SUBSECTION WITH ACTUAL
4 COLLECTIONS IN THE SUBSEQUENT YEAR.

5 (3) IF A SCHOOL DISTRICT FAILS TO MAKE A CERTIFICATION
6 TO THE DEPARTMENT UNDER PARAGRAPH (1), THE DEPARTMENT MAY
7 CERTIFY TO THE SECRETARY OF THE BUDGET AN AMOUNT BASED UPON
8 THE MOST RECENT FINANCIAL INFORMATION FORWARDED TO THE
9 DEPARTMENT BY THE DEPARTMENT OF REVENUE.

10 (C) ALLOCATION MODIFIERS.--THE SECRETARY OF THE BUDGET SHALL
11 CALCULATE MODIFIERS FOR THE ALLOCATION MAXIMUM AND THE
12 ALLOCATION MINIMUM BASED ON THE AMOUNT CERTIFIED UNDER
13 SUBSECTION (A).

14 (1) IF THE AMOUNT CERTIFIED BY THE SECRETARY OF THE
15 BUDGET FOR A FISCAL YEAR EXCEEDS \$750,000,000, THE MINIMUM
16 MODIFIER FOR THE ALLOCATION MINIMUM SHALL BE A VALUE OF .005
17 PER \$50,000,000 IN EXCESS OF \$750,000,000. THE MODIFIER FOR
18 THE ALLOCATION MINIMUM SHALL NOT EXCEED 0.05.

19 (2) IF THE AMOUNT CERTIFIED BY THE SECRETARY OF THE
20 BUDGET FOR A FISCAL YEAR EXCEEDS \$750,000,000, THE MINIMUM
21 MODIFIER FOR THE ALLOCATION MAXIMUM SHALL BE A VALUE OF .02
22 PER \$50,000,000 IN EXCESS OF \$750,000,000. THE MODIFIER FOR
23 THE ALLOCATION MAXIMUM SHALL NOT EXCEED 0.2.

24 SECTION 604-B. STATE PROPERTY TAX REDUCTION ALLOCATION.

25 (A) ADMINISTRATION.--THE DEPARTMENT OF EDUCATION SHALL DO
26 ALL OF THE FOLLOWING:

27 (1) ARRAY THE 2001 PERSONAL INCOME VALUATION DIVIDED BY
28 THE 2001-2002 AVERAGE DAILY MEMBERSHIP, THE 2003-2004 MARKET-
29 VALUE/INCOME-AID RATIO, THE 2001-2002 EQUALIZED MILLAGE AND
30 THE 2001-2002 SCHOOL TAX RATIO OF EACH SCHOOL DISTRICT IN

1 RANK ORDER AND ASSIGN EACH SCHOOL DISTRICT A DISCREET
2 NUMERICAL RANK FOR ITS PERSONAL INCOME VALUATION PER AVERAGE
3 DAILY MEMBERSHIP, ITS MARKET-VALUE/INCOME-AID RATIO, ITS
4 EQUALIZED MILLAGE AND ITS SCHOOL TAX RATIO. FOR THE NUMERICAL
5 RANK OF A SCHOOL DISTRICT'S PERSONAL INCOME VALUATION PER
6 AVERAGE DAILY MEMBERSHIP, THE SCHOOL DISTRICT WITH THE LOWEST
7 PERSONAL INCOME VALUATION PER AVERAGE DAILY MEMBERSHIP SHALL
8 HAVE THE HIGHEST NUMERICAL RANK. FOR THE NUMERICAL RANK OF A
9 SCHOOL DISTRICT'S MARKET-VALUE/INCOME-AID RATIO, THE SCHOOL
10 DISTRICT WITH THE HIGHEST MARKET-VALUE/INCOME-AID RATIO SHALL
11 HAVE THE HIGHEST NUMERICAL RANK; PROVIDED THAT ALL SCHOOL
12 DISTRICTS WITH A MARKET-VALUE/INCOME-AID RATIO EQUAL TO 0.15
13 SHALL RECEIVE A RANKING OF 1. FOR THE NUMERICAL RANK OF A
14 SCHOOL DISTRICT'S EQUALIZED MILLAGE, THE SCHOOL DISTRICT WITH
15 THE HIGHEST EQUALIZED MILLAGE SHALL HAVE THE HIGHEST
16 NUMERICAL RANK. FOR THE NUMERICAL RANK OF A SCHOOL DISTRICT'S
17 SCHOOL TAX RATIO, THE SCHOOL DISTRICT WITH THE HIGHEST SCHOOL
18 TAX RATIO SHALL HAVE THE HIGHEST NUMERICAL RANK.

19 (2) ASSIGN EACH SCHOOL DISTRICT A PROPERTY TAX REDUCTION
20 INDEX.

21 (3) CALCULATE THE PROPERTY TAX REDUCTION ALLOCATION FOR
22 EACH SCHOOL DISTRICT BY MULTIPLYING THE SCHOOL DISTRICT'S
23 ESTIMATED 2002-2003 AVERAGE DAILY MEMBERSHIP BY THE PROPERTY
24 TAX REDUCTION INDEX OF THE SCHOOL DISTRICT AND MULTIPLYING
25 THAT PRODUCT BY THE NECESSARY FACTOR IN ORDER TO ALLOCATE ALL
26 OF THE FUNDS IN THE FUND AS CERTIFIED UNDER SECTION 603-B(A),
27 EXCEPT AS FOLLOWS:

28 (I) A SCHOOL DISTRICT FOR WHICH THE ALLOCATION UNDER
29 THIS PARAGRAPH IS LESS THAN THE PRODUCT OF THE 2001-2002
30 RESIDENTIAL PROPERTY TAX OF THE SCHOOL DISTRICT AND THE

1 ALLOCATION MINIMUM SHALL RECEIVE AN ADDITIONAL AMOUNT SO
2 THAT THE SUM OF THE TOTAL ALLOCATION UNDER THIS PARAGRAPH
3 AND THE MINIMUM LOCAL CONTRIBUTION IS EQUAL TO THE
4 PRODUCT OF THE RESIDENTIAL PROPERTY TAX OF THE SCHOOL
5 DISTRICT AND THE ALLOCATION MINIMUM.

6 (II) A SCHOOL DISTRICT FOR WHICH THE SUM OF THE
7 TOTAL ALLOCATION UNDER THIS PARAGRAPH AND THE MINIMUM
8 LOCAL CONTRIBUTION IS GREATER THAN THE PRODUCT OF THE
9 2001-2002 RESIDENTIAL PROPERTY TAX OF THE SCHOOL DISTRICT
10 AND THE ALLOCATION MAXIMUM SHALL RECEIVE A TOTAL
11 ALLOCATION SUCH THAT THE SUM OF THE TOTAL ALLOCATION AND
12 THE MINIMUM LOCAL CONTRIBUTION IS EQUAL TO THE PRODUCT OF
13 THE RESIDENTIAL PROPERTY TAX OF THE SCHOOL DISTRICT AND
14 THE ALLOCATION MAXIMUM, EXCEPT AS PROVIDED IN SUBSECTION
15 (D).

16 (4) NOTIFY EACH SCHOOL DISTRICT OF THE AMOUNT OF ITS
17 PROPERTY TAX REDUCTION ALLOCATION NO LATER THAN MARCH 15 OF
18 EACH YEAR.

19 (B) PAYMENT.--FOR THE FISCAL YEAR COMMENCING JULY 1, 2004,
20 AND JULY 1 OF EACH FISCAL YEAR THEREAFTER, THE COMMONWEALTH
21 SHALL PAY TO EACH ELIGIBLE SCHOOL DISTRICT A PROPERTY TAX
22 REDUCTION ALLOCATION UNDER THE PROVISIONS OF ARTICLE VI-A EQUAL
23 TO THE AMOUNT CALCULATED UNDER SUBSECTION (A)(3). PAYMENTS
24 REQUIRED UNDER THIS SUBSECTION SHALL BE MADE PURSUANT TO SECTION
25 2517(C).

26 (C) DATA.--THE DATA ELEMENTS USED TO DETERMINE THE
27 CALCULATIONS WITHIN THIS SECTION SHALL BE BASED ON THE MOST
28 RECENT DATA, CERTIFIED BY THE DEPARTMENT.

29 (D) FIRST CLASS SCHOOL DISTRICTS.--THE LIMITATION IN
30 SUBSECTION (A)(3)(II) SHALL NOT APPLY TO THE CALCULATION OF THE

1 PROPERTY TAX REDUCTION ALLOCATION FOR A SCHOOL DISTRICT OF THE
2 FIRST CLASS.

3 (E) REDUCTION OF WAGE TAXES IN A CITY OF THE FIRST CLASS.--A
4 CITY COUNCIL OF A CITY OF THE FIRST CLASS SHALL REDUCE ANY TAX
5 IMPOSED ON THE WAGES OF RESIDENTS AND NONRESIDENTS UNDER THE
6 AUTHORITY OF THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45,
7 NO.45), REFERRED TO AS THE STERLING ACT, IN A MANNER CONSISTENT
8 WITH ARTICLE VI-C AND IN ACCORDANCE WITH THE FOLLOWING:

9 (1) FOR RESIDENTS, BY AN AMOUNT EQUAL TO THE AMOUNT OF
10 THE PROPERTY TAX REDUCTION ALLOCATION RECEIVED FROM THE
11 COMMONWEALTH PURSUANT TO SUBSECTION (B) IN AN AMOUNT NOT TO
12 EXCEED THE LIMITATIONS SET FORTH IN SUBSECTION (A)(3)(II) HAD
13 SUCH LIMITATIONS APPLIED.

14 (2) FOR NONRESIDENTS, BY ANY AMOUNT EQUAL TO THE AMOUNT
15 OF THE PROPERTY TAX REDUCTION ALLOCATION RECEIVED FROM THE
16 COMMONWEALTH PURSUANT TO SUBSECTION (B) IN EXCESS OF THE
17 LIMITATIONS SET FORTH IN SUBSECTION (A)(3)(II) HAD SUCH
18 LIMITATIONS APPLIED.

19 ARTICLE VI-C

20 WAGE AND NET PROFITS TAX RELIEF IN CITIES

21 OF THE FIRST CLASS

22 SECTION 601-C. SCOPE.

23 THIS ARTICLE RELATES TO WAGE AND NET PROFITS TAX RELIEF IN
24 CITIES OF THE FIRST CLASS.

25 SECTION 602-C. DEFINITIONS.

26 (RESERVED)

27 SECTION 603-C. TAX RELIEF.

28 (A) TAX REDUCTION.--A CITY OF THE FIRST CLASS MAY REDUCE THE
29 RATE OF WAGE AND NET PROFITS TAX TO OBTAIN THE COMMONWEALTH
30 FUNDING UNDER THIS ARTICLE. IF THE CITY ELECTS TO REDUCE TAXES

1 PURSUANT TO THIS ARTICLE, FUNDS RECEIVED BY A CITY OF THE FIRST
2 CLASS UNDER THIS ARTICLE FROM THE FUND SHALL BE USED TO OFFSET A
3 REDUCTION BY THE CITY IN FISCAL YEAR 2004-2005 AND EACH FISCAL
4 YEAR THEREAFTER IN THE RATE OF TAX ON WAGES AND NET PROFITS FOR
5 BOTH RESIDENTS AND NONRESIDENTS AS PROVIDED FOR IN SUBSECTION
6 (B) WHICH REDUCTIONS SHALL REMAIN IN EFFECT FOR SO LONG AS SUCH
7 FUNDS ARE PAID TO THE CITY IN AN AMOUNT EQUAL TO THE COST OF
8 SUCH REDUCTIONS.

9 (B) CALCULATION OF REDUCTION.--

10 (1) THE CITY SHALL CALCULATE THE AMOUNT OF THE RATE
11 REDUCTIONS SO THAT THEY EQUAL, BASED ON ESTIMATES CERTIFIED
12 BY THE CITY'S DIRECTOR OF FINANCE AND APPROVED BY THE
13 PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY PRIOR TO
14 THE IMPLEMENTATION OF THE REDUCTIONS, IN COMBINATION WITH ANY
15 REDUCTION IN THE RATE OF UNEARNED INCOME TAX IMPOSED BY A
16 SCHOOL DISTRICT IN THE CITY OF THE FIRST CLASS REQUIRED BY
17 THE ACT OF AUGUST 9, 1963 (P.L.640, NO.338), ENTITLED "AN ACT
18 EMPOWERING CITIES OF THE FIRST CLASS, COTERMINOUS WITH SCHOOL
19 DISTRICTS OF THE FIRST CLASS, TO AUTHORIZE THE BOARDS OF
20 PUBLIC EDUCATION OF SUCH SCHOOL DISTRICTS TO IMPOSE CERTAIN
21 ADDITIONAL TAXES FOR SCHOOL DISTRICT PURPOSES, AND PROVIDING
22 FOR THE LEVY, ASSESSMENT AND COLLECTION OF SUCH TAXES," AS A
23 RESULT OF THE REDUCTION IN THE RATE OF WAGE AND NET PROFITS
24 TAX, THE AMOUNT PAID TO THE CITY FROM THE FUND FOR TAX
25 REDUCTIONS. THE CITY SHALL, EACH YEAR, TRANSFER TO SUCH
26 SCHOOL DISTRICT AN AMOUNT EQUAL TO THE COST OF ANY REDUCTION
27 IN THE RATE OF UNEARNED INCOME TAX CAUSED BY THE RATE; AND
28 SUCH TRANSFER SHALL NOT BE SUBJECT TO THE PROVISIONS OF
29 SECTION 696(H).

30 (2) THE TAX RATE REDUCTIONS IMPLEMENTED BY A CITY OF THE

1 FIRST CLASS PURSUANT TO THIS PARAGRAPH SHALL BE IN ADDITION
2 TO THE FOLLOWING SCHEDULE OF PERCENTAGES OF WAGE AND NET
3 PROFITS TAX RATE REDUCTIONS ALREADY SCHEDULED TO OCCUR:

4 (I) IN 2005, 2.0728% FOR RESIDENTS AND 0.8402% FOR
5 NONRESIDENTS.

6 (II) IN 2006, 0.8581% FOR RESIDENTS AND 0.8473% FOR
7 NONRESIDENTS.

8 (III) IN 2007, 0.8656% FOR RESIDENTS AND 0.8545% FOR
9 NONRESIDENTS.

10 (IV) IN 2008, 0.8731% FOR RESIDENTS AND 0.8619% FOR
11 NONRESIDENTS.

12 (C) EXCEPTIONS.--THE WAGE AND NET PROFITS TAX RATES CAN ONLY
13 BE RAISED ABOVE THE RATES SPECIFIED IN SUBSECTION (B)(2) BY SUCH
14 AMOUNT THAT IS NECESSARY TO RESPOND TO ANY OF THE FOLLOWING:

15 (1) A FISCAL THREAT OR CONDITION, AS CERTIFIED BY THE
16 CITY'S DIRECTOR OF FINANCE AND APPROVED BY THE PENNSYLVANIA
17 INTERGOVERNMENTAL COOPERATION AUTHORITY, THAT OCCURS TO THE
18 CITY AS SET FORTH IN SECTION 614-A(F) OR AN EQUIVALENT FISCAL
19 THREAT THAT AFFECTS THE CITIZENS OF THE CITY. IT SHALL BE THE
20 RESPONSIBILITY OF THE CITY'S DIRECTOR OF FINANCE WITH THE
21 APPROVAL OF THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION
22 AUTHORITY TO INSURE THAT THE ADDITIONAL TAX REVENUE RAISED IS
23 EQUAL TO THE AMOUNT EXPENDED TO RESPOND TO THE FISCAL THREAT
24 OR CONDITION. IF THE AMOUNT OF REVENUE RAISED THROUGH RATE
25 ADJUSTMENT EXCEEDS THE AMOUNT NECESSARY TO RESPOND, OVER THE
26 COURSE OF THE CITY'S APPROVED FINANCIAL PLAN, TO THE FISCAL
27 THREAT, ALL OF THE EXCESS AMOUNT SHALL BE USED FOR WAGE TAX
28 AND NET PROFITS TAX REDUCTION IN THE IMMEDIATELY SUCCEEDING
29 APPROVED FINANCIAL PLAN, BUT ONLY IF THE RATE REDUCTION
30 (EXPRESSED AS THE DIFFERENCE BETWEEN THE TWO RATES) WOULD

1 EXCEED .0002.

2 (2) A DECREASE OF MORE THAN 2% IN THE AMOUNT OF TOTAL
3 TAX COLLECTIONS PLUS ANY FUNDS PROVIDED UNDER THIS ARTICLE
4 FROM THE PRECEDING YEAR'S COLLECTIONS. SUCH A DETERMINATION
5 OF A DECREASE MUST BE ATTESTED TO BY THE CITY'S DIRECTOR OF
6 FINANCE AND AGREED TO BY THE PENNSYLVANIA INTERGOVERNMENTAL
7 COOPERATION AUTHORITY.

8 (3) A DECLARATION BY THE PENNSYLVANIA INTERGOVERNMENTAL
9 COOPERATION AUTHORITY THAT THE CITY'S FIVE-YEAR PLAN IS
10 DISAPPROVED PURSUANT TO SECTION 209 OF THE ACT OF JUNE 5,
11 1991 (P.L.9, NO.6), KNOWN AS THE PENNSYLVANIA
12 INTERGOVERNMENTAL COOPERATION AUTHORITY ACT FOR CITIES OF THE
13 FIRST CLASS.

14 (4) FEDERAL OR STATE LAW IMPOSES A NEW UNFUNDED MANDATE
15 ON THE CITY THAT COSTS THE CITY MORE THAN 1.5% OF THE CITY'S
16 TOTAL GENERAL FUND EXPENDITURES IN ANY FISCAL YEAR.

17 (5) THE COST TO THE CITY OF AN EXISTING MANDATE IMPOSED
18 BY FEDERAL OR STATE LAW INCREASES BY MORE THAN 1.5% OF THE
19 CITY'S TOTAL GENERAL FUND EXPENDITURES IN ANY FISCAL YEAR AND
20 FUNDS TO PAY FOR THE INCREASE ARE NOT APPROPRIATED TO THE
21 CITY BY THE FEDERAL OR STATE GOVERNMENT.

22 (6) EXISTING FEDERAL OR STATE FUNDING IS DECREASED BY
23 1.5% OF THE CITY'S TOTAL GENERAL FUND EXPENDITURES IN ANY
24 FISCAL YEAR.

25 (D) EXCESS FUNDS.--IF IN ANY FISCAL YEAR THE SUMS RECEIVED
26 BY A CITY OF THE FIRST CLASS FROM THE FUND ARE IN EXCESS OF THE
27 VALUE OF THE TAX RATE REDUCTIONS ACTUALLY MADE BY THE CITY
28 PURSUANT TO SUBSECTION (A), THE CITY SHALL, WITHIN 60 DAYS
29 FOLLOWING THE CERTIFICATION BY THE DIRECTOR OF FINANCE, IN
30 CONSULTATION WITH THE SECRETARY OF THE BUDGET AND WITH THE

1 APPROVAL OF THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION
2 AUTHORITY OF THE AMOUNT OF THE EXCESS, DO ANY OF THE FOLLOWING:

3 (1) REPAY TO THE FUND THE EXCESS SUMS; OR
4 (2) FURTHER REDUCE WAGE AND NET PROFITS TAX RATES AND
5 UNEARNED INCOME TAX RATES, IF REQUIRED, IN THE FISCAL YEAR
6 NEXT FOLLOWING THE DETERMINATION OF THE EXCESS, BY AN AMOUNT
7 THAT WILL RESULT IN TOTAL TAX RATE REDUCTIONS REQUIRED FOR
8 THE AMOUNT RECEIVED FROM THE FUND. TO THE EXTENT THE RATE
9 REDUCTION PROVIDED FOR IN PARAGRAPH (2), EXPRESSED AS THE
10 DIFFERENCE BETWEEN THE TWO RATES, WOULD NOT EXCEED .0002,
11 THIS SUBSECTION SHALL NOT APPLY.

12 (E) INSUFFICIENT FUNDS.--IF IN ANY FISCAL YEAR THE DIRECTOR
13 OF FINANCE CERTIFIES, IN CONSULTATION WITH THE SECRETARY OF THE
14 BUDGET AND WITH THE APPROVAL OF THE PENNSYLVANIA
15 INTERGOVERNMENTAL COOPERATION AUTHORITY, THAT THE AMOUNT OF SUMS
16 RECEIVED BY THE CITY FROM THE FUND ARE LESS THAN THE VALUE OF
17 THE TAX RATE REDUCTIONS ACTUALLY MADE BY THE CITY PURSUANT TO
18 SUBSECTION (A), THE CITY MAY, IN THE FISCAL YEAR NEXT FOLLOWING
19 THE DETERMINATION OF THE AMOUNT, INCREASE THE CITY'S WAGE AND
20 NET PROFITS TAX RATE ABOVE THE RATES SPECIFIED IN SUBSECTION
21 (B)(2) BY AN AMOUNT THAT WILL RESULT IN AN OVERALL TAX RATE
22 REDUCTION EQUAL TO THAT REQUIRED FOR THE AMOUNT RECEIVED BY THE
23 CITY FROM THE FUND. TO THE EXTENT THE RATE INCREASE PROVIDED FOR
24 IN THIS SUBSECTION, EXPRESSED AS THE DIFFERENCE BETWEEN THE TWO
25 RATES, WOULD NOT EXCEED .0002, THIS SUBSECTION SHALL NOT APPLY.

26 SECTION 9. SECTION 922.1-A OF THE ACT, AMENDED OR ADDED
27 AUGUST 1, 1975 (P.L.180, NO.89), AUGUST 24, 1977 (P.L.199,
28 NO.59), OCTOBER 10, 1980 (P.L.924, NO.159) AND MAY 10, 2000
29 (P.L.44, NO.16), IS REENACTED TO READ:

30 SECTION 922.1-A. AUXILIARY SERVICES.--(A) LEGISLATIVE

1 FINDING; DECLARATION OF POLICY. THE WELFARE OF THE COMMONWEALTH
2 REQUIRES THAT THE PRESENT AND FUTURE GENERATION OF SCHOOL AGE
3 CHILDREN BE ASSURED AMPLE OPPORTUNITY TO DEVELOP TO THE FULLEST,
4 THEIR INTELLECTUAL CAPACITIES. IT IS THE INTENT OF THE GENERAL
5 ASSEMBLY BY THIS ENACTMENT TO ENSURE THAT THE INTERMEDIATE UNITS
6 IN THE COMMONWEALTH SHALL FURNISH ON AN EQUAL BASIS AUXILIARY
7 SERVICES TO ALL PUPILS IN THE COMMONWEALTH IN BOTH PUBLIC AND
8 NONPROFIT NONPUBLIC SCHOOLS.

9 (B) DEFINITIONS. THE FOLLOWING TERMS, WHENEVER USED OR
10 REFERRED TO IN THIS SECTION, SHALL HAVE THE FOLLOWING MEANINGS,
11 EXCEPT IN THOSE CIRCUMSTANCES WHERE THE CONTEXT CLEARLY
12 INDICATES OTHERWISE:

13 "AUXILIARY SERVICES" MEANS GUIDANCE, COUNSELING AND TESTING
14 SERVICES; PSYCHOLOGICAL SERVICES; VISUAL SERVICES AS DEFINED IN
15 SECTION 923.2-A; SERVICES FOR EXCEPTIONAL CHILDREN; REMEDIAL
16 SERVICES; SPEECH AND HEARING SERVICES; SERVICES FOR THE
17 IMPROVEMENT OF THE EDUCATIONALLY DISADVANTAGED (SUCH AS, BUT NOT
18 LIMITED TO, THE TEACHING OF ENGLISH AS A SECOND LANGUAGE), AND
19 SUCH OTHER SECULAR, NEUTRAL, NONIDEOLOGICAL SERVICES AS ARE OF
20 BENEFIT TO ALL SCHOOL CHILDREN AND ARE PRESENTLY OR HEREAFTER
21 PROVIDED FOR PUBLIC SCHOOL CHILDREN OF THE COMMONWEALTH.

22 "NONPUBLIC SCHOOL" MEANS NONPROFIT SCHOOL, OTHER THAN A
23 PUBLIC SCHOOL WITHIN THE COMMONWEALTH OF PENNSYLVANIA, WHEREIN A
24 RESIDENT OF THE COMMONWEALTH MAY LEGALLY FULFILL THE COMPULSORY
25 SCHOOL ATTENDANCE REQUIREMENTS OF THIS ACT AND WHICH MEET THE
26 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964
27 (PUB.L.88-352; 42 U.S.C. SECTION 2000 ET SEQ).

28 (C) PROGRAM OF AUXILIARY SERVICES. STUDENTS ATTENDING
29 NONPUBLIC SCHOOLS SHALL BE FURNISHED A PROGRAM OF AUXILIARY
30 SERVICES WHICH ARE PROVIDED TO PUBLIC SCHOOL STUDENTS IN THE

1 SCHOOL DISTRICT IN WHICH THEIR NONPUBLIC SCHOOL IS LOCATED. THE
2 PROGRAM OF AUXILIARY SERVICES SHALL BE PROVIDED BY THE
3 INTERMEDIATE UNIT IN WHICH THE NONPUBLIC SCHOOL IS LOCATED, IN
4 ACCORDANCE WITH STANDARDS OF THE SECRETARY OF EDUCATION. BEFORE
5 AN INTERMEDIATE UNIT MAKES ANY DECISION THAT AFFECTS THE
6 OPPORTUNITIES FOR CHILDREN ATTENDING NONPUBLIC SCHOOLS TO
7 PARTICIPATE IN THE AUXILIARY SERVICES PROVIDED UNDER THIS
8 SECTION, THE INTERMEDIATE UNIT SHALL CONSULT WITH SUCH NONPUBLIC
9 SCHOOLS TO DETERMINE AT A MINIMUM: WHICH GENERAL CATEGORIES OF
10 CHILDREN SHALL RECEIVE SERVICES; WHAT SERVICES SHALL BE
11 PROVIDED; HOW AND WHERE THE SERVICES SHALL BE PROVIDED; AND HOW
12 THE SERVICES SHALL BE EVALUATED. SUCH SERVICES SHALL BE PROVIDED
13 DIRECTLY TO THE NONPUBLIC SCHOOL STUDENTS BY THE INTERMEDIATE
14 UNIT IN THE SCHOOLS WHICH THE STUDENTS ATTEND, IN MOBILE
15 INSTRUCTIONAL UNITS LOCATED ON THE GROUNDS OF SUCH SCHOOLS OR IN
16 ANY ALTERNATIVE SETTING MUTUALLY AGREED UPON BY THE SCHOOL AND
17 THE INTERMEDIATE UNIT, TO THE EXTENT PERMITTED BY THE
18 CONSTITUTION OF THE UNITED STATES AND THE CONSTITUTION OF THE
19 COMMONWEALTH OF PENNSYLVANIA.

20 SUCH AUXILIARY SERVICES SHALL BE PROVIDED DIRECTLY BY THE
21 INTERMEDIATE UNITS AND NO AUXILIARY SERVICES PRESENTLY PROVIDED
22 TO PUBLIC SCHOOL STUDENTS BY THE INTERMEDIATE UNITS AND/OR
23 SCHOOL DISTRICTS BY MEANS OF STATE OR LOCAL REVENUES, DURING THE
24 SCHOOL YEAR 1974-1975, SHALL BE ELIMINATED. NO SCHOOL DISTRICTS
25 SHALL BE REQUIRED, PURSUANT TO ANY SECTION OF THIS ACT, TO OFFER
26 AUXILIARY SERVICES PROVIDED BY ANY OTHER SCHOOL DISTRICTS WITHIN
27 SUCH INTERMEDIATE UNITS.

28 (D) ALLOCATIONS. IN JULY OF 1977 AND ANNUALLY THEREAFTER IN
29 JULY, THE SECRETARY OF EDUCATION SHALL ALLOCATE TO EACH
30 INTERMEDIATE UNIT AN AMOUNT EQUAL TO THE NUMBER OF NONPUBLIC

1 SCHOOL STUDENTS AS OF OCTOBER 1 OF THE PRECEDING SCHOOL YEAR WHO
2 ARE ENROLLED IN NONPUBLIC SCHOOLS WITHIN THE INTERMEDIATE UNIT
3 TIMES SEVENTY-TWO DOLLARS (\$72). THE SECRETARY OF EDUCATION
4 SHALL INCREASE THIS FIGURE ON A PROPORTIONATE BASIS WHENEVER
5 THERE IS AN INCREASE IN THE MEDIAN ACTUAL INSTRUCTION EXPENSE
6 PER WADM AS DEFINED IN CLAUSE (12.1) OF SECTION 2501 OF THIS
7 ACT. THE COMMONWEALTH SHALL PAY TO EACH INTERMEDIATE UNIT
8 FIFTEEN PER CENTUM (15%) OF ITS ALLOCATION ON AUGUST 1, SEVENTY-
9 FIVE PER CENTUM (75%) ON OCTOBER 1, AND THE REMAINING TEN PER
10 CENTUM (10%) ON THE FIRST DAY OF FEBRUARY.

11 (E) LIMITATIONS. THE INTERMEDIATE UNIT SHALL NOT USE MORE
12 THAN SIX PER CENTUM (6%) OF THE FUNDS IT RECEIVES FOR
13 ADMINISTRATION OR EIGHTEEN PER CENTUM (18%) FOR RENTAL OF
14 FACILITIES. THE DEPARTMENT OF EDUCATION SHALL NOT USE MORE THAN
15 ONE PER CENTUM (1%) OF THE FUNDS IT ALLOCATES UNDER THIS SECTION
16 FOR ADMINISTRATIVE EXPENSES. IF ALL FUNDS ALLOCATED BY THE
17 INTERMEDIATE UNITS TO ADMINISTRATION, OR RENTAL FACILITIES ARE
18 NOT EXPENDED FOR THOSE PURPOSES, SUCH FUNDS MAY BE USED FOR THE
19 PROGRAM COSTS.

20 (F) INTEREST. THERE SHALL BE NO ADJUSTMENT IN THE ALLOCATION
21 AS PROVIDED IN SUBSECTION (D) BECAUSE OF INTEREST EARNED ON THE
22 ALLOCATIONS BY THE INTERMEDIATE UNITS. INTEREST SO EARNED SHALL
23 BE USED FOR THE PURPOSE OF THIS SECTION BUT SHALL NOT BE SUBJECT
24 TO THE LIMITATIONS OF SUBSECTION (E).

25 (G) PRELIMINARY BUDGET. ANNUALLY, EACH INTERMEDIATE UNIT
26 SHALL SUBMIT TO THE SECRETARY A PRELIMINARY BUDGET ON OR BEFORE
27 JANUARY 31 AND A FINAL BUDGET ON OR BEFORE JUNE 15, FOR THE
28 SUCCEEDING YEAR; AND SHALL FILE A FINAL FINANCIAL REPORT ON OR
29 BEFORE OCTOBER 31 FOR THE PRECEDING YEAR.

30 SECTION 10. SECTION 923-A OF THE ACT, AMENDED OR ADDED JULY

1 12, 1972 (P.L.863, NO.195), JULY 18, 1974 (P.L.475, NO.169),
2 AUGUST 1, 1975 (P.L.183, NO.90) AND JUNE 22, 2001 (P.L.530,
3 NO.35), IS REENACTED TO READ:

4 SECTION 923-A. LOAN OF TEXTBOOKS, INSTRUCTIONAL MATERIALS
5 AND INSTRUCTIONAL EQUIPMENT, NONPUBLIC SCHOOL CHILDREN.--(A)
6 LEGISLATIVE FINDINGS; DECLARATION OF POLICY. THE WELFARE OF THE
7 COMMONWEALTH REQUIRES THAT THE PRESENT AND FUTURE GENERATIONS OF
8 SCHOOL AGE CHILDREN BE ASSURED AMPLE OPPORTUNITY TO DEVELOP TO
9 THE FULLEST THEIR INTELLECTUAL CAPACITIES. TO FURTHER THIS
10 OBJECTIVE, THE COMMONWEALTH PROVIDES, THROUGH TAX FUNDS OF THE
11 COMMONWEALTH, TEXTBOOKS AND INSTRUCTIONAL MATERIALS FREE OF
12 CHARGE TO CHILDREN ATTENDING PUBLIC SCHOOLS WITHIN THE
13 COMMONWEALTH. APPROXIMATELY ONE QUARTER OF ALL CHILDREN IN THE
14 COMMONWEALTH, IN COMPLIANCE WITH THE COMPULSORY ATTENDANCE
15 PROVISIONS OF THIS ACT, ATTEND NONPUBLIC SCHOOLS. ALTHOUGH THEIR
16 PARENTS ARE TAXPAYERS OF THE COMMONWEALTH, THESE CHILDREN DO NOT
17 RECEIVE TEXTBOOKS OR INSTRUCTIONAL MATERIALS FROM THE
18 COMMONWEALTH. IT IS THE INTENT OF THE GENERAL ASSEMBLY BY THIS
19 ENACTMENT TO ASSURE SUCH A DISTRIBUTION OF SUCH EDUCATIONAL AIDS
20 THAT EVERY SCHOOL CHILD IN THE COMMONWEALTH WILL EQUITABLY SHARE
21 IN THE BENEFITS THEREOF.

22 (B) DEFINITIONS. THE FOLLOWING TERMS, WHENEVER USED OR
23 REFERRED TO IN THIS SECTION, SHALL HAVE THE FOLLOWING MEANINGS,
24 EXCEPT IN THOSE CIRCUMSTANCES WHERE THE CONTEXT CLEARLY
25 INDICATES OTHERWISE:

26 "INSTRUCTIONAL EQUIPMENT" MEANS INSTRUCTIONAL EQUIPMENT,
27 OTHER THAN FIXTURES ANNEXED TO AND FORMING PART OF THE REAL
28 ESTATE, WHICH IS SUITABLE FOR AND TO BE USED BY CHILDREN AND/OR
29 TEACHERS. THE TERM INCLUDES BUT IS NOT LIMITED TO PROJECTION
30 EQUIPMENT, RECORDING EQUIPMENT, LABORATORY EQUIPMENT, AND ANY

1 OTHER EDUCATIONAL SECULAR, NEUTRAL, NON-IDEOLOGICAL EQUIPMENT AS
2 MAY BE OF BENEFIT TO THE INSTRUCTION OF NONPUBLIC SCHOOL
3 CHILDREN AND ARE PRESENTLY OR HEREAFTER PROVIDED FOR PUBLIC
4 SCHOOL CHILDREN OF THE COMMONWEALTH.

5 "INSTRUCTIONAL MATERIALS" MEANS BOOKS, PERIODICALS,
6 DOCUMENTS, PAMPHLETS, PHOTOGRAPHS, REPRODUCTIONS, PICTORIAL OR
7 GRAPHIC WORKS, MUSICAL SCORES, MAPS, CHARTS, GLOBES, SOUND
8 RECORDINGS, INCLUDING BUT NOT LIMITED TO THOSE ON DISCS AND
9 TAPES, PROCESSED SLIDES, TRANSPARENCIES, FILMS, FILMSTRIPS,
10 KINESCOPES, AND VIDEO TAPES, OR ANY OTHER PRINTED AND PUBLISHED
11 MATERIALS OF A SIMILAR NATURE MADE BY ANY METHOD NOW DEVELOPED
12 OR HEREAFTER TO BE DEVELOPED. THE TERM INCLUDES SUCH OTHER
13 SECULAR, NEUTRAL, NON-IDEOLOGICAL MATERIALS AS ARE OF BENEFIT TO
14 THE INSTRUCTION OF NONPUBLIC SCHOOL CHILDREN AND ARE PRESENTLY
15 OR HEREAFTER PROVIDED FOR PUBLIC SCHOOL CHILDREN OF THE
16 COMMONWEALTH.

17 "INSTRUCTIONAL MATERIALS" MEANS PRE-PREPARED LEARNING
18 MATERIALS WHICH ARE SECULAR, NEUTRAL AND NONIDEOLOGICAL IN
19 CHARACTER AND ARE OF BENEFIT TO THE INSTRUCTION OF SCHOOL
20 CHILDREN ON AN INDIVIDUAL BASIS AND ARE PRESENTLY OR HEREAFTER
21 PROVIDED FOR PUBLIC SCHOOL CHILDREN OF THE COMMONWEALTH.

22 "NONPUBLIC SCHOOL" MEANS ANY SCHOOL, OTHER THAN A PUBLIC
23 SCHOOL WITHIN THE COMMONWEALTH OF PENNSYLVANIA, WHEREIN A
24 RESIDENT OF THE COMMONWEALTH MAY LEGALLY FULFILL THE COMPULSORY
25 SCHOOL ATTENDANCE REQUIREMENTS OF THIS ACT AND WHICH MEET THE
26 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC
27 LAW 88-352).

28 "TEXTBOOKS" MEANS BOOKS, WORKBOOKS, INCLUDING REUSABLE AND
29 NON-REUSABLE WORKBOOKS, AND MANUALS, WHETHER BOUND OR IN
30 LOOSELEAF FORM, INTENDED FOR USE AS A PRINCIPAL SOURCE OF STUDY

1 MATERIAL FOR A GIVEN CLASS OR GROUP OF STUDENTS, A COPY OF WHICH
2 IS EXPECTED TO BE AVAILABLE FOR THE INDIVIDUAL USE OF EACH PUPIL
3 IN SUCH CLASS OR GROUP. SUCH TEXTBOOKS SHALL BE TEXTBOOKS WHICH
4 ARE ACCEPTABLE FOR USE IN ANY PUBLIC, ELEMENTARY, OR SECONDARY
5 SCHOOL OF THE COMMONWEALTH.

6 (C) LOAN OF TEXTBOOKS, INSTRUCTIONAL MATERIALS AND
7 INSTRUCTIONAL EQUIPMENT. THE SECRETARY OF EDUCATION DIRECTLY, OR
8 THROUGH THE INTERMEDIATE UNITS, SHALL HAVE THE POWER AND DUTY TO
9 PURCHASE TEXTBOOKS, INSTRUCTIONAL MATERIALS AND INSTRUCTIONAL
10 EQUIPMENT AND, UPON INDIVIDUAL REQUEST, TO LOAN THEM TO ALL
11 CHILDREN RESIDING IN THE COMMONWEALTH WHO ARE ENROLLED IN GRADES
12 KINDERGARTEN THROUGH TWELVE OF A NONPUBLIC SCHOOL. SUCH
13 TEXTBOOKS, INSTRUCTIONAL MATERIALS AND INSTRUCTIONAL EQUIPMENT
14 SHALL BE LOANED FREE TO SUCH CHILDREN SUBJECT TO SUCH RULES AND
15 REGULATIONS AS MAY BE PRESCRIBED BY THE SECRETARY OF EDUCATION,
16 DUE REGARD BEING HAD TO THE FEASIBILITY OF MAKING LOANS OF
17 PARTICULAR INSTRUCTIONAL MATERIALS AND INSTRUCTIONAL EQUIPMENT
18 ON AN INDIVIDUAL BASIS.

19 (D) PURCHASE OF TEXTBOOKS, INSTRUCTIONAL MATERIALS AND
20 INSTRUCTIONAL EQUIPMENT. THE SECRETARY SHALL NOT BE REQUIRED TO
21 PURCHASE OR OTHERWISE ACQUIRE TEXTBOOKS, PURSUANT TO THIS
22 SECTION, THE TOTAL COST OF WHICH, IN ANY SCHOOL YEAR, SHALL
23 EXCEED AN AMOUNT EQUAL TO TWELVE DOLLARS (\$12) FOR THE SCHOOL
24 YEAR 1973-1974, FIFTEEN DOLLARS (\$15) FOR THE SCHOOL YEAR
25 BEGINNING JULY 1, 1974 AND TWENTY DOLLARS (\$20) FOR EACH SCHOOL
26 YEAR THEREAFTER OR INSTRUCTIONAL MATERIALS AND INSTRUCTIONAL
27 EQUIPMENT, THE TOTAL COST OF WHICH, IN ANY SCHOOL YEAR, SHALL
28 EXCEED AN AMOUNT EQUAL TO TEN DOLLARS (\$10), MULTIPLIED BY THE
29 NUMBER OF CHILDREN RESIDING IN THE COMMONWEALTH WHO ON THE FIRST
30 DAY OF OCTOBER OF THE SCHOOL YEAR IMMEDIATELY PRECEDING ARE

1 ENROLLED IN GRADES KINDERGARTEN THROUGH TWELVE OF A NONPUBLIC
2 SCHOOL.

3 SECTION 11. ARTICLE XII-A OF THE ACT IS REPEALED.

4 SECTION 12. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

5 SECTION 1550. FIREFIGHTER AND EMERGENCY SERVICE TRAINING.--

6 (A) BEGINNING WITH THE 2003-2004 SCHOOL YEAR AND EACH SCHOOL

7 YEAR THEREAFTER, A SCHOOL DISTRICT MAY OFFER FIREFIGHTER AND

8 EMERGENCY SERVICE TRAINING AS CREDIT-EARNING COURSES TO STUDENTS

9 OF THE AGE OF SIXTEEN (16) YEARS OR OLDER. SUCH COURSES MAY

10 INCLUDE:

11 (1) TRAINING AS A FIREFIGHTER I FROM THE NATIONAL BOARD ON

12 FIRE SERVICE PROFESSIONAL QUALIFICATIONS.

13 (2) TRAINING AS AN EMERGENCY MEDICAL TECHNICIAN BY THE

14 DEPARTMENT OF HEALTH UNDER THE ACT OF JULY 3, 1985 (P.L.164,

15 NO.45), KNOWN AS THE "EMERGENCY MEDICAL SERVICES ACT."

16 (B) A SCHOOL DISTRICT THAT OFFERS FIREFIGHTER AND EMERGENCY

17 SERVICE TRAINING AS CREDIT-EARNING COURSES SHALL PROVIDE

18 TRANSPORTATION TO AND SUPERVISION DURING ANY FIREFIGHTER AND

19 EMERGENCY SERVICE TRAINING PROGRAM THAT TAKES PLACE OFF SCHOOL

20 GROUND. SUPERVISION OF TRAINING SHALL BE CONDUCTED AS A

21 COOPERATIVE EDUCATION PROGRAM IN ACCORDANCE WITH THE PROVISIONS

22 OF 22 PA. CODE § 11.28 (RELATING TO OUT-OF-SCHOOL PROGRAMS).

23 SECTION 13. THE HEADING OF ARTICLE XV-C OF THE ACT, ADDED

24 MAY 17, 2001 (P.L.4, NO.4), IS AMENDED TO READ:

25 ARTICLE XV-C.

26 EDUCATION SUPPORT SERVICES [PROGRAM.] AND EDUCATIONAL

27 ASSISTANCE PROGRAMS.

28 SECTION 14. SECTION 1501-C OF THE ACT, AMENDED JUNE 29, 2002

29 (P.L.524, NO.88), IS AMENDED TO READ:

30 SECTION 1501-C. DEFINITIONS.

1 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
2 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
3 CONTEXT CLEARLY INDICATES OTHERWISE:

4 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
5 COMMONWEALTH.

6 "ELIGIBLE SCHOOL ENTITY." FOR THE PURPOSES OF THE
7 EDUCATIONAL ASSISTANCE PROGRAM OPERATED PURSUANT TO SECTIONS
8 1502-C AND 1512-C, A SCHOOL ENTITY WITH ONE OR MORE SCHOOLS
9 IDENTIFIED BY THE DEPARTMENT OF EDUCATION AS HAVING FAILED TO
10 MEET ACADEMIC PERFORMANCE TARGETS.

11 "ELIGIBLE STUDENT." A RESIDENT OF THIS COMMONWEALTH WHO IS
12 ENROLLED FULL TIME IN [THIRD, FOURTH, FIFTH OR SIXTH GRADE IN] A
13 SCHOOL ENTITY AND IS DEEMED ELIGIBLE PURSUANT TO EITHER SECTION
14 1502-C(B) OR SECTION 1512-C(B).

15 "ELIGIBILITY TEST." THE PENNSYLVANIA SYSTEM OF SCHOOL
16 ASSESSMENT OR A COMMERCIALLY PREPARED, STANDARDIZED ACHIEVEMENT
17 TEST APPROVED BY THE DEPARTMENT OF EDUCATION. A LIST OF APPROVED
18 TESTS UNDER THIS ARTICLE SHALL BE PUBLISHED ANNUALLY IN THE
19 PENNSYLVANIA BULLETIN.

20 "GRANT." A GRANT AWARDED TO A GRANT RECIPIENT UNDER THIS
21 ARTICLE.

22 "GRANT RECIPIENT." A RESIDENT OF THIS COMMONWEALTH WHO IS A
23 PARENT, GUARDIAN OR PERSON IN PARENTAL RELATION TO AN ELIGIBLE
24 STUDENT.

25 ["PROGRAM." THE EDUCATION SUPPORT SERVICES PROGRAM
26 ESTABLISHED IN SECTION 1502-C.]

27 "PROVIDER." A SCHOOL ENTITY, AN INSTITUTION OF HIGHER
28 EDUCATION, A NONPROFIT OR FOR-PROFIT ORGANIZATION OR A CERTIFIED
29 TEACHER EMPLOYED BY A SCHOOL ENTITY, THAT IS APPROVED BY THE
30 DEPARTMENT OF EDUCATION TO PROVIDE EDUCATION SUPPORT SERVICES OR

1 TUTORING UNDER THE EDUCATIONAL ASSISTANCE PROGRAM.

2 ["SCHOOL ENTITY." ANY OF THE FOLLOWING LOCATED IN THIS
3 COMMONWEALTH: A SCHOOL DISTRICT, INTERMEDIATE UNIT, JOINT SCHOOL
4 DISTRICT, AREA VOCATIONAL-TECHNICAL SCHOOL, CHARTER SCHOOL,
5 INDEPENDENT SCHOOL, LICENSED PRIVATE ACADEMIC SCHOOL, ACCREDITED
6 SCHOOL, A SCHOOL REGISTERED UNDER SECTION 1327(B), THE SCOTLAND
7 SCHOOL FOR VETERANS' CHILDREN OR THE SCRANTON SCHOOL FOR THE
8 DEAF.]

9 "SCHOOL ENTITY." SHALL MEAN:

10 (1) FOR PURPOSES OF THE EDUCATIONAL SUPPORT SERVICES
11 PROGRAM, ANY OF THE FOLLOWING LOCATED IN THIS COMMONWEALTH; A
12 SCHOOL DISTRICT, INTERMEDIATE UNIT, JOINT SCHOOL DISTRICT,
13 AREA VOCATIONAL-TECHNICAL SCHOOL, CHARTER SCHOOL, INDEPENDENT
14 SCHOOL, LICENSED PRIVATE ACADEMIC SCHOOL, ACCREDITED SCHOOL,
15 A SCHOOL REGISTERED UNDER SECTION 1327(B), THE SCOTLAND
16 SCHOOL FOR VETERANS' CHILDREN OR THE SCRANTON SCHOOL FOR THE
17 DEAF.

18 (2) FOR PURPOSES OF THE EDUCATIONAL ASSISTANCE PROGRAM
19 ESTABLISHED IN SECTION 1502-C, ANY OF THE FOLLOWING LOCATED
20 IN THIS COMMONWEALTH; A SCHOOL DISTRICT, JOINT SCHOOL
21 DISTRICT, AREA VOCATIONAL-TECHNICAL SCHOOL OR INDEPENDENT
22 SCHOOL.

23 SECTION 15. SECTIONS 1502-C, 1503-C AND 1504-C OF THE ACT,
24 ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO READ:

25 SECTION 1502-C. ESTABLISHMENT OF [PROGRAM] PROGRAMS.

26 (A) ESTABLISHMENT.--THE EDUCATION SUPPORT SERVICES PROGRAM
27 [IS] AND EDUCATIONAL ASSISTANCE PROGRAM ARE ESTABLISHED WITHIN
28 THE DEPARTMENT TO PROVIDE INDIVIDUAL OR SMALL GROUP INSTRUCTION
29 IN [READING AND MATHEMATICS] SUBJECT AREAS ASSESSED THROUGH THE
30 PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TESTS REQUIRED UNDER

1 THE NO CHILD LEFT BEHIND ACT OF 2001 TO STRENGTHEN THE SKILLS
2 THAT AN ELIGIBLE STUDENT NEEDS TO ACHIEVE THE STANDARDS IN 22
3 PA. CODE CH. 4 (RELATING TO ACADEMIC STANDARDS AND ASSESSMENT),
4 WHICH SHALL BE PROVIDED AT A TIME OTHER THAN THE REGULARLY
5 SCHEDULED SCHOOL HOURS.

6 (B) ELIGIBILITY.--THE DEPARTMENT SHALL UTILIZE THE
7 PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TEST OR OTHER TEST
8 RESULTS TO IDENTIFY ELIGIBLE STUDENTS UNDER THIS ARTICLE. SCORES
9 USED TO DETERMINE ELIGIBLE STUDENTS IN EACH GRADE SHALL BE
10 PUBLISHED ANNUALLY IN THE PENNSYLVANIA BULLETIN.

11 (C) APPROVAL.--A PROVIDER MUST BE APPROVED BY THE DEPARTMENT
12 IN ORDER TO PROVIDE EDUCATION SUPPORT SERVICES OR TUTORING UNDER
13 THE EDUCATIONAL ASSISTANCE PROGRAM UNDER THIS ARTICLE.

14 SECTION 1503-C. [APPLICATION] EDUCATION SUPPORT SERVICES GRANT
15 APPLICATION AND APPROVAL.

16 (A) APPLICATION.--A PROSPECTIVE GRANT RECIPIENT SHALL APPLY
17 ANNUALLY TO THE DEPARTMENT FOR A GRANT TO PURCHASE EDUCATION
18 SUPPORT SERVICES FOR AN ELIGIBLE STUDENT FROM AN APPROVED
19 PROVIDER IN A TIME AND MANNER PRESCRIBED BY THE DEPARTMENT.

20 (B) REQUIRED INFORMATION.--AN APPLICATION SUBMITTED UNDER
21 THIS SECTION SHALL INCLUDE VERIFICATION OF THE ELIGIBILITY TEST
22 RESULTS AND SUCH OTHER INFORMATION AS THE DEPARTMENT MAY
23 REQUIRE.

24 SECTION 1504-C. POWERS AND DUTIES OF THE DEPARTMENT.

25 THE DEPARTMENT SHALL:

26 (1) ESTABLISH CRITERIA TO ANNUALLY IDENTIFY ELIGIBLE
27 STUDENTS [IN GRADES THREE, FOUR, FIVE AND SIX TO PARTICIPATE
28 IN THE PROGRAM UNDER SECTION 1502-C].

29 (2) APPROVE PROVIDERS [OF EDUCATION SUPPORT SERVICES].

30 (3) ADOPT STANDARDS, PROCEDURES AND GUIDELINES TO BE

1 USED TO APPROVE PROVIDERS [OF EDUCATION SUPPORT SERVICES
2 UNDER THIS ARTICLE].

3 (4) AWARD GRANTS TO A GRANT RECIPIENT IN AN AMOUNT NOT
4 TO EXCEED \$500 PER FISCAL YEAR FOR EACH ELIGIBLE STUDENT.

5 (5) ESTABLISH MINIMUM QUALIFICATIONS FOR INDIVIDUALS
6 UTILIZED BY PROVIDERS OF EDUCATION SUPPORT SERVICES.

7 (6) ESTABLISH PERIODS DURING WHICH APPLICATIONS WILL BE
8 REVIEWED TO ACCOMMODATE THE DATES WHEN RESULTS OF APPROVED
9 ELIGIBILITY TESTS BECOME AVAILABLE.

10 (7) ASSESS PROVIDERS ON AN ANNUAL BASIS TO DETERMINE THE
11 ACADEMIC PROGRESS OF STUDENTS WHO RECEIVE INSTRUCTION UNDER
12 THIS ARTICLE.

13 (8) PROVIDE EDUCATIONAL ASSISTANCE FUNDING TO SCHOOL
14 ENTITIES PURSUANT TO SECTION 1512-C.

15 SECTION 16. SECTION 1505-C OF THE ACT, AMENDED JUNE 29, 2002
16 (P.L.524, NO.88), IS AMENDED TO READ:

17 SECTION 1505-C. PROVIDERS.

18 (A) APPLICATION.--A PROSPECTIVE PROVIDER SHALL SUBMIT AN
19 APPLICATION TO THE DEPARTMENT FOR APPROVAL TO PROVIDE EDUCATION
20 SUPPORT SERVICES OR TUTORING UNDER THE EDUCATIONAL ASSISTANCE
21 PROGRAM UNDER THIS ARTICLE. THE APPLICATION SHALL INCLUDE A
22 DESCRIPTION OF THE SERVICES TO BE PROVIDED, A DESCRIPTION OF THE
23 CURRICULUM TO BE USED, THE COST OF THE SERVICES, THE
24 QUALIFICATION OF ALL INDIVIDUALS PROVIDING THOSE SERVICES,
25 INCLUDING EVIDENCE OF COMPLIANCE WITH SECTION 111 AND WITH 23
26 PA.C.S. § 6355 (RELATING TO REQUIREMENT), A DESCRIPTION OF AN
27 ASSESSMENT MECHANISM TO BE USED TO DETERMINE THE ACADEMIC
28 PROGRESS OF STUDENTS WHO RECEIVE TUTORING SERVICES, AND SUCH
29 OTHER INFORMATION AS MAY BE REQUIRED BY THE DEPARTMENT.

30 (B) REVOCATION OF APPROVAL.--THE DEPARTMENT SHALL REVOKE THE

1 APPROVAL OF ANY PROVIDER FOR WHICH THE ANNUAL ASSESSMENTS
2 REQUIRED UNDER SECTION 1504-C(7) DEMONSTRATE THAT 20% OR MORE OF
3 THE STUDENTS FOR WHOM THE PROVIDER HAS PROVIDED EDUCATION
4 SUPPORT SERVICES UNDER SECTION 1507-C OR TUTORING SERVICES UNDER
5 SECTION 1512-C FAILED TO MAKE ACADEMIC PROGRESS FOR TWO
6 CONSECUTIVE YEARS.

7 SECTION 17. SECTIONS 1506-C, 1507-C HEADING AND 1508-C(A) OF
8 THE ACT, ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO READ:
9 SECTION 1506-C. NOTIFICATION OF PROGRAM.

10 A SCHOOL ENTITY IN THIS COMMONWEALTH [WITH STUDENTS ENROLLED
11 IN THIRD, FOURTH, FIFTH OR SIXTH GRADE] SHALL NOTIFY PARENTS OF
12 THE AVAILABILITY OF EDUCATION SUPPORT SERVICES AND TUTORING
13 UNDER THE EDUCATIONAL ASSISTANCE PROGRAM AT SUCH TIME AS THE
14 PARENTS RECEIVE THE RESULTS OF ANY ELIGIBILITY TEST.

15 SECTION 1507-C. PAYMENT OF EDUCATIONAL SUPPORT SERVICES GRANTS.

16 * * *

17 SECTION 1508-C. LIMITATIONS.

18 (A) AMOUNT.--THE AMOUNT OF EDUCATIONAL SUPPORT SERVICES
19 GRANTS PROVIDED UNDER THIS ARTICLE IN A FISCAL YEAR SHALL BE
20 LIMITED TO THE FUNDS APPROPRIATED FOR THAT PURPOSE. NO MORE THAN
21 10% OF THE TOTAL FUNDS APPROPRIATED FOR THIS PROGRAM IN ANY
22 FISCAL YEAR SHALL BE AWARDED TO GRANT RECIPIENTS WITHIN A
23 SPECIFIC SCHOOL DISTRICT EXCEPT THAT, IF THE DEPARTMENT
24 DETERMINES THAT ALL SCHOOL ENTITIES IN THE COMMONWEALTH HAVE HAD
25 AN OPPORTUNITY TO PARTICIPATE IN THE PROGRAM AND THAT FUNDS
26 REMAIN AVAILABLE, IT MAY WAIVE THE 10% LIMITATION UNDER THIS
27 SUBSECTION.

28 * * *

29 SECTION 18. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
30 SECTION 1512-C. EDUCATIONAL ASSISTANCE PROGRAM.

1 (A) PURPOSE.--THE EDUCATIONAL ASSISTANCE PROGRAM SHALL
2 PROVIDE TARGETED SUPPORT TO ELIGIBLE SCHOOL ENTITIES. FUNDS
3 PROVIDED TO ELIGIBLE SCHOOL ENTITIES THROUGH THE EDUCATIONAL
4 ASSISTANCE PROGRAM SHALL BE USED TO SUPPORT TUTORING SERVICES TO
5 ELIGIBLE STUDENTS.

6 (B) ELIGIBILITY.--A STUDENT SHALL BE ELIGIBLE FOR TUTORING
7 SERVICES UNDER THIS SECTION WHERE SUCH STUDENT IS ENROLLED FULL
8 TIME IN AN ELIGIBLE SCHOOL ENTITY AND:

9 (1) SCORED BELOW PROFICIENT ON THE PENNSYLVANIA SYSTEM
10 OF SCHOOL ASSESSMENT TEST IN THE IMMEDIATE PRECEDING SCHOOL
11 YEAR; OR

12 (2) IS ENROLLED IN KINDERGARTEN THROUGH THIRD GRADE AND
13 SCORED BELOW THE SCORE APPROVED BY THE DEPARTMENT UNDER
14 SECTION 1502-C(B) ON ANY OTHER ELIGIBILITY TEST.

15 (C) APPROVAL OF PROVIDERS.--IN ORDER TO PROVIDE TUTORING
16 SERVICES THROUGH THE EDUCATIONAL ASSISTANCE PROGRAM, A PROVIDER
17 MUST BE APPROVED BY THE DEPARTMENT. SUCH PROVIDERS MAY INCLUDE:

18 (1) A PROVIDER APPROVED UNDER SECTION 1505-C; OR

19 (2) A SCHOOL ENTITY.

20 (D) DUTIES OF ELIGIBLE SCHOOL ENTITIES.--AN ELIGIBLE SCHOOL
21 ENTITY SHALL HAVE THE FOLLOWING DUTIES:

22 (1) TO ANNUALLY NOTIFY THE PARENTS OR GUARDIAN OF ANY
23 STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION (B)
24 ABOUT THE AVAILABILITY OF TUTORING SERVICES UNDER THIS
25 SECTION.

26 (2) TO ANNUALLY PROVIDE THE PARENTS OR GUARDIAN OF ANY
27 STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION (B)
28 WITH A LIST OF ALL APPROVED PROVIDERS OPERATING WITHIN THE
29 BOUNDARIES OF OR AROUND THE ELIGIBLE SCHOOL ENTITY.

30 (3) UPON REQUEST, TO ASSIST THE PARENTS OR GUARDIAN OF

1 ANY STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION
2 (B) IN SELECTING AN APPROVED PROVIDER.

3 (4) TO ENTER INTO A CONTRACT OR CONTRACTS WITH A
4 PROVIDER APPROVED UNDER SECTION 1505-C AND OPERATING WITHIN
5 THE BOUNDARIES OF OR AROUND THE ELIGIBLE SCHOOL ENTITY OR TO
6 OFFER TUTORING SERVICES DIRECTLY TO ANY STUDENT ELIGIBLE FOR
7 TUTORING SERVICES UNDER SUBSECTION (B).

8 (E) TUTORING SERVICES.--TUTORING SERVICES PROVIDED UNDER
9 THIS SECTION SHALL INCLUDE INTENSIVE INSTRUCTION IN THOSE
10 SUBJECT AREAS ASSESSED THROUGH THE PSSA TEST AND REQUIRED UNDER
11 THE NO CHILD LEFT BEHIND ACT OF 2001. SUCH TUTORING SERVICES
12 MAY:

13 (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 1502, BE
14 PROVIDED OUTSIDE OF THE NORMAL SCHOOL DAY AND HOURS OF THE
15 SCHOOL ENTITY, INCLUDING MORNINGS, EVENINGS, WEEKENDS AND
16 DURING THE SUMMER MONTHS.

17 (2) TAKE PLACE ON AN INDIVIDUAL OR SMALL GROUP BASIS;
18 PROVIDED, THAT TUTORING SERVICES MAY BE PROVIDED TO NO MORE
19 THAN TEN STUDENTS IN A GIVEN CLASS AT A GIVEN TIME DURING THE
20 SCHOOL TERM AND NO MORE THAN 15 STUDENTS DURING THE SUMMER
21 MONTHS.

22 (F) DUTIES OF DEPARTMENT.--THE DEPARTMENT SHALL HAVE THE
23 FOLLOWING DUTIES:

24 (1) TO PROVIDE ELIGIBLE SCHOOL ENTITIES THAT PROVIDE
25 TUTORING SERVICES UNDER THIS SECTION WITH TECHNICAL
26 ASSISTANCE UPON REQUEST.

27 (2) TO ANNUALLY ASSESS ANY PROVIDER OR SCHOOL ENTITY
28 THAT PROVIDES TUTORING SERVICES UNDER THIS SECTION IN ORDER
29 TO DETERMINE THE ACADEMIC PROGRESS OF STUDENTS WHO RECEIVE
30 TUTORING SERVICES.

1 (G) EDUCATIONAL ASSISTANCE FUNDING.--

2 (1) DURING THE 2003-2004 SCHOOL YEAR, THE DEPARTMENT
3 SHALL PROVIDE EACH ELIGIBLE SCHOOL ENTITY WITH EDUCATIONAL
4 ASSISTANCE FUNDING. THE AMOUNT OF THE FUNDING SHALL BE
5 CALCULATED BY:

6 (I) DIVIDING THE NUMBER OF PENNSYLVANIA SYSTEM OF
7 SCHOOL ASSESSMENT TESTS ADMINISTERED IN THE ELIGIBLE
8 SCHOOL ENTITY ON WHICH STUDENTS SCORED BELOW PROFICIENT
9 IN READING OR MATHEMATICS BY THE TOTAL NUMBER OF
10 PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TESTS
11 ADMINISTERED IN THE ELIGIBLE SCHOOL ENTITY IN READING AND
12 MATHEMATICS DURING THE IMMEDIATE PRECEDING SCHOOL YEAR.

13 (II) MULTIPLYING THE QUOTIENT FROM SUBPARAGRAPH (I)
14 BY THE AVERAGE DAILY MEMBERSHIP OF THE ELIGIBLE SCHOOL
15 ENTITY DURING THE IMMEDIATE PRECEDING SCHOOL YEAR.

16 (III) MULTIPLYING THE PRODUCT FROM SUBPARAGRAPH (II)
17 BY THE DOLLAR VALUE OF FUNDS APPROPRIATED TO THE
18 DEPARTMENT OF EDUCATION FOR THE EDUCATIONAL ASSISTANCE
19 PROGRAM FOR THE FISCAL PERIOD JULY 1, 2003, TO JUNE 30,
20 2004.

21 (IV) DIVIDING THE PRODUCT FROM SUBPARAGRAPH (III) BY
22 THE SUM OF THE PRODUCTS OF SUBPARAGRAPH (III) FOR ALL
23 ELIGIBLE SCHOOL ENTITIES THAT QUALIFY FOR GRANT FUNDS
24 UNDER THIS SUBSECTION.

25 (2) THE AMOUNT OF EDUCATIONAL ASSISTANCE FUNDING
26 PROVIDED UNDER THIS ARTICLE IN A FISCAL YEAR SHALL BE LIMITED
27 TO FUNDS APPROPRIATED FOR THIS PURPOSE.

28 (H) USE OF EDUCATIONAL ASSISTANCE FUNDS.--AN ELIGIBLE SCHOOL
29 ENTITY THAT RECEIVES EDUCATIONAL ASSISTANCE FUNDING UNDER THIS
30 SECTION MAY USE THE FUNDS TO:

1 (1) ENTER INTO CONTRACTS WITH APPROVED PROVIDERS.

2 (2) OFFER TUTORING SERVICES AS SUBMITTED PURSUANT TO
3 SECTION 1505-C.

4 (I) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
5 CONSTRUED TO LIMIT THE ELIGIBILITY OF A GRANT RECIPIENT TO
6 RECEIVE A GRANT UNDER SECTION 1507-C.

7 SECTION 19. THE ACT IS AMENDED BY ADDING ARTICLES TO READ:

8 ARTICLE XV-D

9 HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM

10 SECTION 1501-D. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
15 COMMONWEALTH.

16 "EXTENDED DAY SERVICES." HEAD START AND CHILD-CARE SERVICES
17 PROVIDED TO CHILDREN ELIGIBLE FOR HEAD START BY A HEAD START
18 PROVIDER OR THROUGH A COLLABORATIVE AGREEMENT BETWEEN A HEAD
19 START PROVIDER AND A LICENSED CHILD-CARE CENTER, OR A REGISTERED
20 FAMILY OR GROUP DAY-CARE HOME FOR THOSE HOURS AND DAYS BEYOND
21 THE HOURS FUNDED THROUGH THE FEDERAL HEAD START PROGRAM.

22 "HEAD START." A PROGRAM FUNDED UNDER THE FEDERAL HEAD START
23 ACT ESTABLISHED BY THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981
24 (PUBLIC LAW 97-35, 95 STAT. 357) AND CARRIED OUT BY A HEAD START
25 AGENCY OR DELEGATE AGENCY THAT PROVIDES ONGOING COMPREHENSIVE
26 CHILD DEVELOPMENT SERVICES.

27 "PROGRAM." THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM
28 ESTABLISHED IN SECTION 1502-D.

29 SECTION 1502-D. HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM.

30 (A) ESTABLISHMENT.--THE HEAD START SUPPLEMENTAL ASSISTANCE

1 PROGRAM IS HEREBY ESTABLISHED TO PROVIDE HEAD START SERVICES TO
2 ADDITIONAL ELIGIBLE CHILDREN AND TO PROVIDE EXTENDED DAY
3 SERVICES THROUGH EXISTING HEAD START PROVIDERS.

4 (B) ADMINISTRATION.--THE DEPARTMENT SHALL ADMINISTER THE
5 PROGRAM. SUCH ADMINISTRATION SHALL BE CONSISTENT WITH FEDERAL
6 HEAD START GUIDELINES AND SHALL PROVIDE SUPPLEMENTAL FINANCIAL
7 ASSISTANCE TO EXISTING PROVIDERS OF FEDERAL HEAD START SERVICES.

8 (C) COORDINATION.--THE DEPARTMENT, TO EVERY EXTENT POSSIBLE,
9 SHALL COORDINATE THE ADMINISTRATION OF THE PROGRAM WITH THE
10 DEPARTMENT OF PUBLIC WELFARE AND THE DEPARTMENT OF HEALTH. THE
11 PURPOSE OF THIS COORDINATION SHALL BE TO:

12 (1) IDENTIFY EDUCATIONAL, CHILD-CARE OR OTHER SERVICES
13 UNDER THE JURISDICTION OF THE DEPARTMENT OF PUBLIC WELFARE
14 AND THE DEPARTMENT OF HEALTH THAT CAN AUGMENT OR IMPROVE THE
15 SERVICES AVAILABLE THROUGH HEAD START PROVIDERS.

16 (2) PROVIDE TECHNICAL ASSISTANCE TO HEAD START PROVIDERS
17 ESTABLISHING CHILD-CARE SERVICES IN ORDER TO OFFER EXTENDED
18 DAY SERVICES.

19 (3) PROVIDE TECHNICAL ASSISTANCE TO HEAD START
20 PROVIDERS, LICENSED CHILD-CARE CENTERS OR REGISTERED FAMILY
21 OR GROUP DAY-CARE HOMES ENTERING INTO COLLABORATIVE
22 AGREEMENTS IN ORDER TO OFFER EXTENDED DAY SERVICES.

23 (D) CRITERIA FOR FUNDING.--TO IMPLEMENT THE PROGRAM, THE
24 DEPARTMENT SHALL REQUEST PROPOSALS FROM EXISTING HEAD START
25 PROVIDERS AND MAY AWARD GRANTS OR ENTER INTO SERVICE CONTRACTS
26 WITH EXISTING HEAD START PROVIDERS THAT MEET ALL OF THE
27 FOLLOWING CRITERIA:

28 (1) DEMONSTRATE THE NEED FOR ADDITIONAL HEAD START
29 SERVICES IN THE PROVIDER'S SERVICE AREA, WHETHER THE NEED IS
30 DETERMINED BY THE PERCENTAGE OF ELIGIBLE CHILDREN WHO ARE NOT

1 SERVED IN THE PROVIDER'S SERVICE AREA OR BY THE DEMAND FOR
2 EXTENDED DAY SERVICES.

3 (2) DEMONSTRATE THE ABILITY TO EXPAND STAFF, SPACE OR
4 SERVICES EITHER:

5 (I) WITHIN THE HEAD START PROGRAM; OR

6 (II) IN COOPERATION WITH LICENSED CHILD-CARE CENTERS
7 OR REGISTERED FAMILY OR GROUP DAY-CARE HOMES
8 TO SERVE ADDITIONAL CHILDREN OR TO PROVIDE EXTENDED DAY
9 SERVICES.

10 (3) DEMONSTRATE THE ABILITY TO COMPLY WITH FEDERAL AND
11 STATE REQUIREMENTS FOR CHILD-CARE SERVICE PROVIDERS IF THE
12 HEAD START PROVIDER INTENDS TO PROVIDE EXTENDED DAY SERVICES.

13 (4) DEMONSTRATE THE ABILITY TO ENTER INTO A
14 COLLABORATIVE AGREEMENT WITH A CHILD-CARE SERVICE PROVIDER IF
15 THE HEAD START PROVIDER INTENDS TO ENTER INTO A COLLABORATIVE
16 AGREEMENT WITH A LICENSED CHILD-CARE CENTER OR A REGISTERED
17 FAMILY OR GROUP DAY-CARE HOME TO OFFER EXTENDED DAY SERVICES.

18 SECTION 1503-D. PRIORITY IN FUNDING.

19 THE DEPARTMENT SHALL GIVE PRIORITY IN FUNDING TO HEAD START
20 PROVIDERS APPLYING FOR GRANTS TO SERVE ADDITIONAL ELIGIBLE
21 CHILDREN.

22 SECTION 1504-D. ANNUAL REPORT.

23 THE DEPARTMENT SHALL COMPILE AN ANNUAL REPORT ON THE PROGRAM
24 FOR SUBMISSION TO THE GOVERNOR, THE CHAIRMEN OF THE
25 APPROPRIATIONS COMMITTEE AND THE EDUCATION COMMITTEE OF THE
26 SENATE AND THE CHAIRMEN OF THE APPROPRIATIONS COMMITTEE AND
27 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES. THE REPORT
28 SHALL INCLUDE:

29 (1) THE NUMBER OF ELIGIBLE CHILDREN SERVED BY HEAD START
30 AS OF THE EFFECTIVE DATE OF THIS ARTICLE.

1 (2) THE NUMBER OF ELIGIBLE CHILDREN SERVED BY THE
2 PROGRAM DURING THE SCHOOL YEAR THAT BEGINS ONE YEAR AFTER THE
3 EFFECTIVE DATE OF THIS ARTICLE AND EACH YEAR THEREAFTER.

4 (3) THE NUMBER OF EXTENDED DAY PROGRAMS AND THE NUMBER
5 OF ELIGIBLE CHILDREN ENROLLED IN EXTENDED DAY PROGRAMS AS OF
6 THE EFFECTIVE DATE OF THIS ARTICLE.

7 (4) THE NUMBER OF EXTENDED DAY PROGRAMS AND THE NUMBER
8 OF ELIGIBLE CHILDREN ENROLLED IN EXTENDED DAY PROGRAMS DURING
9 THE SCHOOL YEAR THAT BEGINS ONE YEAR AFTER THE EFFECTIVE DATE
10 OF THIS ARTICLE AND EACH YEAR THEREAFTER.

11 (5) A SUMMARY OF THE TYPES OF ACTIVITIES FUNDED UNDER
12 THE PROGRAM.

13 SECTION 1505-D. HEAD START EXPANSION.

14 (A) GENERAL RULE.--THE DEPARTMENT OF PUBLIC WELFARE SHALL,
15 WITHIN 90 DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE, PROMULGATE
16 THOSE REGULATIONS NECESSARY TO DEFINE HEAD START PARTICIPATION
17 AS AN ADDITIONAL CATEGORY OF ELIGIBILITY FOR SUBSIDIZED CHILD
18 CARE IN ORDER TO PERMIT THE USE OF CHILD CARE SUBSIDY FUNDS TO
19 CREATE FULL-DAY FULL-YEAR OPPORTUNITIES FOR HEAD START
20 PARTICIPANTS.

21 (B) FINAL-OMITTED REGULATIONS.--THE DEPARTMENT OF PUBLIC
22 WELFARE, IN ADOPTING SUCH REVISED REGULATIONS, SHALL FOLLOW THE
23 PROCEDURES SET FORTH IN THE ACT OF JULY 31, 1968 (P.L.769,
24 NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW, AND THE
25 ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY
26 REVIEW ACT, FOR THE PROMULGATION AND REVIEW OF FINAL-OMITTED
27 REGULATIONS.

28 SECTION 1506-D. STANDARDS.

29 THE DEPARTMENT MAY PROMULGATE ANY STANDARDS NECESSARY TO
30 ADMINISTER AND ENFORCE THIS ARTICLE.

1 ARTICLE XV-E

2 CHILD DAY CARE AND EARLY CHILDHOOD

3 DEVELOPMENT STUDY

4 SECTION 1501-E. DEFINITIONS.

5 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
6 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
7 CONTEXT CLEARLY INDICATES OTHERWISE:

8 "CHILD DAY CARE." CARE IN LIEU OF PARENTAL CARE GIVEN FOR
9 PART OF THE 24-HOUR DAY TO CHILDREN UNDER 16 YEARS OF AGE, AWAY
10 FROM THEIR OWN HOMES. THE TERM DOES NOT INCLUDE CHILD DAY CARE
11 FURNISHED IN PLACES OF WORSHIP DURING RELIGIOUS SERVICES.

12 "DEPARTMENT." THE DEPARTMENT OF PUBLIC WELFARE OF THE
13 COMMONWEALTH.

14 "EARLY CHILDHOOD DEVELOPMENT SERVICES." SERVICES WHICH ARE
15 INTENDED TO PROVIDE AN ENVIRONMENT WHICH ENHANCES THE
16 EDUCATIONAL, SOCIAL, CULTURAL, EMOTIONAL AND RECREATIONAL
17 DEVELOPMENT OF CHILDREN FROM BIRTH THROUGH EIGHT YEARS OF AGE
18 BUT WHICH ARE NOT INTENDED TO SERVE AS A SUBSTITUTE FOR
19 COMPULSORY ACADEMIC PROGRAMS.

20 SECTION 1502-E. COMPREHENSIVE STUDY.

21 (A) ESTABLISHMENT.--THROUGH THE DEVELOPMENT OF A
22 COMPREHENSIVE STUDY OF CHILD DAY-CARE AND EARLY CHILDHOOD
23 DEVELOPMENT SERVICES, THE DEPARTMENT, IN COLLABORATION WITH THE
24 DEPARTMENT OF HEALTH AND THE DEPARTMENT OF EDUCATION, SHALL
25 ESTABLISH GOALS AND OBJECTIVES AND REVIEW AND ASSESS THE
26 EXISTING CHILD DAY-CARE AND EARLY CHILDHOOD DEVELOPMENT SERVICE
27 DELIVERY SYSTEM, INCLUDING STATE EFFORTS TO ASSURE THE PROVISION
28 OF ACCESSIBLE, AVAILABLE AND AFFORDABLE QUALITY CHILD DAY-CARE
29 AND EARLY CHILDHOOD DEVELOPMENT SERVICES TO THE GENERAL PUBLIC.
30 THE STUDY SHALL BE DEVELOPED IN RELATION TO STATEWIDE AND LOCAL

1 NEEDS, TAKE INTO CONSIDERATION AVAILABLE DEMOGRAPHIC STUDIES AND
2 REFLECT THE NEEDS OF FAMILIES IN DIFFERENT SOCIAL, ECONOMIC AND
3 CULTURAL CIRCUMSTANCES AND THE NEEDS OF CHILDREN OF DIFFERENT
4 AGES AND STAGES OF DEVELOPMENT AND OF CHILDREN WITH SPECIAL
5 NEEDS.

6 (B) SUBMISSION OF STUDY.--NO LATER THAN MAY 1, 2004, THE
7 DEPARTMENT SHALL SUBMIT TO THE GOVERNOR, THE AGING AND YOUTH
8 COMMITTEE, THE APPROPRIATIONS COMMITTEE, THE EDUCATION COMMITTEE
9 AND THE PUBLIC HEALTH AND WELFARE COMMITTEE OF THE SENATE AND
10 THE CHILDREN AND YOUTH COMMITTEE, THE APPROPRIATIONS COMMITTEE,
11 THE EDUCATION COMMITTEE AND THE HEALTH AND HUMAN SERVICES
12 COMMITTEE OF THE HOUSE OF REPRESENTATIVES A STUDY OF CHILD DAY-
13 CARE AND EARLY CHILDHOOD DEVELOPMENT SERVICES.

14 (C) COMMON POLICIES AND PRACTICES.--IN THE DEVELOPMENT OF
15 THE STUDY, THE DEPARTMENT SHALL PROMOTE COMMON POLICIES AND
16 PRACTICES IN PROGRAMS TO THE FULLEST EXTENT POSSIBLE AND DEVELOP
17 MECHANISMS FOR INTERAGENCY COLLABORATION TO CREATE A COORDINATED
18 STATE CHILD DAY-CARE AND EARLY CHILDHOOD DEVELOPMENT DELIVERY
19 SYSTEM. THE STUDY SHALL INCLUDE RECOMMENDATIONS FOR THE
20 SIMPLIFICATION AND IMPROVED COORDINATION OF THE APPLICATION
21 PROCESS FOR FAMILIES NEEDING SERVICES.

22 (D) PUBLIC HEARINGS.--TO PREPARE THE STUDY, THE DEPARTMENT
23 SHALL HOLD AT LEAST FOUR PUBLIC HEARINGS IN DIFFERENT GEOGRAPHIC
24 LOCATIONS IN THIS COMMONWEALTH TO SEEK INPUT AND RECOMMENDATIONS
25 FROM PARENTS, EARLY CHILDHOOD DEVELOPMENT PROFESSIONALS, CHILD
26 DAY-CARE PROVIDERS, CHILD ADVOCATES, EDUCATORS, REPRESENTATIVES
27 OF LOCAL GOVERNMENT, HEALTH AND HUMAN SERVICE ORGANIZATIONS,
28 HEALTH CARE PROFESSIONALS, LABOR ORGANIZATIONS, BUSINESSES,
29 SCHOOL OFFICIALS AND OTHER INDIVIDUALS OR AGENCIES INTERESTED IN
30 ISSUES AFFECTING CHILDREN AND FAMILIES.

1 (E) CONTENTS OF STUDY.--THE STUDY SHALL INCLUDE THE
2 FOLLOWING INFORMATION:

3 (1) A SUMMARY OF RECOMMENDATIONS SUBMITTED TO THE
4 DEPARTMENT PURSUANT TO STATEWIDE PUBLIC HEARINGS HELD IN
5 PREPARATION OF THE STUDY AND THE DEPARTMENT'S RESPONSE TO THE
6 RECOMMENDATIONS.

7 (2) THE AMOUNT OF FEDERAL, STATE AND LOCAL FUNDS
8 EXPENDED FOR CHILD DAY-CARE AND EARLY CHILDHOOD DEVELOPMENT
9 SERVICES AND THE ALLOCATION OF THESE FUNDS, BY THE TYPE OF
10 CARE AND BY ADMINISTRATIVE COSTS. FUNDING INCLUDES THE SOCIAL
11 SERVICES BLOCK GRANT ACT (PUBLIC LAW 97-35, 42 U.S.C. § 1397
12 ET SEQ.); TITLES I AND VI OF THE PERSONAL RESPONSIBILITY AND
13 WORK OPPORTUNITY RECONCILIATION ACT OF 1996 (PUBLIC LAW 104-
14 193, 110 STAT. 2105); THE HEAD START ACT (PUBLIC LAW 97-35,
15 42 U.S.C. § 9831 ET SEQ.); THE ACT OF DECEMBER 19, 1990
16 (P.L.1372, NO.212), KNOWN AS THE EARLY INTERVENTION SERVICES
17 SYSTEM ACT; AND OTHER PERTINENT STATE APPROPRIATIONS.

18 (3) A DESCRIPTION OF CHILD DAY-CARE AND EARLY CHILDHOOD
19 DEVELOPMENT PROGRAMS IN THIS COMMONWEALTH, INCLUDING CHILD
20 DAY-CARE CENTERS, GROUP CHILD DAY-CARE HOMES, FAMILY CHILD
21 DAY-CARE HOMES, SCHOOL-AGE CHILD DAY-CARE PROGRAMS, CHILD DAY
22 CARE FOR TEEN PARENTS, EARLY INTERVENTION PROGRAMS AND HEAD
23 START PROGRAMS.

24 (4) THE UNDUPLICATED NUMBER OF CHILDREN SERVED AND
25 ASSISTED WITH FEDERAL, STATE AND LOCAL FUNDS, BY TYPE OF CARE
26 AND AGE; FUNDING SOURCE FOR THE SERVICES; THE AVERAGE
27 DURATION OF THE CHILD-CARE SERVICE; AND THE CHILD CAPACITY OF
28 REGULATED PROVIDERS.

29 (5) INCOME ELIGIBILITY GUIDELINES FOR FEDERALLY FUNDED
30 AND STATE-FUNDED CHILD DAY-CARE AND EARLY CHILDHOOD

1 DEVELOPMENT SERVICES, SLIDING FEE SCALES AND THE EXTENT TO
2 WHICH THE INCOME GUIDELINES AND FEE SCALES ARE ADJUSTED TO
3 REFLECT THE MOST RECENT AVAILABLE STATE INCOME DATA.

4 (6) THE STATE'S PRACTICES REGARDING THE MONITORING OF
5 CHILD DAY-CARE AND EARLY CHILDHOOD DEVELOPMENT PROGRAMS TO
6 ENSURE THE HEALTH, SAFETY AND WELFARE OF CHILDREN. IN
7 DESCRIBING THE MONITORING SYSTEM, THE DEPARTMENT SHALL
8 IDENTIFY THE EXTENT OF ANNOUNCED AND UNANNOUNCED INSPECTIONS
9 OF REGULATED PROVIDERS, THE LEVEL OF COMPLIANCE WITH STATE
10 STANDARDS AND THE STAFF-TO-PROVIDER RATIO TO ACCOMPLISH THIS
11 TASK. THE DEPARTMENT SHALL SUBMIT RECOMMENDATIONS ON WAYS TO
12 IMPROVE BOTH THE ENFORCEMENT AND MONITORING OF STANDARDS AND
13 COMPLIANCE WITH STANDARDS.

14 (7) THE DEPARTMENT'S COORDINATION, IDENTIFICATION OR
15 ARRANGEMENT OF TRAINING FOR PROVIDERS IN SPECIFIC PROGRAM
16 AREAS THAT ARE DESIGNED TO IMPROVE THE QUALITY OF CHILD DAY-
17 CARE AND EARLY CHILDHOOD DEVELOPMENT SERVICES. THE DEPARTMENT
18 SHALL IDENTIFY ANY FEDERAL, STATE, LOCAL OR PRIVATE FUNDING
19 ALLOCATED FOR TRAINING; THE OBJECTIVES OF THE TRAINING; THE
20 WAY IN WHICH TRAINING WILL BE ACCOMPLISHED; AND AN EVALUATION
21 OF THE PREVIOUS YEAR'S TRAINING PROGRAMS.

22 (8) AN ANALYSIS OF ANY RECENT DEMONSTRATION PROJECTS
23 RELATED TO CHILD DAY CARE OR EARLY CHILDHOOD DEVELOPMENT
24 ESTABLISHED BY THE DEPARTMENT OR THE DEPARTMENT OF HEALTH OR
25 THE DEPARTMENT OF EDUCATION, USING FEDERAL OR STATE FUNDS,
26 ALONG WITH A SUMMARY OF THE COST OF THE PROJECTS AND THE
27 FINDINGS AND RECOMMENDATIONS OF THE DEPARTMENT.

28 (9) A SUMMARY OF ANY RECENT REPORTS, DATA OR SURVEYS
29 CONCERNING THE COMPENSATION OF CHILD DAY-CARE AND EARLY
30 CHILDHOOD DEVELOPMENT PROFESSIONALS, LOAN FORGIVENESS

1 PROGRAMS, THE STATE'S REIMBURSEMENT RATES AND ANY CHANGES IN
2 RATES RECOMMENDED BY THE DEPARTMENT.

3 (10) A SUMMARY OF THE MOST RECENT AVAILABLE DEMOGRAPHIC
4 INFORMATION RELATED TO THE NEED FOR CHILD DAY-CARE AND EARLY
5 CHILDHOOD DEVELOPMENT PROGRAMS IN THIS STATE.

6 (11) EFFORTS BY THE PRIVATE SECTOR AND STATE AND LOCAL
7 GOVERNMENT TO ENCOURAGE EMPLOYER-SPONSORED CHILD DAY-CARE
8 SERVICES AND POLICIES AIMED AT ADDRESSING THE CHILD DAY-CARE
9 NEEDS OF WORKING PARENTS.

10 (12) A DESCRIPTION OF THE RESPONSIBILITIES AND PROGRAMS
11 OF VARIOUS STATE DEPARTMENTS WITH RESPECT TO CHILD DAY-CARE
12 AND EARLY CHILDHOOD DEVELOPMENT SERVICES AND HOW COORDINATION
13 BETWEEN AGENCIES IS ADDRESSED. THE DEPARTMENT SHALL DESCRIBE
14 ITS RESPONSIBILITIES AND PROGRAMS UNDER VARIOUS PROGRAM
15 OFFICES AND RELATED PROGRAMS OR SERVICES AVAILABLE THROUGH
16 THE DEPARTMENT OF AGING, THE DEPARTMENT OF COMMUNITY AND
17 ECONOMIC DEVELOPMENT, THE DEPARTMENT OF EDUCATION, THE
18 DEPARTMENT OF HEALTH OR THE DEPARTMENT OF LABOR AND INDUSTRY.
19 THE DESCRIPTION SHALL INCLUDE SPECIFIC FINDINGS AND
20 RECOMMENDATIONS REGARDING DUPLICATION OR OVERLAP OF SERVICES.

21 (13) EXISTING STANDARDS AND TRAINING FOR CHILD DAY-CARE
22 PROVIDERS WHO RECEIVE PAYMENT THROUGH FEDERAL OR STATE CHILD
23 DAY-CARE OR EARLY CHILDHOOD DEVELOPMENT PROGRAMS. THE
24 EXISTING STANDARDS AND TRAINING SHALL PROMOTE THE HEALTH,
25 SAFETY AND DEVELOPMENTAL NEEDS OF CHILDREN.

26 (14) IDENTIFICATION OF GAPS IN CHILD DAY-CARE AND EARLY
27 CHILDHOOD DEVELOPMENT SERVICES, UNMET NEEDS, ADMINISTRATIVE
28 BARRIERS THAT SERVE AS OBSTACLES TO OBTAINING SERVICES AND
29 RECOMMENDATIONS ON HOW THE STATE CAN ADDRESS THESE ISSUES.

30 (15) STATUTORY AND REGULATORY CHANGES RECOMMENDED BY THE

1 DEPARTMENT TO ADDRESS THE QUALITY, AFFORDABILITY AND
2 AVAILABILITY OF CHILD DAY-CARE AND EARLY CHILDHOOD
3 DEVELOPMENT SERVICES.

4 SECTION 20. SECTION 1725-A(A)(2) OF THE ACT, AMENDED JUNE
5 29, 2002 (P.L.524, NO.88), IS AMENDED TO READ:

6 SECTION 1725-A. FUNDING FOR CHARTER SCHOOLS.--(A) FUNDING
7 FOR A CHARTER SCHOOL SHALL BE PROVIDED IN THE FOLLOWING MANNER:

8 * * *

9 (2) FOR NON-SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL
10 SHALL RECEIVE FOR EACH STUDENT ENROLLED NO LESS THAN THE
11 BUDGETED TOTAL EXPENDITURE PER AVERAGE DAILY MEMBERSHIP OF THE
12 PRIOR SCHOOL YEAR, AS DEFINED IN SECTION 2501(20), MINUS THE
13 BUDGETED EXPENDITURES OF THE DISTRICT OF RESIDENCE FOR NONPUBLIC
14 SCHOOL PROGRAMS; ADULT EDUCATION PROGRAMS; COMMUNITY/JUNIOR
15 COLLEGE PROGRAMS; STUDENT TRANSPORTATION SERVICES; FOR SPECIAL
16 EDUCATION PROGRAMS; FACILITIES ACQUISITION, CONSTRUCTION AND
17 IMPROVEMENT SERVICES; AND OTHER FINANCING USES, INCLUDING DEBT
18 SERVICE AND FUND TRANSFERS, AND MINUS ALL REVENUE RECEIVED FROM
19 CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES AS PROVIDED IN
20 THE MANUAL OF ACCOUNTING AND RELATED FINANCIAL PROCEDURES FOR
21 PENNSYLVANIA SCHOOL SYSTEMS ESTABLISHED BY THE DEPARTMENT. THIS
22 AMOUNT SHALL BE PAID BY THE DISTRICT OF RESIDENCE OF EACH
23 STUDENT.

24 * * *

25 SECTION 21. SECTION 1729-A(A) OF THE ACT, ADDED JUNE 19,
26 1997 (P.L.225, NO.22), IS AMENDED TO READ:

27 SECTION 1729-A. CAUSES FOR NONRENEWAL OR TERMINATION.--(A)
28 DURING THE TERM OF THE CHARTER OR AT THE END OF THE TERM OF THE
29 CHARTER, THE LOCAL BOARD OF SCHOOL DIRECTORS MAY CHOOSE TO
30 REVOKE OR NOT TO RENEW THE CHARTER BASED ON ANY OF THE

1 FOLLOWING:

2 (1) ONE OR MORE MATERIAL VIOLATIONS OF ANY OF THE
3 CONDITIONS, STANDARDS OR PROCEDURES CONTAINED IN THE WRITTEN
4 CHARTER SIGNED PURSUANT TO SECTION 1720-A.

5 (2) FAILURE TO MEET THE REQUIREMENTS FOR STUDENT PERFORMANCE
6 SET FORTH IN 22 PA. CODE CH. 5 (RELATING TO CURRICULUM) OR
7 SUBSEQUENT REGULATIONS PROMULGATED TO REPLACE 22 PA. CODE CH. 5
8 OR FAILURE TO MEET ANY PERFORMANCE STANDARD SET FORTH IN THE
9 WRITTEN CHARTER SIGNED PURSUANT TO SECTION 1716-A.

10 (3) FAILURE TO MEET GENERALLY ACCEPTED STANDARDS OF FISCAL
11 MANAGEMENT OR AUDIT REQUIREMENTS.

12 (4) VIOLATION OF PROVISIONS OF THIS ARTICLE.

13 (5) VIOLATION OF ANY PROVISION OF LAW FROM WHICH THE CHARTER
14 SCHOOL HAS NOT BEEN EXEMPTED, INCLUDING FEDERAL LAWS AND
15 REGULATIONS GOVERNING CHILDREN WITH DISABILITIES.

16 (6) THE CHARTER SCHOOL HAS BEEN CONVICTED OF FRAUD.

17 (7) THE CHARTER SCHOOL HAS BEEN IDENTIFIED FOR CORRECTIVE
18 ACTION BY THE DEPARTMENT PURSUANT TO THE NO CHILD LEFT BEHIND
19 ACT OF 2001 FOR TWO CONSECUTIVE SCHOOL YEARS AND THE CHARTER
20 SCHOOL HAS FAILED TO MEET ITS ACADEMIC PERFORMANCE TARGET FOR
21 BOTH OF THOSE SCHOOL YEARS.

22 * * *

23 SECTION 22. SECTION 1705-B(H)(4) OF THE ACT, AMENDED
24 DECEMBER 9, 2002 (P.L.1472, NO.187), IS AMENDED TO READ:

25 SECTION 1705-B. EDUCATION EMPOWERMENT DISTRICTS.--* * *

26 (H) * * *

27 (4) THE DEPARTMENT MAY UTILIZE UP TO \$2,000,000 OF
28 UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR COMMITTED FROM
29 APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT
30 TO ASSIST SCHOOL DISTRICTS CERTIFIED AS AN EDUCATION EMPOWERMENT

1 DISTRICT UNDER PARAGRAPH (3). THERE IS HEREBY ESTABLISHED A
2 RESTRICTED ACCOUNT FROM WHICH PAYMENTS UNDER THIS PARAGRAPH
3 SHALL BE PAID. FUNDS SHALL BE TRANSFERRED BY THE SECRETARY OF
4 THE BUDGET TO THE RESTRICTED ACCOUNT TO THE EXTENT NECESSARY TO
5 MAKE PAYMENTS UNDER THIS PARAGRAPH. FUNDS IN THE RESTRICTED
6 ACCOUNT ARE HEREBY APPROPRIATED TO CARRY OUT THE PURPOSES OF
7 THIS PARAGRAPH. THE SUBSIDY PAYMENT FROM THIS ACCOUNT SHALL BE
8 UTILIZED TO SUPPLEMENT THE OPERATIONAL BUDGET OF THE ELIGIBLE
9 SCHOOL DISTRICTS. THIS PARAGRAPH SHALL APPLY TO FISCAL YEARS
10 2000-2001, 2001-2002 [AND], 2002-2003 AND 2003-2004 AND SHALL
11 EXPIRE JUNE 30, [2003] 2004.

12 SECTION 23. SECTION 1709-B OF THE ACT, ADDED MAY 10, 2000
13 (P.L.44, NO.16), IS REENACTED TO READ:

14 SECTION 1709-B. SCHOOL IMPROVEMENT GRANTS.--(A) THE
15 DEPARTMENT SHALL ESTABLISH A PROGRAM OF ANNUAL SCHOOL
16 IMPROVEMENT GRANTS FOR SCHOOL DISTRICTS ON THE EDUCATION
17 EMPOWERMENT LIST OR CERTIFIED AS AN EDUCATION EMPOWERMENT
18 DISTRICT TO ASSIST IN THE IMPLEMENTATION OF THEIR SCHOOL
19 DISTRICT IMPROVEMENT PLANS.

20 (B) GRANTS SHALL BE LIMITED TO THE AMOUNT APPROPRIATED FOR
21 THAT PURPOSE.

22 (C) GRANTS SHALL BE PROVIDED ANNUALLY TO THE SCHOOL DISTRICT
23 FOR USE AS DIRECTED BY THE SCHOOL DISTRICT EMPOWERMENT TEAM OR
24 THE BOARD OF CONTROL IN IMPLEMENTING THE SCHOOL DISTRICT
25 IMPROVEMENT PLAN DEVELOPED PURSUANT TO SECTIONS 1703-B AND 1706-
26 B AS FOLLOWS:

27 (1) TO PURCHASE INSTRUCTIONAL MATERIALS, INCLUDING
28 TEXTBOOKS, TECHNOLOGY AND RELATED EDUCATIONAL MATERIALS AND
29 SUPPLIES.

30 (2) TO REDUCE CLASS SIZE IN KINDERGARTEN THROUGH GRADE

1 THREE.

2 (3) TO ESTABLISH AFTER-SCHOOL, SUMMER AND WEEKEND PROGRAMS.

3 (4) TO ESTABLISH OR EXPAND FULL-DAY KINDERGARTEN PROGRAM.

4 (5) TO FUND CURRICULUM DEVELOPMENT.

5 (6) TO FUND ENHANCED STAFF PROFESSIONAL DEVELOPMENT.

6 (7) TO FUND ANY OTHER PROGRAM CONTAINED IN THE SCHOOL
7 DISTRICT IMPROVEMENT PLAN.

8 (D) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, EACH
9 QUALIFYING SCHOOL DISTRICT SHALL RECEIVE A BASE ANNUAL GRANT OF
10 FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000) AND AN ADDITIONAL
11 GRANT OF UP TO SEVENTY-FIVE DOLLARS (\$75) PER AVERAGE DAILY
12 MEMBERSHIP FOR THE PRIOR SCHOOL YEAR OF THE SCHOOL DISTRICT. THE
13 SCHOOL DISTRICT OR THE BOARD OF CONTROL SHALL GIVE PRIORITY IN
14 ALLOCATING THE GRANT FUNDING RECEIVED UNDER THIS SECTION TO THE
15 INDIVIDUAL SCHOOLS IDENTIFIED PURSUANT TO SECTIONS 1703-B(B) AND
16 1706-B(B).

17 (E) THE DEPARTMENT SHALL SET FORTH THE SPECIFIC ALLOWABLE
18 USES FOR GRANT FUNDS AND PLACE CONDITIONS, AS NECESSARY, ON THE
19 USE OF GRANT FUNDS. THE DEPARTMENT SHALL ESTABLISH
20 ACCOUNTABILITY PROCEDURES AND AUDITING GUIDELINES TO ENSURE THAT
21 GRANT FUNDS ARE UTILIZED IN ACCORDANCE WITH THE ALLOWABLE USES
22 AND CONDITIONS.

23 (F) A SCHOOL DISTRICT RECEIVING A GRANT UNDER THIS SECTION
24 SHALL BE REQUIRED TO MAINTAIN SEPARATE ACCOUNTS IN THAT SCHOOL
25 DISTRICT'S BUDGET TO FACILITATE MONITORING THE USE OF THESE
26 GRANT FUNDS. IN NO CASE SHALL A SCHOOL DISTRICT USE MORE THAN
27 FIVE PER CENTUM OF THE GRANT FUNDS FOR ADMINISTRATIVE COSTS.

28 (G) THE DEPARTMENT SHALL REDUCE THE AMOUNT OF A STATE
29 SUBSIDY PAYMENT TO A SCHOOL DISTRICT BY THE AMOUNT OF ANY GRANT
30 FUNDS PROVIDED UNDER THIS SECTION IF THE SCHOOL DISTRICT DOES

1 NOT USE THE GRANT FUNDS IN ACCORDANCE WITH THE ALLOWABLE USES
2 AND CONDITIONS SET FORTH BY THE DEPARTMENT.

3 SECTION 24. SECTION 1714-B(G) OF THE ACT, ADDED MAY 10, 2000
4 (P.L.44, NO.16), IS AMENDED TO READ:

5 SECTION 1714-B. MANDATE WAIVER PROGRAM.--* * *

6 (G) THE FOLLOWING PROVISIONS OF THIS ACT SHALL NOT BE
7 SUBJECT TO WAIVER PURSUANT TO THIS SECTION: SECTIONS 108, 110,
8 111, 321, 322, 323, 324, 325, 326, 327, 431, 436, 437, 440.1,
9 443, 510, 513, 518, 527, 701.1, 708, 736, 737, 738, 739, 740,
10 741, 752, 753, 755, 771, 776, 777, 808, 809, 810, 1303(A), 1310,
11 1317, 1317.1, 1317.2, 1318, 1327, 1327.1, 1330, 1332, 1361,
12 1366, 1501, 1502, 1513, 1517, 1518, 1521, 1523, 1546 AND 1547;
13 PROVISIONS PROHIBITING DISCRIMINATION; ARTICLES VI, VI-A, VI-B,
14 VI-C, XI, XI-A, XII, XIII-A, XIV AND XVII-A AND THIS ARTICLE.

15 * * *

16 SECTION 25. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

17 SECTION 1714.1-B. LIMITATION.--NOTWITHSTANDING ANY OTHER
18 PROVISION OF THIS ARTICLE, NO SCHOOL DISTRICT SHALL BE PLACED ON
19 THE EDUCATION EMPOWERMENT LIST UNDER SECTION 1703-B OR CERTIFIED
20 AS AN EDUCATION EMPOWERMENT DISTRICT UNDER SECTION 1705-B OR
21 1707-B ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION.

22 SECTION 26. SECTION 1913-A OF THE ACT IS AMENDED BY ADDING A
23 SUBSECTION TO READ:

24 SECTION 1913-A. FINANCIAL PROGRAM; REIMBURSEMENT OF
25 PAYMENTS.--* * *

26 (M) FOR THE FISCAL YEAR 2003-2004, IF INSUFFICIENT FUNDS ARE
27 APPROPRIATED TO MAKE COMMONWEALTH PAYMENTS PURSUANT TO THIS
28 SECTION, SUCH PAYMENTS SHALL BE MADE ON A PRO RATA BASIS.

29 SECTION 27. THE DEFINITIONS OF "EDUCATIONAL IMPROVEMENT
30 ORGANIZATION" AND "SCHOLARSHIP ORGANIZATION" IN SECTION 2002-B

1 OF THE ACT, ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO
2 READ:

3 SECTION 2002-B. DEFINITIONS.

4 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
5 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
6 CONTEXT CLEARLY INDICATES OTHERWISE:

7 * * *

8 "EDUCATIONAL IMPROVEMENT ORGANIZATION." A NONPROFIT ENTITY
9 WHICH:

10 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION
11 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
12 99-514, 26 U.S.C. § 1 ET SEQ.); AND

13 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL RECEIPTS AS
14 GRANTS TO A PUBLIC SCHOOL FOR INNOVATIVE EDUCATIONAL
15 PROGRAMS.

16 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
17 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS WHEN IT EXPENDS OR
18 OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS FOR EXPENDITURE
19 DURING THE THEN CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR
20 DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.

21 * * *

22 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

23 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION
24 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
25 99-514, 26 U.S.C. § 1 ET SEQ.); AND

26 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS
27 TO A SCHOLARSHIP PROGRAM.

28 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
29 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS TO A SCHOLARSHIP PROGRAM
30 WHEN IT EXPENDS OR OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS

1 FOR DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE
2 NONPROFIT ENTITY OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF
3 THE NONPROFIT ENTITY.

4 * * *

5 SECTION 28. SECTIONS 2005-B(A) AND 2006-B(A) OF THE ACT,
6 ADDED MAY 17, 2001 (P.L.4, NO.4), ARE AMENDED TO READ:
7 SECTION 2005-B. TAX CREDIT.

8 (A) GENERAL RULE.--IN ACCORDANCE WITH SECTION 2006-B(A), THE
9 DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY TAX
10 DUE UNDER ARTICLE IV, VI, VII, VII-A, VIII, VIII-A, IX OR XV OF
11 THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM
12 CODE OF 1971, TO A BUSINESS FIRM PROVIDING PROOF OF A
13 CONTRIBUTION TO A SCHOLARSHIP ORGANIZATION OR EDUCATIONAL
14 IMPROVEMENT ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
15 CONTRIBUTION IS MADE WHICH SHALL NOT EXCEED 75% OF THE TOTAL
16 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS FIRM.
17 SUCH CREDIT SHALL NOT EXCEED [\$100,000] \$200,000 ANNUALLY PER
18 BUSINESS FIRM.

19 * * *

20 SECTION 2006-B. LIMITATIONS.

21 (A) AMOUNT.--THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
22 APPROVED SHALL NOT EXCEED [\$30,000,000] \$50,000,000 IN A FISCAL
23 YEAR. NO LESS THAN [\$20,000,000] \$33,333,335 OF THE TOTAL
24 AGGREGATE AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR
25 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP ORGANIZATIONS.
26 NO LESS THAN [\$10,000,000] \$16,666,665 OF THE TOTAL AGGREGATE
27 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR CONTRIBUTIONS
28 FROM BUSINESS FIRMS TO EDUCATIONAL IMPROVEMENT ORGANIZATIONS.

29 * * *

30 SECTION 29. SECTION 2502.8 OF THE ACT, AMENDED JUNE 22, 2001

1 (P.L.530, NO.35), IS REENACTED TO READ:

2 SECTION 2502.8. PAYMENTS ON ACCOUNT OF PUPILS ENROLLED IN
3 VOCATIONAL CURRICULUMS.--(A) FOR THE PURPOSE OF REIMBURSEMENT
4 IN ACCORDANCE WITH THIS SECTION, VOCATIONAL CURRICULUMS ARE
5 AGRICULTURE EDUCATION, DISTRIBUTIVE EDUCATION, HEALTH
6 OCCUPATIONS EDUCATION, HOME ECONOMICS EDUCATION (GAINFUL),
7 BUSINESS EDUCATION, TECHNICAL EDUCATION, TRADE AND INDUSTRIAL
8 EDUCATION, OR ANY OTHER OCCUPATIONAL ORIENTED PROGRAM APPROVED
9 BY THE SECRETARY OF EDUCATION.

10 (B) FOR THE 1981-1982 SCHOOL YEAR THROUGH THE 1984-1985
11 SCHOOL YEAR, EACH SCHOOL DISTRICT SO ENTITLED SHALL BE PAID, IN
12 ADDITION TO ANY OTHER SUBSIDY TO WHICH IT IS ENTITLED, AN AMOUNT
13 ON ACCOUNT OF RESIDENT PUPILS ENROLLED IN VOCATIONAL
14 CURRICULUMS; FOR THE 1985-1986 SCHOOL YEAR THROUGH THE 1999-2000
15 SCHOOL YEAR, EACH SCHOOL DISTRICT AND AREA VOCATIONAL-TECHNICAL
16 SCHOOL SHALL BE PAID AN AMOUNT ON ACCOUNT OF STUDENTS ENROLLED
17 IN VOCATIONAL CURRICULUMS; FOR THE 2000-2001 SCHOOL YEAR AND
18 EACH SCHOOL YEAR THEREAFTER, EACH SCHOOL DISTRICT, AREA
19 VOCATIONAL-TECHNICAL SCHOOL AND CHARTER SCHOOL SHALL BE PAID AN
20 AMOUNT ON ACCOUNT OF STUDENTS ENROLLED IN VOCATIONAL
21 CURRICULUMS, DETERMINED AS FOLLOWS:

22 (1) DETERMINE THE INCREASE IN THE WEIGHTED AVERAGE DAILY
23 MEMBERSHIP BY MULTIPLYING THE NUMBER OF STUDENTS IN AVERAGE
24 DAILY MEMBERSHIP IN VOCATIONAL CURRICULUMS IN AREA VOCATIONAL-
25 TECHNICAL SCHOOLS BY TWENTY-ONE HUNDREDTHS (.21) AND THE NUMBER
26 OF STUDENTS IN AVERAGE DAILY MEMBERSHIP IN SCHOOL DISTRICT AND
27 CHARTER SCHOOL VOCATIONAL CURRICULUMS BY SEVENTEEN HUNDREDTHS
28 (.17).

29 (2) MULTIPLY THE LESSER OF THE DISTRICT'S ACTUAL INSTRUCTION
30 EXPENSE PER WEIGHTED AVERAGE DAILY MEMBERSHIP OR THE BASE EARNED

1 FOR REIMBURSEMENT BY THE MARKET VALUE/INCOME AID RATIO OR BY
2 THREE HUNDRED SEVENTY-FIVE THOUSANDTHS (.375), WHICHEVER IS
3 GREATER.

4 (3) MULTIPLY THE INCREASE IN WEIGHTED AVERAGE DAILY
5 MEMBERSHIP DETERMINED IN CLAUSE (1) BY THE RESULT OF CLAUSE (2).

6 (4) FOR THE 1985-1986 THROUGH 1999-2000 SCHOOL YEARS, THE
7 COMMONWEALTH SHALL PAY THE AMOUNT REQUIRED BY THIS SECTION TO
8 THE SCHOOL DISTRICT OR AREA VOCATIONAL-TECHNICAL SCHOOL WHICH
9 PROVIDES THE PROGRAM UPON WHICH REIMBURSEMENT IS BASED.

10 (5) FOR THE 2000-2001 SCHOOL YEAR AND EACH SCHOOL YEAR
11 THEREAFTER, THE COMMONWEALTH SHALL PAY THE AMOUNT REQUIRED UNDER
12 THIS SECTION TO THE SCHOOL DISTRICT, AREA VOCATIONAL-TECHNICAL
13 SCHOOL OR CHARTER SCHOOL WHICH PROVIDES THE PROGRAMS UPON WHICH
14 REIMBURSEMENT IS BASED.

15 (C) FOR THE SCHOOL YEAR 1998-1999, ANY ADDITIONAL FUNDING
16 PROVIDED BY THE COMMONWEALTH OVER THE AMOUNT PROVIDED FOR THE
17 SCHOOL YEAR 1997-1998 WILL BE DISTRIBUTED TO AREA VOCATIONAL-
18 TECHNICAL SCHOOLS AND TO SCHOOL DISTRICTS WITH EIGHT (8) OR MORE
19 VOCATIONAL PROGRAMS BASED ON SUBSECTION (B).

20 (D) FOR THE SCHOOL YEAR 1999-2000, ANY ADDITIONAL FUNDING
21 PROVIDED BY THE COMMONWEALTH OVER THE AMOUNT PROVIDED FOR THE
22 SCHOOL YEAR 1998-1999 WILL BE DISTRIBUTED TO AREA VOCATIONAL-
23 TECHNICAL SCHOOLS, TO SCHOOL DISTRICTS WITH EIGHT (8) OR MORE
24 VOCATIONAL PROGRAMS AND TO SCHOOL DISTRICTS OFFERING A
25 VOCATIONAL AGRICULTURAL EDUCATION PROGRAM, BASED ON SUBSECTION
26 (B).

27 (E) FOR THE SCHOOL YEAR 2000-2001 AND EACH SCHOOL YEAR
28 THEREAFTER, ANY ADDITIONAL FUNDING PROVIDED BY THE COMMONWEALTH
29 OVER THE AMOUNT PROVIDED FOR THE SCHOOL YEAR 1998-1999 WILL BE
30 DISTRIBUTED TO AREA VOCATIONAL-TECHNICAL SCHOOLS, TO SCHOOL

1 DISTRICTS AND CHARTER SCHOOLS WITH EIGHT (8) OR MORE VOCATIONAL
2 PROGRAMS AND TO SCHOOL DISTRICTS AND CHARTER SCHOOLS OFFERING A
3 VOCATIONAL AGRICULTURAL EDUCATION PROGRAM BASED ON SUBSECTION
4 (B).

5 SECTION 30. SECTIONS 2502.13 AND 2502.30 OF THE ACT, AMENDED
6 JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED TO READ:

7 SECTION 2502.13. SMALL DISTRICT ASSISTANCE.--FOR THE 1984-
8 1985 AND 1985-1986 SCHOOL YEARS, THE COMMONWEALTH SHALL PAY TO
9 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF
10 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET
11 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)
12 OR GREATER, AN AMOUNT EQUAL TO FIFTY DOLLARS (\$50) MULTIPLIED BY
13 THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE 1985-1986
14 SCHOOL YEAR, NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF
15 THIS SECTION THAN IT DID FOR THE 1984-1985 SCHOOL YEAR. FOR THE
16 SCHOOL YEAR 1986-1987, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL
17 DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND
18 FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET VALUE/INCOME AID
19 RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR
20 RECEIVED PAYMENTS UNDER THIS SECTION FOR THE 1985-1986 SCHOOL
21 YEAR, AN AMOUNT EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED
22 BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR
23 1987-1988, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT
24 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE
25 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF
26 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED
27 PAYMENTS UNDER THIS SECTION FOR THE 1986-1987 SCHOOL YEAR, AN
28 AMOUNT EQUAL TO EIGHTY-FIVE DOLLARS (\$85) MULTIPLIED BY THAT
29 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR 1988-
30 1989, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH

1 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED
2 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE
3 THOUSAND TEN THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED
4 PAYMENTS UNDER THIS SECTION FOR THE 1987-1988 OR 1988-1989
5 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIVE DOLLARS (\$105).
6 FOR THE SCHOOL YEAR 1989-1990, THE COMMONWEALTH SHALL PAY TO
7 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF
8 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A MARKET
9 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)
10 OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR THE
11 1987-1988 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIFTEEN
12 DOLLARS (\$115) MULTIPLIED BY THE DISTRICT'S AVERAGE DAILY
13 MEMBERSHIP AS PROVIDED FOR IN SECTION 212 OF THE ACT OF JULY 1,
14 1990 (P.L.1591, NO.7A), KNOWN AS THE "GENERAL APPROPRIATION ACT
15 OF 1990." FOR THE SCHOOL YEAR 1990-1991, THE COMMONWEALTH SHALL
16 PAY TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY
17 MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A
18 MARKET VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS
19 (0.5000) OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR
20 THE PRIOR SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED SEVENTY
21 DOLLARS (\$170) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY
22 MEMBERSHIP. FOR THE SCHOOL YEAR 1990-1991, EACH SCHOOL DISTRICT
23 WITH A POPULATION PER SQUARE MILE OF LESS THAN NINETY (90),
24 WHICH OTHERWISE MEETS THE AVERAGE DAILY MEMBERSHIP AND MARKET
25 VALUE/INCOME AID RATIO REQUIREMENTS OF THIS SECTION, OR RECEIVED
26 PAYMENTS UNDER THIS SECTION FOR THE PRIOR SCHOOL YEAR, SHALL
27 INSTEAD RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED NINETY DOLLARS
28 (\$190) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP.
29 FOR THE 1987-1988 SCHOOL YEAR THROUGH THE 1990-1991 SCHOOL YEAR,
30 NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF THIS SECTION

1 THAN IT DID FOR THE PRIOR SCHOOL YEAR. FOR THE SCHOOL YEAR 1994-
2 1995, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH
3 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED
4 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE
5 THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, AN AMOUNT EQUAL TO
6 NINETY FIVE DOLLARS (\$95) MULTIPLIED BY THAT DISTRICT'S AVERAGE
7 DAILY MEMBERSHIP. FOR EACH OF THE SCHOOL YEARS 1997-1998 THROUGH
8 1999-2000, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT
9 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE
10 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF
11 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER AN AMOUNT
12 EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED BY THAT
13 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEARS 2000-
14 2001 [AND], 2001-2002 AND 2002-2003, THE COMMONWEALTH SHALL PAY
15 TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF
16 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AN AMOUNT EQUAL TO
17 SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED BY THAT DISTRICT'S AVERAGE
18 DAILY MEMBERSHIP.

19 SECTION 2502.30. TEMPORARY SPECIAL AID TO SCHOOL DISTRICTS
20 SUFFERING LOSS OF TAX REVENUE DUE TO REDUCTION IN ASSESSED
21 VALUATION OF TAXABLE PROPERTY.--(A) TEMPORARY SPECIAL AID SHALL
22 BE PAID IN FISCAL YEARS 1994-1995, 1995-1996, 1996-1997, 1997-
23 1998, 1998-1999, 1999-2000, 2001-2002 [AND], 2002-2003 AND 2003-
24 2004 TO SCHOOL DISTRICTS EXPERIENCING A SEVERE REDUCTION IN
25 LOCAL REVENUE DUE TO A DECLINE IN THE ASSESSED VALUE OF TAXABLE
26 PROPERTIES. THE ALLOCATION TO THESE DISTRICTS SHALL BE
27 DETERMINED BY MULTIPLYING THE REDUCTION IN ASSESSED VALUE
28 BETWEEN 1985-1986 AND 1992-1993 BY THE 1992-1993 REAL ESTATE
29 MILLAGE RATE. THIS AID SHALL BE PAID FROM UNDISTRIBUTED FUNDS
30 NOT EXPENDED, ENCUMBERED OR COMMITTED FROM APPROPRIATIONS FOR

1 GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT OF EDUCATION. NO
2 OTHER FUNDS SHALL BE USED FOR ASSISTANCE UNDER THIS SECTION.
3 THESE FUNDS SHALL BE SUFFICIENT TO PROVIDE TEMPORARY RELIEF TO
4 SEVEN SCHOOL DISTRICTS IN FISCAL YEAR 1995-1996 AT SEVENTY-FIVE
5 PER CENTUM (75%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995,
6 IN FISCAL YEAR 1996-1997 AT FIFTY PER CENTUM (50%) OF THE FUNDS
7 RECEIVED IN FISCAL YEAR 1994-1995, IN FISCAL YEAR 1997-1998,
8 1998-1999 AND IN FISCAL YEAR 1999-2000 AT TWENTY-FIVE PER CENTUM
9 (25%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995. FOR FISCAL
10 YEARS 2001-2002 [AND], 2002-2003[,] AND 2003-2004 TO THE EXTENT
11 FUNDS ARE AVAILABLE AS DETERMINED BY THE SECRETARY OF THE
12 BUDGET, QUALIFYING SCHOOL DISTRICTS SHALL RECEIVE TWENTY-FIVE
13 PER CENTUM (25%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995.

14 (B) PAYMENTS MADE PURSUANT TO SUBSECTION (A) SHALL BE PAID
15 FROM A RESTRICTED RECEIPT ACCOUNT, WHICH IS HEREBY ESTABLISHED,
16 FOR SUCH PAYMENTS. FUNDS SHALL BE TRANSFERRED BY THE SECRETARY
17 OF THE BUDGET TO THE RESTRICTED ACCOUNT ONLY TO THE EXTENT
18 NECESSARY TO MAKE THE PAYMENTS AUTHORIZED BY THIS SECTION. THE
19 MONEY IN THE RESTRICTED ACCOUNT IS HEREBY APPROPRIATED FROM THE
20 ACCOUNT FOR PURPOSES OF THIS SECTION.

21 (C) THIS SECTION SHALL EXPIRE [OCTOBER 1, 2003] OCTOBER 1,
22 2004.

23 SECTION 31. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

24 SECTION 2502.41. BASIC EDUCATION FUNDING FOR 2002-2003
25 SCHOOL YEAR.--FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH
26 SHALL PAY TO EACH SCHOOL DISTRICT A BASIC EDUCATION FUNDING
27 ALLOCATION WHICH SHALL CONSIST OF THE FOLLOWING:

28 (1) AN AMOUNT EQUAL TO THE BASIC EDUCATION FUNDING
29 ALLOCATION FOR THE 2001-2002 SCHOOL YEAR PURSUANT TO SECTIONS
30 2502.13 AND 2502.40.

(2) A BASE SUPPLEMENT CALCULATED AS FOLLOWS:

(I) MULTIPLY THE SCHOOL DISTRICT'S 2003-2004 MARKET
VALUE/INCOME AID RATIO BY ITS 2002-2003 AVERAGE DAILY
MEMBERSHIP.

(II) MULTIPLY THE PRODUCT FROM SUBPARAGRAPH (I) BY FIFTY
MILLION DOLLARS (\$50,000,000).

(III) DIVIDE THE PRODUCT FROM SUBPARAGRAPH (II) BY THE SUM
OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID RATIO
MULTIPLIED BY THE 2002-2003 AVERAGE DAILY MEMBERSHIP FOR ALL
SCHOOL DISTRICTS.

(3) A POVERTY SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL
DISTRICTS AS FOLLOWS:

(I) TO QUALIFY FOR THE POVERTY SUPPLEMENT, A SCHOOL
DISTRICT'S 2003-2004 MARKET VALUE/INCOME AID RATIO SHALL BE
EQUAL TO OR GREATER THAN 0.6500 AND ITS PERSONAL INCOME
VALUATION WHEN DIVIDED BY ITS 2002-2003 AVERAGE DAILY MEMBERSHIP
SHALL 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 2002-2003 AVERAGE DAILY
MEMBERSHIP FROM ITS 2002-2003 AVERAGE DAILY MEMBERSHIP BY THIRTY
MILLION DOLLARS (\$30,000,000).

(B) DIVIDE THE PRODUCT FROM CLAUSE (A) BY THE SUM OF THE
2002-2003 AVERAGE DAILY MEMBERSHIP FOR ALL QUALIFYING SCHOOL
DISTRICTS.

(4) A TAX EFFORT SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL
DISTRICTS AS FOLLOWS:

(I) TO QUALIFY FOR THE TAX EFFORT SUPPLEMENT, A SCHOOL
DISTRICT'S 2001 EQUALIZED MILLAGE MUST BE EQUAL TO OR GREATER

1 THAN 20.6 EQUALIZED MILLS.

2 (II) THE TAX EFFORT SUPPLEMENT SHALL BE CALCULATED FOR
3 QUALIFYING SCHOOL DISTRICTS AS FOLLOWS:

4 (A) MULTIPLY THE SCHOOL DISTRICT'S 2002-2003 AVERAGE DAILY
5 MEMBERSHIP BY FIFTEEN MILLION DOLLARS (\$15,000,000).

6 (B) DIVIDE THE PRODUCT FROM CLAUSE (A) BY THE SUM OF THE
7 2002-2003 AVERAGE DAILY MEMBERSHIP FOR ALL QUALIFYING SCHOOL
8 DISTRICTS.

9 (5) A GROWTH SUPPLEMENT CALCULATED FOR QUALIFYING SCHOOL
10 DISTRICTS AS FOLLOWS:

11 (I) TO QUALIFY FOR THE GROWTH SUPPLEMENT, A SCHOOL
12 DISTRICT'S 2002-2003 AVERAGE DAILY MEMBERSHIP MUST BE GREATER
13 THAN ITS 2001-2002 AVERAGE DAILY MEMBERSHIP.

14 (II) THE GROWTH SUPPLEMENT SHALL BE CALCULATED FOR
15 QUALIFYING SCHOOL DISTRICTS AS FOLLOWS:

16 (A) SUBTRACT THE SCHOOL DISTRICT'S 2001-2002 AVERAGE DAILY
17 MEMBERSHIP FROM ITS 2002-2003 AVERAGE DAILY MEMBERSHIP AND
18 MULTIPLY THE DIFFERENCE BY ITS 2003-2004 MARKET VALUE/INCOME AID
19 RATIO.

20 (B) MULTIPLY THE DIFFERENCE FROM CLAUSE (A) BY TEN MILLION
21 DOLLARS (\$10,000,000).

22 (C) DIVIDE THE PRODUCT FROM CLAUSE (B) BY THE SUM OF THE
23 DIFFERENCES FROM CLAUSE (A) FOR ALL QUALIFYING SCHOOL DISTRICTS.

24 (6) EACH SCHOOL DISTRICT SHALL RECEIVE ADDITIONAL FUNDING AS
25 NECESSARY SO THAT THE SUM OF THE AMOUNTS UNDER SECTION 2502.13
26 AND UNDER PARAGRAPHS (2), (3), (4), (5) AND THIS PARAGRAPH WILL
27 EQUAL AT LEAST TWO PER CENTUM (2%) OF THE AMOUNT IN PARAGRAPH
28 (1).

29 SECTION 32. SECTIONS 2509.1 AND 2509.5 OF THE ACT ARE
30 AMENDED BY ADDING SUBSECTIONS TO READ:

SECTION 2509.1. PAYMENTS TO INTERMEDIATE UNITS.--* * *

(B.11) UP TO NINE MILLION FIVE HUNDRED THOUSAND DOLLARS
(\$9,500,000) MAY BE UTILIZED FOR PROGRAMS ADMINISTERED AND
OPERATED BY INTERMEDIATE UNITS DURING THE 2003-2004 SCHOOL YEAR
FOR INSTITUTIONALIZED CHILDREN AS ESTABLISHED IN SUBSECTION
(B.1).

* * *

SECTION 2509.5. SPECIAL EDUCATION PAYMENTS TO SCHOOL
DISTRICTS.--* * *

(LL) DURING THE 2003-2004 SCHOOL YEAR, EACH SCHOOL DISTRICT
SHALL BE PAID THE AMOUNT IT RECEIVED DURING THE 2002-2003 SCHOOL
YEAR UNDER SUBSECTION (KK).

(MM) DURING THE 2003-2004 SCHOOL YEAR, THIRTY-SIX MILLION
ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-SEVEN
DOLLARS (\$36,149,587) OF THE FUNDS APPROPRIATED TO THE
DEPARTMENT OF EDUCATION FOR SPECIAL EDUCATION SHALL BE USED TO
PROVIDE SUPPLEMENTAL FUNDING FOR SPECIAL EDUCATION TO ALL SCHOOL
DISTRICTS. THE SUPPLEMENTAL FUNDING SHALL BE CALCULATED AS
FOLLOWS:

(1) MULTIPLY EACH SCHOOL DISTRICT'S 2003-2004 MARKET
VALUE/INCOME AID RATIO BY SIXTEEN PER CENTUM (16%) OF ITS 2002-
2003 AVERAGE DAILY MEMBERSHIP;

(2) MULTIPLY THE PRODUCT FROM PARAGRAPH (1) BY THIRTY-SIX
MILLION ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-
SEVEN DOLLARS (\$36,149,587); AND

(3) DIVIDE THE RESULTANT PRODUCT FROM PARAGRAPH (2) BY THE
SUM OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID
RATIO MULTIPLIED BY SIXTEEN PER CENTUM (16%) OF THE 2002-2003
AVERAGE DAILY MEMBERSHIP FOR ALL SCHOOL DISTRICTS.

SECTION 33. SECTION 2509.8(D) OF THE ACT, ADDED MAY 10, 2000

(P.L.44, NO.16), IS AMENDED AND THE SECTION IS AMENDED BY ADDING
A SUBSECTION TO READ:

SECTION 2509.8. EXTRAORDINARY SPECIAL EDUCATION PROGRAM
EXPENSES.--* * *

(D) FOR THE 2000-2001 SCHOOL YEAR [AND EACH SCHOOL YEAR
THEREAFTER,] THROUGH THE 2002-2003 SCHOOL YEAR, THE DEPARTMENT
OF EDUCATION SHALL SET ASIDE TWO PERCENT (2%) OF THE SPECIAL
EDUCATION APPROPRIATION FOR EXTRAORDINARY EXPENSES INCURRED IN
PROVIDING A SPECIAL EDUCATION PROGRAM OR SERVICE TO ONE OR MORE
STUDENTS WITH DISABILITIES AS APPROVED BY THE SECRETARY OF
EDUCATION.

(E) FOR THE 2003-2004 SCHOOL YEAR AND EACH SCHOOL YEAR
THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL SET ASIDE ONE PER
CENTUM (1%) OF THE SPECIAL EDUCATION APPROPRIATION FOR
EXTRAORDINARY EXPENSES INCURRED IN PROVIDING A SPECIAL EDUCATION
PROGRAM OR SERVICE TO ONE OR MORE STUDENTS WITH DISABILITIES AS
APPROVED BY THE SECRETARY OF EDUCATION.

SECTION 34. SECTION 2591.1 OF THE ACT, ADDED JUNE 29, 2002
(P.L.524, NO.88), IS AMENDED TO READ:

SECTION 2591.1. COMMONWEALTH REIMBURSEMENTS FOR CHARTER
SCHOOLS AND CYBER CHARTER SCHOOLS.--(A) FOR THE 2001-2002
SCHOOL YEAR, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT
WITH RESIDENT STUDENTS ENROLLED 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 PURSUANT TO ARTICLE XVII-A AN
AMOUNT EQUAL TO THIRTY PERCENT (30%) OF THE TOTAL FUNDING
REQUIRED UNDER SECTION 1725-A(A). IF INSUFFICIENT FUNDS ARE
APPROPRIATED TO MAKE COMMONWEALTH REIMBURSEMENTS UNDER THIS
SECTION, THE REIMBURSEMENTS SHALL BE MADE ON A PRO RATA BASIS.

1 (B) FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH SHALL
2 PAY TO EACH SCHOOL DISTRICT THAT RECEIVED FUNDING UNDER
3 SUBSECTION (A) FOR THE 2001-2002 SCHOOL YEAR AND THAT HAD
4 RESIDENT STUDENTS ENROLLED IN A CHARTER SCHOOL, A CHARTER SCHOOL
5 APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES
6 INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS OR A
7 CYBER CHARTER SCHOOL AS DEFINED UNDER ARTICLE XVII-A DURING THE
8 2002-2003 SCHOOL YEAR AN AMOUNT EQUAL TO THE LESSER OF:

9 (1) THE PAYMENT RECEIVED FOR THE 2001-2002 SCHOOL YEAR
10 PURSUANT TO SUBSECTION (A); OR

11 (2) THIRTY PERCENT (30%) OF THE TOTAL FUNDING REQUIRED UNDER
12 SECTION 1725-A(A).

13 (C) FOR THE 2002-2003 SCHOOL YEAR, THE COMMONWEALTH SHALL
14 PAY TO EACH SCHOOL DISTRICT THAT DID NOT RECEIVE FUNDING UNDER
15 SUBSECTION (A) FOR THE 2001-2002 SCHOOL YEAR AND THAT HAD
16 RESIDENT STUDENTS ENROLLED IN A CHARTER SCHOOL, A CHARTER SCHOOL
17 APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES
18 INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS OR A
19 CYBER CHARTER SCHOOL AS DEFINED UNDER ARTICLE XVII-A DURING THE
20 2002-2003 SCHOOL YEAR AN AMOUNT EQUAL TO THIRTY PERCENT (30%) OF
21 THE TOTAL FUNDING REQUIRED UNDER SECTION 1725-A(A).

22 (D) FOR THE FISCAL YEAR 2003-2004, IF INSUFFICIENT FUNDS ARE
23 APPROPRIATED TO MAKE COMMONWEALTH PAYMENTS PURSUANT TO THIS
24 SECTION, SUCH PAYMENTS SHALL BE MADE ON A PRO RATA BASIS.

25 SECTION 35. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

26 SECTION 2599.2. PENNSYLVANIA ACCOUNTABILITY GRANTS.--(A)
27 DURING THE 2003-2004 FISCAL YEAR, THE COMMONWEALTH SHALL PAY TO
28 EACH SCHOOL DISTRICT A GRANT EQUAL TO THE AMOUNT DETERMINED
29 UNDER SUBSECTION (C).

30 (B) THE GRANT SHALL BE USED BY A SCHOOL DISTRICT TO ATTAIN

OR MAINTAIN ACADEMIC PERFORMANCE TARGETS. FUNDS OBTAINED UNDER THIS SECTION MAY BE USED FOR THE FOLLOWING:

(1) ESTABLISHING, MAINTAINING OR EXPANDING A QUALITY PREKINDERGARTEN PROGRAM ALIGNED WITH THE CURRENT ACADEMIC STANDARDS CONTAINED IN 22 PA. CODE CH. 4 (RELATING TO ACADEMIC STANDARDS AND ASSESSMENT).

(2) ESTABLISHING, MAINTAINING OR EXPANDING A QUALITY FULL-DAY KINDERGARTEN PROGRAM ALIGNED WITH THE CURRENT ACADEMIC STANDARDS CONTAINED IN 22 PA. CODE CH. 4. SUCH PROGRAMS SHALL BE KEPT OPEN FOR FIVE HOURS EACH DAY FOR THE FULL SCHOOL TERM AS PROVIDED IN SECTION 1501. THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT MAY OFFER A FULL-DAY KINDERGARTEN PROGRAM TO CHILDREN WHO ARE BETWEEN FOUR AND SIX YEARS OLD.

(3) ESTABLISHING, MAINTAINING OR EXPANDING A CLASS SIZE REDUCTION PROGRAM. SUCH CLASS SIZE REDUCTION PROGRAM SHALL APPOINT AND ASSIGN A MINIMUM OF ONE TEACHER FOR EVERY 17 STUDENTS OR TWO TEACHERS FOR EVERY 35 STUDENTS ENROLLED IN A KINDERGARTEN, FIRST, SECOND OR THIRD GRADE CLASSROOM. ALL TEACHERS APPOINTED AND ASSIGNED TO TEACH KINDERGARTEN AND FIRST, SECOND AND THIRD GRADES SHALL BE CERTIFIED IN ACCORDANCE WITH 22 PA. CODE CH. 49 (RELATING TO CERTIFICATION OF PROFESSIONAL PERSONNEL) OR ITS SUCCESSORS. THE DEPARTMENT SHALL ESTABLISH GUIDELINES TO ASSURE THAT NO SCHOOL DISTRICT SATISFIES THIS LEVEL BY MAKING A REDUCTION IN, AND SUBSEQUENT INCREASE TO, CURRENT TEACHER COMPLEMENT. FOR PURPOSES OF THIS PARAGRAPH, THE PHRASE "ONE TEACHER FOR EVERY 17 STUDENTS OR TWO TEACHERS FOR EVERY 35 STUDENTS IN A KINDERGARTEN, FIRST, SECOND AND THIRD GRADE CLASSROOM" SHALL REFER TO THE NUMBER OF TEACHERS CONDUCTING A CLASS AT ANY ONE TIME IN A CLASSROOM CONTAINING THE APPLICABLE NUMBER OF STUDENTS.

1 (4) ESTABLISHING, EXPANDING OR MAINTAINING PROGRAMS THAT
2 PROMOTE THE AVAILABILITY, COORDINATION, INTEGRATION AND
3 UTILIZATION OF SOCIAL AND HEALTH SERVICES, ASSOCIATED RESOURCES
4 AND ANCILLARY RESOURCES TO MEET THE NEEDS OF CHILDREN AND
5 FAMILIES IN ADDRESSING ISSUES THAT MAY SERVE TO LIMIT STUDENT
6 ACADEMIC ACHIEVEMENT.

7 (5) NOTWITHSTANDING THE PROVISIONS OF ARTICLE XV-C,
8 PROVIDING TUTORING ASSISTANCE.

9 (6) IMPROVING THE ACADEMIC PERFORMANCE OF SUBGROUPS
10 IDENTIFIED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001.

11 (7) ESTABLISHING, EXPANDING OR MAINTAINING PROGRAMS TO
12 ASSIST IN THE BUILDING OF STRONG SCIENCE AND APPLIED-KNOWLEDGE
13 SKILLS IN STUDENTS OF THIS COMMONWEALTH.

14 (8) PROVIDING ADDITIONAL PROGRAMS FOR PROFESSIONAL
15 DEVELOPMENT TRAINING, WHICH INCLUDE TRAINING IN MATHEMATICS,
16 SCIENCE AND LITERACY-SPECIFIC CURRICULUM AND INSTRUCTIONAL
17 STRATEGIES; TRAINING IN SCHOOL-WIDE IMPROVEMENT PLANNING;
18 ANALYSIS OF STUDENT ACHIEVEMENT DATA, INCLUDING STUDENT WORK AND
19 THE IMPLICATIONS FOR CLASSROOM PRACTICE; OBSERVING AND STUDYING
20 EXEMPLARY SCHOOL AND CLASSROOM PRACTICES; IMPLEMENTING SCHOOL-
21 WIDE PROGRAMS AND CLASSROOM MANAGEMENT STRATEGIES DESIGNED TO
22 IMPROVE STUDENT CONDUCT; USING TECHNOLOGY TO BOOST STUDENT
23 ACHIEVEMENT; CONDUCTING TRANSITION PLANNING AND CURRICULUM
24 ALIGNMENT ACROSS SCHOOLS AND GRADE LEVELS, AND IMPLEMENTING
25 SECONDARY STRATEGIES TO INCREASE STUDENT ENGAGEMENT AND
26 PERSONALIZE LEARNING.

27 (9) ESTABLISHING, EXPANDING OR MAINTAINING MATH AND LITERACY
28 COACHING PROGRAMS WITHIN SCHOOLS TO IMPROVE MATH AND READING
29 INSTRUCTION.

30 (10) PROVIDING FINANCIAL INCENTIVES TO HIGHLY QUALIFIED,

TENURED TEACHERS TO WORK IN THE MOST ACADEMICALLY CHALLENGED
SCHOOLS IN A DISTRICT OR FOR FINANCIAL INCENTIVES TO AID IN THE
RECRUITMENT OF CERTIFICATED TEACHERS IN MATHEMATICS, SCIENCE,
LANGUAGE ARTS OR ENGLISH AS A SECOND LANGUAGE IN THE MOST
ACADEMICALLY CHALLENGED SCHOOLS IN A DISTRICT.

(11) PROVIDING SUCH OTHER PROGRAMS OR ACTIVITIES THAT THE
DISTRICT BELIEVES ARE ESSENTIAL TO ACHIEVING OR MAINTAINING ITS
ACADEMIC PERFORMANCE TARGETS THROUGH THE YEAR 2014, SUBJECT TO
THE FOLLOWING PROVISIONS:

(I) A DISTRICT DESIRING TO IMPLEMENT A PROGRAM OR ACTIVITY
PURSUANT TO THIS PARAGRAPH SHALL NOTIFY THE SECRETARY IN WRITING
OF ITS INTENT AND THOSE PROGRAMS OR ACTIVITIES TO BE SO
IMPLEMENTED.

(II) A DISTRICT THAT FAILS TO RECEIVE NOTIFICATION FROM THE
SECRETARY, WITHIN FIFTEEN (15) DAYS OF RECEIPT, THAT ITS NOTICE
UNDER SUBPARAGRAPH (I) HAS BEEN DISAPPROVED MAY PROCEED TO
IMPLEMENT THE PROPOSED PROGRAMS OR ACTIVITIES.

(III) THE DEPARTMENT SHALL FURNISH A MONTHLY REPORT TO THE
MAJORITY AND MINORITY CHAIRPERSONS OF THE APPROPRIATIONS
COMMITTEE AND EDUCATION COMMITTEE OF THE SENATE AND THE
APPROPRIATIONS COMMITTEE AND EDUCATION COMMITTEE OF THE HOUSE OF
REPRESENTATIVES TO INCLUDE THE FOLLOWING INFORMATION FOR EACH
DISTRICT MAKING A SUBMISSION UNDER SUBPARAGRAPH (I): THE
DISTRICT'S NAME; A BRIEF DESCRIPTION OF THE PROGRAMS OR
ACTIVITIES THE DISTRICT REQUESTED TO IMPLEMENT; AND ANY ACTION
TAKEN BY THE SECRETARY.

(C) THE DEPARTMENT SHALL ESTABLISH A PROGRAM OF ANNUAL
ACCOUNTABILITY GRANTS AND FUNDS SHALL BE ALLOCATED TO SCHOOL
DISTRICTS AS FOLLOWS:

(1) THE DEPARTMENT SHALL AWARD A GRANT SUPPLEMENT FOR SCHOOL

DISTRICTS TO HELP STUDENTS SCORING BELOW PROFICIENT TO ATTAIN
PROFICIENCY. THE GRANT SUPPLEMENT UNDER THIS PARAGRAPH SHALL BE
DETERMINED BY:

(I) DIVIDING THE SCHOOL DISTRICT'S NUMBER OF PSSA TESTS
SCORED BELOW BASIC AND BASIC IN MATHEMATICS AND READING BY THE
SCHOOL DISTRICT'S NUMBER OF PSSA TESTS SCORED IN MATHEMATICS AND
READING TO DETERMINE THE SCHOOL DISTRICT'S AVERAGE PERCENTAGE OF
STUDENTS WHO SCORE BELOW PROFICIENT.

(II) MULTIPLYING THE SCHOOL DISTRICT'S 2002-2003 AVERAGE
DAILY MEMBERSHIP BY ITS AVERAGE PERCENTAGE OF STUDENTS WHO
SCORED BELOW PROFICIENT TO DETERMINE THE SCHOOL DISTRICT'S
AVERAGE DAILY MEMBERSHIP BELOW PROFICIENT.

(III) MULTIPLYING THE SCHOOL DISTRICT'S 2003-2004 MARKET
VALUE/INCOME AID RATIO BY ITS AVERAGE DAILY MEMBERSHIP BELOW
PROFICIENT.

(IV) MULTIPLYING THE PRODUCT FROM SUBPARAGRAPH (III) BY ONE
HUNDRED FIFTY MILLION DOLLARS (\$150,000,000).

(V) DIVIDING THE PRODUCT FROM SUBPARAGRAPH (IV) BY THE SUM
OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID RATIO
MULTIPLIED BY THE AVERAGE DAILY MEMBERSHIP BELOW PROFICIENT FOR
ALL SCHOOL DISTRICTS.

(2) THE DEPARTMENT SHALL AWARD A GRANT SUPPLEMENT FOR SCHOOL
DISTRICTS TO HELP MAINTAIN AND REWARD PROFICIENCY. THE GRANT
SUPPLEMENT UNDER THIS PARAGRAPH SHALL BE DETERMINED BY:

(I) DIVIDING THE SCHOOL DISTRICT'S NUMBER OF PSSA TESTS
SCORED PROFICIENT AND ADVANCED IN MATHEMATICS AND READING BY THE
SCHOOL DISTRICT'S NUMBER OF PSSA TESTS SCORED IN MATHEMATICS AND
READING TO DETERMINE THE SCHOOL DISTRICT'S AVERAGE PERCENTAGE OF
STUDENTS WHO SCORE PROFICIENT.

(II) MULTIPLYING THE SCHOOL DISTRICT'S 2002-2003 AVERAGE

DAILY MEMBERSHIP BY ITS AVERAGE PERCENTAGE OF STUDENTS WHO
SCORED PROFICIENT TO DETERMINE THE SCHOOL DISTRICT'S AVERAGE
DAILY MEMBERSHIP PROFICIENT.

(III) MULTIPLYING THE SCHOOL DISTRICT'S 2003-2004 MARKET
VALUE/INCOME AID RATIO BY ITS AVERAGE DAILY MEMBERSHIP
PROFICIENT.

(IV) MULTIPLYING THE PRODUCT FROM SUBPARAGRAPH (III) BY
FIFTY MILLION DOLLARS (\$50,000,000).

(V) DIVIDING THE PRODUCT FROM SUBPARAGRAPH (IV) BY THE SUM
OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID RATIO
MULTIPLIED BY THE AVERAGE DAILY MEMBERSHIP PROFICIENT FOR ALL
SCHOOL DISTRICTS.

(3) THE TOTAL AMOUNT OF A SCHOOL DISTRICT'S ACCOUNTABILITY
GRANT SHALL EQUAL THE SUM OF THE AMOUNTS CALCULATED UNDER
PARAGRAPHS (1) AND (2).

(4) THE DEPARTMENT SHALL ESTABLISH REPORTING PROCEDURES AND
AUDITING GUIDELINES TO ENSURE THAT GRANT FUNDS ARE UTILIZED IN
ACCORDANCE WITH SUBSECTION (B).

(5) SCHOOL DISTRICTS SHALL BE REQUIRED TO MAINTAIN SEPARATE
ACCOUNTS IN THEIR OWN BUDGETS TO FACILITATE MONITORING THE USE
OF THE GRANT FUNDS.

(6) IN NO CASE SHALL A SCHOOL DISTRICT USE GRANT FUNDS FOR
ADMINISTRATIVE COSTS AS DEFINED BY THE DEPARTMENT.

(7) THE DEPARTMENT SHALL REDUCE THE AMOUNT OF A STATE
SUBSIDY PAYMENT TO A SCHOOL DISTRICT BY THE AMOUNT OF ANY GRANT
FUNDS PROVIDED UNDER THIS SECTION IF THE SCHOOL DISTRICT DOES
NOT USE THE GRANT FUNDS IN ACCORDANCE WITH THE ALLOWABLE USES
ESTABLISHED IN SUBSECTION (B) AND THE ACCOUNTABILITY GRANT PLAN
SUBMITTED PURSUANT TO SUBSECTION (D).

(8) NO GRANT FUNDS MAY BE USED DIRECTLY TO INCREASE SALARIES

EXCEPT AS PROVIDED FOR IN SUBSECTION (B)(10).

(9) NO SCHOOL DISTRICT MAY PLACE GRANT FUNDS RECEIVED UNDER THIS SECTION IN A RESERVE ACCOUNT.

(D) (1) EACH SCHOOL DISTRICT THAT RECEIVES A GRANT PURSUANT TO THIS SECTION SHALL WITHIN SIXTY (60) DAYS OF RECEIPT OF THE GRANT, SUBMIT TO THE DEPARTMENT AN ACCOUNTABILITY GRANT PLAN.

(2) THE PLAN SHALL IDENTIFY THE PROGRAMS AND SERVICES THE SCHOOL DISTRICT WILL UNDERTAKE UTILIZING THE GRANT FUNDS TO ATTAIN OR MAINTAIN ACADEMIC PERFORMANCE TARGETS FOR SPECIFIC BUILDINGS AND THE SCHOOL DISTRICT.

(3) THE PLAN SHALL CONTAIN A DESCRIPTION OF THE ANTICIPATED IMPACT THESE PROGRAMS AND SERVICES WILL HAVE ON ATTAINING OR MAINTAINING ACADEMIC PERFORMANCE TARGETS.

(4) THE SECRETARY OF EDUCATION, UPON REVIEW OF A SCHOOL DISTRICT PLAN, MAY MAKE RECOMMENDATIONS FOR ALTERNATIVE UTILIZATION OF GRANT FUNDS THAT MAY INCREASE THE ABILITY OF THE SCHOOL DISTRICT TO ATTAIN OR MAINTAIN ADEQUATE YEARLY PROGRESS.

(E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION:

"APPLIED KNOWLEDGE." INFORMATION TECHNOLOGY, COMPUTER EQUIPMENT, EDUCATION SOFTWARE AND RELATED ADVANCED TECHNOLOGIES NECESSARY TO INCREASE STUDENTS' ACCESS TO WORLDWIDE INFORMATION AND THEIR EXPERTISE IN THIS REGARD.

"GRANT." A PENNSYLVANIA ACCOUNTABILITY GRANT AWARDED UNDER THIS SECTION.

"HIGHLY QUALIFIED." A HIGHLY QUALIFIED ELEMENTARY TEACHER OR A HIGHLY QUALIFIED MIDDLE OR SECONDARY TEACHER AS DEFINED IN 22 PA. CODE, § 403.2 (RELATING TO DEFINITIONS).

"SCIENCE." A CURRICULAR OFFERING IN SUPPORT OF THE SCIENCE AND TECHNOLOGY CONTENT AREA AS DEFINED IN 22 PA. CODE § 4.12

1 (RELATING TO ACADEMIC STANDARDS).

2 SECTION 36. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

3 ARTICLE XXV-A

4 KEYSTONE EDUCATIONAL ACCOUNTABILITY

5 SECTION 2501-A. SCOPE.

6 THIS ARTICLE DEALS WITH EDUCATIONAL ACCOUNTABILITY.

7 SECTION 2502-A. PURPOSE.

8 THE PURPOSE OF THIS ARTICLE IS TO PUT IN PLACE AN ASSESSMENT
9 SYSTEM AIMED AT IMPROVING SCHOOL DISTRICT MANAGEMENT PRACTICES
10 AND USE OF RESOURCES, AS WELL AS TO IDENTIFY POTENTIAL COST
11 SAVINGS, BY PROVIDING FOR THE ESTABLISHMENT OF A SERIES OF BEST
12 PRACTICES COVERING A BROAD RANGE OF SCHOOL DISTRICT EDUCATIONAL
13 AND OPERATIONAL PROGRAMS AND SERVICES AS STANDARDS FOR A
14 PERIODIC FINANCIAL MANAGEMENT PRACTICES REVIEW OF SCHOOL
15 DISTRICTS IN THIS COMMONWEALTH. THE REVIEWS ARE INTENDED TO:

16 (1) INCREASE PUBLIC CONFIDENCE IN AND SUPPORT FOR SCHOOL
17 DISTRICTS THAT DEMONSTRATE EFFICIENT USE OF TAXPAYER
18 RESOURCES.

19 (2) ENCOURAGE COST SAVINGS.

20 (3) LINK FINANCIAL PLANNING AND BUDGETING TO DISTRICT
21 PRIORITIES, INCLUDING STUDENT PERFORMANCE.

22 (4) IMPROVE SCHOOL DISTRICT MANAGEMENT AND USE OF
23 RESOURCES.

24 SECTION 2503-A. DEFINITIONS.

25 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
26 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
27 CONTEXT CLEARLY INDICATES OTHERWISE:

28 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
29 COMMONWEALTH.

30 "REVIEW." THE BEST FINANCIAL MANAGEMENT PRACTICES REVIEW

1 ESTABLISHED BY THIS ARTICLE.

2 "SCHOOL BOARD." A BOARD OF SCHOOL DIRECTORS OF A SCHOOL
3 DISTRICT.

4 "SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.

5 "STANDARDS." THE BEST FINANCIAL MANAGEMENT PRACTICES
6 STANDARDS ESTABLISHED BY THE SECRETARY OF EDUCATION AND
7 PROMULGATED BY THE STATE BOARD OF EDUCATION PURSUANT TO THIS
8 ARTICLE.

9 "STATE BOARD." THE STATE BOARD OF EDUCATION.

10 "TEAM." THE LOCAL FINANCIAL MANAGEMENT ADVISORY TEAM
11 ESTABLISHED PURSUANT TO SECTION 2508-A.

12 SECTION 2504-A. ESTABLISHMENT.

13 (A) REVIEW SYSTEM.--THE DEPARTMENT, IN CONSULTATION WITH
14 STAKEHOLDERS AS SET FORTH IN SUBSECTION (D), SHALL DEVELOP A
15 SYSTEM FOR REVIEWING THE FINANCIAL MANAGEMENT PRACTICES OF
16 SCHOOL DISTRICTS IN THIS COMMONWEALTH BASED ON A SERIES OF BEST
17 FINANCIAL MANAGEMENT PRACTICES STANDARDS ADOPTED FOR SPECIFIC
18 AREAS OF DISTRICT PROGRAMS AND OPERATIONS.

19 (B) RESOURCES.--IN DEVELOPING THIS SYSTEM, THE DEPARTMENT
20 SHALL DRAW ON INFORMATION GARNERED THROUGH THE EXISTING SCHOOL
21 EVALUATION SERVICES REPORTS.

22 (C) ADVISORY COMMITTEE.--

23 (1) THERE IS HEREBY ESTABLISHED IN THE DEPARTMENT OF
24 EDUCATION AN ADVISORY COMMITTEE CONSISTING OF NINE MEMBERS TO
25 ASSIST THE SECRETARY IN CARRYING OUT THE SECRETARY'S DUTIES
26 UNDER THIS ARTICLE.

27 (2) MEMBERSHIP ON THE COMMITTEE SHALL INCLUDE:

28 (I) A REPRESENTATIVE NAMED BY AN ESTABLISHED
29 RECOGNIZED ASSOCIATION REPRESENTING SCHOOL
30 ADMINISTRATORS.

1 (II) A REPRESENTATIVE NAMED BY AN ESTABLISHED
2 RECOGNIZED ASSOCIATION REPRESENTING SCHOOL BUSINESS
3 OFFICIALS.

4 (III) ONE REPRESENTATIVE NAMED BY EACH OF THE
5 ESTABLISHED RECOGNIZED ORGANIZATIONS REPRESENTING THE
6 STATE'S PUBLIC SCHOOL EMPLOYEES.

7 (IV) A REPRESENTATIVE NAMED BY AN ESTABLISHED
8 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S BOARDS
9 OF SCHOOL DIRECTORS.

10 (V) A REPRESENTATIVE NAMED BY AN ESTABLISHED
11 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S COLLEGES
12 AND UNIVERSITIES.

13 (VI) THREE MEMBERS NAMED BY THE SECRETARY TO
14 INCLUDE: ONE REPRESENTATIVE FROM AN ESTABLISHED
15 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S BUSINESS
16 COMMUNITY; ONE REPRESENTATIVE OF AN ESTABLISHED
17 RECOGNIZED TAXPAYER ORGANIZATION AND ONE MEMBER FROM THE
18 GENERAL PUBLIC.

19 (3) THE COMMITTEE SHALL:

20 (I) CONSULT WITH THE SECRETARY CONCERNING ANY MATTER
21 ARISING UNDER THE ADMINISTRATION OF THIS ARTICLE.

22 (II) ASSIST THE SECRETARY IN COMPLYING WITH THE
23 PROVISIONS OF SECTION 2504-A(D) TO INCLUDE PROVIDING
24 LISTS OF EXPERTS IN VARIOUS AREAS ON WHICH STANDARDS AND
25 INDICATORS ARE BEING DEVELOPED PURSUANT TO SECTION 2505-
26 A.

27 (D) CONSULTATION.--IN ARRIVING AT ITS BEST PRACTICES AND
28 THEIR INDICATORS, THE DEPARTMENT SHALL CONSULT WITH A WIDE
29 VARIETY OF EDUCATIONAL STAKEHOLDERS, INCLUDING SCHOOL DISTRICT
30 ADMINISTRATORS, SCHOOL BUSINESS OFFICIALS, SCHOOL BOARD MEMBERS,

1 PROFESSIONAL EDUCATION ORGANIZATIONS, TAXPAYER ORGANIZATIONS,
2 LEGISLATORS AND LEGISLATIVE STAFF AND THE OFFICE OF THE BUDGET.
3 ADDITIONALLY, THE DEPARTMENT IS TO SEEK ADVICE FROM CORPORATE
4 AND GOVERNMENTAL EXPERTS IN FINANCIAL BEST MANAGEMENT PRACTICES
5 AND OTHER STATES WITH SIMILAR PROGRAMS.

6 (E) REGULATIONS.--NO LATER THAN ONE YEAR FROM THE EFFECTIVE
7 DATE OF THIS ARTICLE, THE SECRETARY SHALL PROMULGATE THE BEST
8 MANAGEMENT PRACTICES STANDARDS AS REGULATIONS. DUE TO THE URGENT
9 NEED FOR AN EXPEDITED BUT PUBLIC REGULATORY PROCESS, THE STATE
10 BOARD, IN ADOPTING THESE REGULATIONS, SHALL FOLLOW THE
11 PROCEDURES SET FORTH IN THE ACT OF JULY 31, 1968 (P.L.769,
12 NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW, AND THE
13 ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY
14 REVIEW ACT, FOR THE PROMULGATION AND REVIEW OF FINAL-OMITTED
15 REGULATIONS.

16 SECTION 2505-A. BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS.

17 (A) GENERAL.--THE BEST FINANCIAL MANAGEMENT PRACTICES
18 STANDARDS MUST, AT A MINIMUM, INSTILL PUBLIC CONFIDENCE BY
19 ADDRESSING SCHOOL DISTRICTS' USE OF RESOURCES, IDENTIFYING WAYS
20 THAT THE DISTRICT MAY SAVE FUNDS AND IMPROVING THE DISTRICTS'
21 PERFORMANCE AND ACCOUNTABILITY SYSTEMS, INCLUDING PUBLIC
22 ACCOUNTABILITY.

23 (B) INITIAL DEVELOPMENT.--TO ASSURE THESE GOALS ARE MET,
24 BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS SHALL INITIALLY BE
25 DEVELOPED FOR THE FOLLOWING AREAS:

26 (1) MANAGEMENT STRUCTURES.

27 (2) PERFORMANCE ACCOUNTABILITY.

28 (3) EDUCATIONAL SERVICE DELIVERY.

29 (4) ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY.

30 (5) PERSONNEL SYSTEMS AND BENEFITS.

1 (6) FACILITIES CONSTRUCTION.

2 (7) FACILITIES MAINTENANCE.

3 (8) TRANSPORTATION.

4 (9) FOOD SERVICE OPERATIONS.

5 (10) COST CONTROL SYSTEMS.

6 (C) INDICATORS.--TO HELP ASSESS WHETHER A DISTRICT IS
7 MEETING THESE STANDARDS, THE DEPARTMENT SHALL ALSO DEVELOP
8 SPECIFIC INDICATORS FOR EACH BEST PRACTICE. INDICATORS WILL
9 REPRESENT THE KINDS OF ACTIVITIES A DISTRICT WOULD UNDERTAKE IF
10 THE DISTRICT WERE USING A PARTICULAR BEST PRACTICE.

11 SECTION 2506-A. REVIEW PROCESS.

12 (A) REVIEW CYCLE.--EVERY SCHOOL DISTRICT SHALL BE SUBJECT TO
13 A BEST FINANCIAL MANAGEMENT PRACTICES REVIEW ON A CONTINUING
14 SIX-YEAR CYCLE. ONCE THE SIX-YEAR CYCLE HAS BEEN COMPLETED,
15 REVIEWS SHALL CONTINUE, BEGINNING AGAIN WITH THOSE DISTRICTS
16 INCLUDED IN THE FIRST YEAR OF THE CYCLE UNLESS THE DISTRICT HAS
17 BEEN DEEMED ENTITLED TO A WAIVER PURSUANT TO SECTION 2507-A(D).

18 (B) STRATEGIC PLAN.--EACH DISTRICT'S REVIEW SHALL BE
19 SCHEDULED ONE YEAR PRIOR TO THE DATE REQUIRED FOR FILING OF THE
20 DISTRICT'S STRATEGIC PLAN UNDER 22 PA. CODE § 4.13 (RELATING TO
21 STRATEGIC PLANS) OR ITS SUCCESSOR REGULATIONS, EXCEPT THAT ALL
22 DISTRICTS PLACED ON THE EDUCATION EMPOWERMENT LIST PURSUANT TO
23 SECTION 1703-B OR DETERMINED TO BE DISTRESSED PURSUANT TO
24 SECTION 691 AS OF THE EFFECTIVE DATE OF THIS ARTICLE SHALL BE
25 INCLUDED IN THE INITIAL CYCLE OF SCHOOL DISTRICTS SUBJECT TO A
26 REVIEW.

27 (C) PRIVATE FIRMS.--THE DEPARTMENT IS AUTHORIZED TO CONTRACT
28 WITH A PRIVATE FIRM OR FIRMS, SELECTED THROUGH A FORMAL REQUEST
29 FOR PROPOSAL PROCESS TO PERFORM EACH REVIEW, TO THE EXTENT THAT
30 FUNDS ARE PROVIDED FOR THIS PURPOSE IN THE GENERAL APPROPRIATION

1 ACT EACH YEAR. ANY PRIVATE FIRM AWARDED A CONTRACT PURSUANT TO
2 THIS SUBSECTION SHALL HAVE EXPERTISE IN SCHOOL DISTRICT FINANCE.

3 (D) SELF-ASSESSMENT.--DISTRICTS SCHEDULED FOR REVIEW SHALL
4 INITIALLY COMPLETE A SELF-ASSESSMENT INSTRUMENT DEVELOPED BY THE
5 DEPARTMENT WHICH INDICATES THE SCHOOL DISTRICT'S OWN EVALUATION
6 OF ITS PERFORMANCE ON EACH BEST PRACTICE. THE SELF-ASSESSMENT
7 SHALL BEGIN NO LATER THAN 60 DAYS PRIOR TO THE COMMENCEMENT OF
8 THE REVIEW, WITH THE COMPLETED ASSESSMENT INSTRUMENT AND
9 SUPPORTING DOCUMENTATION SUBMITTED TO THE DEPARTMENT NO LATER
10 THAN THE DATE SCHEDULED FOR COMMENCEMENT OF THE REVIEW OF THE
11 DISTRICT.

12 (E) PUBLIC MEETINGS DURING REVIEW.--DURING THE REVIEW THE
13 DEPARTMENT AND THE FIRM CONDUCTING THE REVIEW SHALL HOLD AT
14 LEAST ONE ADVERTISED PUBLIC MEETING IN ORDER TO EXPLAIN THE BEST
15 FINANCIAL MANAGEMENT PRACTICES REVIEW PROCESS AND OBTAIN INPUT
16 FROM STUDENTS, PARENTS, THE BUSINESS COMMUNITY AND OTHER
17 DISTRICT RESIDENTS REGARDING THEIR OBSERVATIONS AND
18 RECOMMENDATIONS ABOUT THE OPERATIONS AND MANAGEMENT OF THE
19 DISTRICT.

20 (F) INFORMATION USED IN REVIEW PROCESS.--IN COMPLETING ITS
21 REVIEW AND DEVELOPING THE FINAL REPORT, THE REVIEW TEAM SHALL
22 USE INFORMATION AVAILABLE THROUGH THE EXISTING SCHOOL EVALUATION
23 SERVICES REPORTS.

24 (G) COMPLETION OF REVIEW.--REVIEWS ARE TO BE COMPLETED
25 WITHIN SIX MONTHS AFTER COMMENCEMENT. A FINAL REPORT OF THE
26 REVIEW TEAM IS TO BE ISSUED TO THE SECRETARY, THE GOVERNOR, THE
27 DISTRICT AND ITS SCHOOL BOARD, AND THE CHAIRMAN AND MINORITY
28 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
29 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
30 OF THE HOUSE OF REPRESENTATIVES, THE CHAIRMAN AND MINORITY

1 CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SENATE AND THE
2 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE
3 HOUSE OF REPRESENTATIVES WITHIN 60 DAYS OF COMPLETION OF THE
4 REVIEW.

5 (H) PUBLIC MEETING AFTER REVIEW.--WITHIN 30 DAYS OF RECEIPT
6 OF THE FINAL REPORT OF THE REVIEW, THE SCHOOL BOARD SHALL HOLD A
7 PUBLIC MEETING TO SHARE THE RESULTS WITH RESIDENTS OF THE
8 DISTRICT. SUCH MEETING SHALL COMPLY WITH THE PROVISIONS OF 65
9 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

10 (I) PUBLICATION ON WORLD WIDE WEB.--NO LATER THAN 15 DAYS
11 AFTER THE ISSUANCE OF THE FINAL REPORT BY THE REVIEW TEAM, THE
12 DEPARTMENT SHALL PUBLISH THE DISTRICTS' REVIEW ON ITS WORLD WIDE
13 WEB SITE. PRIOR TO PUBLICATION, THE DEPARTMENT SHALL ISSUE A
14 PRESS RELEASE INFORMING THE PUBLIC OF THE AVAILABILITY OF THIS
15 INFORMATION.

16 (J) FINDINGS IN FINAL REPORT.--THE FINAL REPORT SHALL
17 INCLUDE FINDINGS RELATED TO COMPLIANCE WITH THE STANDARDS BASED
18 ON THEIR ESTABLISHED INDICATORS; POTENTIAL COST SAVINGS;
19 SUGGESTED RECOMMENDATIONS FOR IMPROVEMENT; AND, FOR THOSE
20 DISTRICTS FOUND NOT TO BE IN COMPLIANCE WITH THE STANDARDS, A
21 THREE-YEAR ACTION PLAN FOR ACHIEVING COMPLIANCE. THIS ACTION
22 PLAN IS TO BE DEVELOPED IN CONJUNCTION WITH OFFICIALS FROM THE
23 SCHOOL DISTRICT.

24 SECTION 2507-A. STATE CERTIFICATION AS A KEYSTONE DISTRICT.

25 (A) GENERAL RULE.--A DISTRICT THAT HAS BEEN DETERMINED BY
26 THE REVIEW TO BE USING THE BEST PRACTICES SHALL BE CERTIFIED BY
27 THE SECRETARY AS A KEYSTONE DISTRICT. SUCH DESIGNATION IS
28 EFFECTIVE FOR SIX YEARS FROM THE CERTIFICATION DATE OR UNTIL THE
29 NEXT REVIEW IS COMPLETED, WHICHEVER IS LATER.

30 (B) PUBLICATION OF STATUS.--A DISTRICT SO DESIGNATED IS

1 AUTHORIZED TO PUBLICIZE ITS STATUS AS A KEYSTONE DISTRICT ON ITS
2 BUILDINGS AND IN ANY PUBLICATIONS OR CORRESPONDENCE IT DEEMS
3 APPROPRIATE.

4 (C) ANNUAL VERIFICATION.--EXCEPT AS PROVIDED IN SECTION
5 2510-A, A DISTRICT THAT HAS BEEN CERTIFIED PURSUANT TO THIS
6 SECTION SHALL ANNUALLY VERIFY TO THE SECRETARY THAT IT HAS MADE
7 NO CHANGES IN ANY OF ITS PRACTICES AND CONTINUES TO CONFORM TO
8 THE BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS.

9 (D) WAIVER.--A SCHOOL DISTRICT THAT HAS BEEN AWARDED A
10 CERTIFICATION AS A KEYSTONE DISTRICT AND WHICH HAS MADE ANNUAL
11 REPORTS PURSUANT TO SUBSECTION (C) SHALL BE GRANTED A WAIVER
12 FROM THE REQUIREMENT OF UNDERGOING ITS NEXT SCHEDULED REVIEW.
13 DISTRICTS GRANTED A WAIVER UNDER THIS SUBSECTION ARE NOT
14 ELIGIBLE FOR WAIVER OF THE REVIEW TO BE CONDUCTED AFTER THE ONE
15 WHICH WAS WAIVED.

16 SECTION 2508-A. FAILURE TO MEET BEST FINANCIAL MANAGEMENT
17 PRACTICES STANDARDS.

18 (A) ACTION PLAN.--IF THE REPORT PROVIDED FOR IN SECTION
19 2506-A FINDS THAT THE DISTRICT DOES NOT CONFORM TO THE
20 STANDARDS, THE REPORT MUST CONTAIN AN ACTION PLAN DETAILING HOW
21 THE DISTRICT MAY MEET THE STANDARDS WITHIN THREE YEARS.

22 (B) FINANCIAL MANAGEMENT ADVISORY TEAM.--NO LESS THAN 60
23 DAYS FOLLOWING RECEIPT OF THE REPORT, THE SCHOOL BOARD SHALL
24 ESTABLISH A LOCAL FINANCIAL MANAGEMENT ADVISORY TEAM. THE TEAM
25 SHALL CONSIST OF 11 MEMBERS AS FOLLOWS:

26 (1) ONE MEMBER OF THE SCHOOL BOARD WHO MAY BE THE
27 PRESIDENT OR A DESIGNATED BOARD MEMBER.

28 (2) THE SUPERINTENDENT OF THE DISTRICT.

29 (3) THE SCHOOL BUSINESS MANAGER OR THE INDIVIDUAL
30 RESPONSIBLE FOR THE FISCAL MANAGEMENT OF THE DISTRICT.

1 (4) A PRINCIPAL SELECTED BY ALL THE PRINCIPALS IN THE
2 DISTRICT.

3 (5) A TEACHER SELECTED BY ALL THE TEACHERS IN THE
4 DISTRICT.

5 (6) TWO MEMBERS OF THE GENERAL PUBLIC, ONE OF WHOM SHALL
6 BE A REPRESENTATIVE OF A LOCAL TAXPAYER ORGANIZATION IF ONE
7 EXISTS IN THE DISTRICT.

8 (7) ONE PARENT OF A STUDENT FROM THE DISTRICT.

9 (8) TWO LOCAL REPRESENTATIVES OF BUSINESS, AT LEAST ONE
10 OF WHOM MUST HAVE EXPERIENCE IN BANKING OR FINANCE.

11 (9) A LOCAL COMMUNITY LEADER.

12 (C) PROCEDURE.--THE SCHOOL BOARD SHALL ESTABLISH PROCEDURES
13 FOR SELECTING THE PARENT, THE BUSINESS AND COMMUNITY LEADERS AND
14 MEMBERS OF THE GENERAL PUBLIC IN ORDER TO ENSURE PUBLIC
15 AWARENESS OF THESE OPENINGS AND SOLICIT INPUT FROM THE
16 COMMUNITY.

17 (D) CHAIRPERSON.--THE TEAM SHALL ELECT A CHAIRPERSON FROM
18 AMONG ITS MEMBERSHIP AT ITS FIRST MEETING.

19 (E) TIME PERIOD.--THE TEAM SHALL BE RESPONSIBLE FOR
20 IMPLEMENTATION OF THE ACTION PLAN CONTAINED IN THE DISTRICT'S
21 REPORT WITHIN A THREE-YEAR TIME PERIOD.

22 (F) TECHNICAL ADVISORS.--UPON REQUEST, THE DEPARTMENT SHALL
23 PROVIDE, FROM A LIST ESTABLISHED PURSUANT TO SECTION 2509-A,
24 SUCH TECHNICAL ADVISORS AS MAY BE NECESSARY TO ASSIST THE TEAM
25 IN IMPLEMENTING THE ACTION PLAN.

26 (G) SECOND REVIEW.--NO LATER THAN THREE YEARS AFTER RECEIPT
27 OF A REPORT INDICATING THE DISTRICT IS NOT IN COMPLIANCE WITH
28 THE BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS, OR EARLIER
29 UPON REQUEST OF THE SCHOOL BOARD, THE DEPARTMENT SHALL CONDUCT A
30 SECOND REVIEW TO DETERMINE IF THE DISTRICT IS NOW IN COMPLIANCE.

1 IF THIS SECOND REPORT INDICATES THAT THE DISTRICT IS NOW IN
2 COMPLIANCE, IT SHALL BE CERTIFIED AS A KEYSTONE DISTRICT
3 PURSUANT TO SECTION 2507-A AND SHALL FALL UNDER ALL PROVISIONS
4 OF THAT SECTION WITH THE NEXT REVIEW OF THE DISTRICT TO TAKE
5 PLACE SIX YEARS FROM THE DATE OF CERTIFICATION.

6 SECTION 2509-A. DUTIES OF DEPARTMENT.

7 (A) LIST OF EXPERTS.--IN ORDER TO ASSIST THOSE DISTRICTS
8 THAT DO NOT INITIALLY MEET THE BEST FINANCIAL MANAGEMENT
9 PRACTICES STANDARDS, THE DEPARTMENT SHALL ESTABLISH A LIST OF
10 EXPERTS WHO POSSESS KNOWLEDGE AND EXPERIENCE IN SUCH AREAS AS
11 SCHOOL OR BUSINESS ADMINISTRATION, PUPIL TRANSPORTATION, FOOD
12 SERVICES MANAGEMENT, BUDGET DEVELOPMENT, FISCAL MANAGEMENT,
13 HUMAN RESOURCES MANAGEMENT, EDUCATIONAL TECHNOLOGY AND LABOR
14 RELATIONS.

15 (B) TECHNICAL ADVISORS.--UPON REQUEST FROM A SCHOOL BOARD,
16 THE DEPARTMENT SHALL SEND INTO THE DISTRICT TECHNICAL ADVISORS,
17 CHOSEN FROM THE LIST ESTABLISHED IN SUBSECTION (A) WITH
18 EXPERTISE IN THOSE AREAS IDENTIFIED IN THE REPORT AS NOT MEETING
19 BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS, TO WORK WITH THE
20 TEAM IN IMPLEMENTING THE DISTRICT'S ACTION PLAN.

21 SECTION 2510-A. REVOCATION OF CERTIFICATION.

22 (A) GENERAL RULE.--THE SECRETARY MAY REVOKE THE KEYSTONE
23 DISTRICT CERTIFICATION IF AT ANY TIME IT DETERMINES THAT A
24 DISTRICT IS NO LONGER COMPLYING WITH THE COMMONWEALTH'S BEST
25 FINANCIAL MANAGEMENT PRACTICES STANDARDS.

26 (B) IMMEDIATE REVOCATION.--ANY DISTRICT CERTIFIED AS A
27 KEYSTONE DISTRICT WHICH, BEFORE ITS NEXT SCHEDULED REVIEW, IS
28 DEEMED TO BE DISTRESSED BY THE SECRETARY UNDER SECTION 691 OR IS
29 PLACED ON THE EDUCATION EMPOWERMENT LIST PROVIDED PURSUANT TO
30 SECTION 1703-B SHALL IMMEDIATELY HAVE ITS CERTIFICATION REVOKED.

1 SECTION 2511-A. COST SAVINGS.

2 COST SAVINGS RESULTING FROM IMPLEMENTATION OF THE BEST
3 FINANCIAL PRACTICES MUST BE SPENT AT THE SCHOOL AND CLASSROOM
4 LEVELS FOR TEACHER PROFESSIONAL DEVELOPMENT, IMPROVING CLASSROOM
5 FACILITIES, STUDENT SUPPLIES, TEXTBOOKS, CLASSROOM TECHNOLOGY,
6 SCHOOL SAFETY OR ANY OTHER INSTRUCTIONAL ACTIVITY DIRECTLY
7 AFFECTING STUDENT PERFORMANCE AND THE LEARNING ENVIRONMENT.

8 SECTION 37. SECTION 2603-B(D) OF THE ACT, AMENDED OR ADDED
9 MARCH 30, 1988 (P.L.321, NO.43) AND JUNE 29, 2002 (P.L.524,
10 NO.88), IS AMENDED TO READ:

11 SECTION 2603-B. POWERS AND DUTIES OF THE BOARD.--* * *

12 (D) THE BOARD SHALL ALSO HAVE THE AUTHORITY AND DUTY TO:

13 (1) APPROVE OR DISAPPROVE AN APPLICATION FOR THE CREATION OF
14 A NEW SCHOOL DISTRICT, OR CHANGE IN THE BOUNDARIES OF AN
15 EXISTING SCHOOL DISTRICT;

16 (2) ESTABLISH, WHENEVER DEEMED ADVISABLE, COMMITTEES OF
17 PROFESSIONAL AND TECHNICAL ADVISORS TO ASSIST THE COUNCILS IN
18 PERFORMING RESEARCH STUDIES UNDERTAKEN BY THEM;

19 (3) MANAGE AND HAVE CUSTODY OF THE STATE SCHOOL FUND;

20 (4) (I) APPLY FOR, RECEIVE AND ADMINISTER, SUBJECT TO ANY
21 APPLICABLE REGULATIONS OR LAWS OF THE FEDERAL GOVERNMENT OR ANY
22 AGENCY THEREOF, ANY FEDERAL GRANTS, APPROPRIATIONS, ALLOCATIONS
23 AND PROGRAMS FOR THE DEVELOPMENT OF ACADEMIC FACILITIES ON
24 BEHALF OF THE COMMONWEALTH, ANY OF ITS SCHOOL DISTRICTS OR ANY
25 INSTITUTION OF HIGHER EDUCATION, PUBLIC OR PRIVATE, WITHIN THIS
26 COMMONWEALTH;

27 (II) SUBJECT TO CRITERIA DEVELOPED BY THE SECRETARY OF
28 EDUCATION AND SUBJECT TO ANY APPLICABLE REGULATIONS OR LAWS OF
29 THE FEDERAL GOVERNMENT OR ANY AGENCY THEREOF, TO DEVELOP, ALTER,
30 AMEND AND SUBMIT TO THE FEDERAL GOVERNMENT STATE PLANS FOR

1 PARTICIPATION IN FEDERAL GRANTS, APPROPRIATIONS, ALLOCATIONS AND
2 PROGRAMS FOR THE DEVELOPMENT OF ACADEMIC FACILITIES AND TO MAKE
3 REGULATIONS, CRITERIA, METHODS, FORMS, PROCEDURES AND TO DO ALL
4 OTHER THINGS WHICH MAY BE NECESSARY TO MAKE POSSIBLE THE
5 PARTICIPATION OF THE COMMONWEALTH IN SUCH FEDERAL GRANTS,
6 APPROPRIATIONS, ALLOCATIONS AND PROGRAMS FOR THE DEVELOPMENT OF
7 ACADEMIC FACILITIES;

8 (III) HOLD HEARINGS, ISSUE SUBPOENAS AND RENDER DECISIONS AS
9 TO THE PRIORITY ASSIGNED TO ANY PROJECT, OR AS TO ANY OTHER
10 MATTER OR DETERMINATION AFFECTING ANY APPLICANT FOR FEDERAL
11 GRANTS, APPROPRIATIONS, ALLOCATIONS AND PROGRAMS FOR THE
12 DEVELOPMENT OF ACADEMIC FACILITIES;

13 (IV) ADOPT RULES OR PROCEDURES AND PRESCRIBE REGULATIONS FOR
14 THE SUBMISSION TO IT OF ALL MATTERS WITHIN ITS JURISDICTION; AND

15 (V) SUBMIT, ANNUALLY, TO THE GOVERNOR, ON OR BEFORE THE
16 FIRST MONDAY OF DECEMBER, A REPORT OF ITS PROCEEDINGS DURING
17 THAT YEAR, TOGETHER WITH SUCH RECOMMENDATIONS AS THE BOARD SHALL
18 DEEM NECESSARY;

19 (5) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
20 SHALL APPROVE OR DISAPPROVE ANY ACTION OF A STATE-OWNED
21 UNIVERSITY, COMMUNITY COLLEGE OR STATE-RELATED OR STATE-AIDED
22 COLLEGE OR UNIVERSITY IN ESTABLISHING ADDITIONAL BRANCHES OR
23 CAMPUSES, OR IN DISCONTINUING BRANCHES OR CAMPUSES;

24 (6) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
25 SHALL APPROVE OR DISAPPROVE ANY ACTION OF A STATE-OWNED
26 UNIVERSITY, COMMUNITY COLLEGE OR STATE-RELATED OR STATE-AIDED
27 COLLEGE OR UNIVERSITY IN ESTABLISHING NEW PROFESSIONAL SCHOOLS
28 OR UPPER DIVISION PROGRAMS BY TWO (2) YEAR INSTITUTIONS;

29 (7) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
30 SHALL APPROVE OR DISAPPROVE APPLICATIONS BY TWO (2) YEAR

1 INSTITUTIONS TO BECOME FOUR (4) YEAR INSTITUTIONS;

2 (8) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
3 SHALL APPROVE OR DISAPPROVE THE REQUEST OF ANY PRIVATE
4 INSTITUTION OF HIGHER EDUCATION FOR ADMISSION TO STATE-RELATED
5 OR STATE-AIDED STATUS, OR FOR ELIGIBILITY FOR OTHER STATE
6 FINANCIAL SUPPORT; AND

7 (9) REQUIRE THE SUBMISSION OF LONG-RANGE PLANS FROM ALL
8 PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION AT THE TIMES
9 AND IN THE FORM REQUESTED BY THE BOARD. SUCH DOCUMENTS SHALL BE
10 REVIEWED BY THE COUNCIL OF HIGHER EDUCATION AND THE BOARD IN THE
11 DEVELOPMENT OF A MASTER PLAN FOR HIGHER EDUCATION AS PROVIDED IN
12 SUBSECTION (H) AND SECTION 2604-B(C)(1).

13 (10) (I) APPROVE OR DISAPPROVE STANDARDS PROPOSED BY THE
14 DEPARTMENT IN ORDER TO COMPLY WITH THE PROVISIONS OF THE NO
15 CHILD LEFT BEHIND ACT OF 2001 [(PUBLIC LAW 107-110, 115 STAT.
16 1425)] TO MAINTAIN THE ELIGIBILITY OF THIS COMMONWEALTH TO
17 RECEIVE FEDERAL FUNDING FOR EDUCATION PROGRAMS. THE BOARD SHALL
18 APPROVE OR DISAPPROVE THE STANDARDS WITHIN 30 DAYS OF SUBMISSION
19 TO THE BOARD'S OFFICE OR AT ITS NEXT SCHEDULED MEETING,
20 WHICHEVER IS SOONER. FAILURE OF THE BOARD TO APPROVE OR
21 DISAPPROVE THE STANDARDS WITHIN THE TIME ESTABLISHED UNDER THIS
22 SECTION SHALL BE DEEMED AN APPROVAL OF THE STANDARDS.

23 (II) STANDARDS PROMULGATED UNDER THIS SECTION SHALL BE
24 DEPOSITED WITH THE PENNSYLVANIA BULLETIN FOR PUBLICATION.

25 (III) THESE STANDARDS SHALL BE EXEMPT FROM:

26 (A) SECTIONS 201 THROUGH 205 OF THE ACT OF JULY 31, 1968
27 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS
28 LAW.

29 (B) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980 (P.L.950,
30 NO.164), KNOWN AS THE "COMMONWEALTH ATTORNEYS ACT."

(C) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE
"REGULATORY REVIEW ACT."

(D) THIS SUBCLAUSE SHALL EXPIRE [JUNE 30, 2003.] JUNE 30,
2004.

* * *

SECTION 38. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

ARTICLE XXVI-I

TEACHER RECRUITMENT ASSISTANCE

SECTION 2601-I. 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:

"AGENCY." THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE
AGENCY.

"DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
COMMONWEALTH.

"DESIGNATED COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT SCHOOL
DISTRICT." AN ELIGIBLE RURAL OR ACADEMIC IMPROVEMENT PUBLIC
SCHOOL DISTRICT THAT THE SECRETARY OF EDUCATION HAS CERTIFIED AS
HAVING A NEED FOR TEACHER LOAN FORGIVENESS ASSISTANCE BECAUSE OF
DIFFICULTY IN ATTRACTING QUALIFIED TEACHERS.

"ELIGIBLE ACADEMIC SCHOOL IMPROVEMENT PUBLIC SCHOOL
DISTRICT." A PUBLIC SCHOOL DISTRICT THAT:

(1) HAS TWO OR MORE SCHOOLS IDENTIFIED FOR IMPROVEMENT
OR CORRECTIVE ACTION UNDER SECTION 1116(C)(3) OR (10) OF THE
NO CHILD LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 20
U.S.C. § 6316);

(2) HAS BEEN CERTIFIED AS DISTRESSED UNDER SECTION 691;

(3) HAS BEEN CERTIFIED AS AN EDUCATION EMPOWERMENT
DISTRICT UNDER SECTION 1705-B OR 1707-B; OR

1 (4) HAS BEEN PLACED ON AN EDUCATION EMPOWERMENT LIST
2 UNDER SECTION 1703-B.

3 "ELIGIBLE RURAL PUBLIC SCHOOL DISTRICT." A PUBLIC SCHOOL
4 DISTRICT THAT HAS A POPULATION OF LESS THAN 300 PER SQUARE MILE
5 AND EITHER:

6 (1) MORE THAN 8% OF THE PUPILS IN AVERAGE DAILY
7 MEMBERSHIP ARE LOW-INCOME PUPILS AS DEFINED IN SECTION
8 2502.11; OR

9 (2) THE MARKET VALUE/INCOME AID RATIO AS DEFINED IN
10 SECTION 2501 IS GREATER THAN SEVEN-TENTHS.

11 "FUND." THE TEACHER RECRUITMENT ASSISTANCE FUND ESTABLISHED
12 UNDER SECTION 2602-I.

13 "QUALIFIED APPLICANT." A PERSON WHO MEETS ALL OF THE
14 FOLLOWING CRITERIA:

15 (1) IS CERTIFIED BY THE DEPARTMENT OF EDUCATION TO
16 TEACH.

17 (2) IS IN THE FIRST YEAR OF FULL-TIME TEACHING.

18 (3) IS TEACHING IN A DESIGNATED COMMONWEALTH RURAL OR
19 ACADEMIC IMPROVEMENT PUBLIC SCHOOL DISTRICT.

20 (4) HAS BORROWED THROUGH THE AGENCY-ADMINISTERED
21 GUARANTEED STUDENT LOAN PROGRAMS.

22 "SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.
23 SECTION 2602-I. TEACHER RECRUITMENT ASSISTANCE FUND.

24 (A) ESTABLISHMENT.--IN ADDITION TO ANY OTHER POWERS AND
25 DUTIES UNDER THE ACT OF AUGUST 7, 1963 (P.L.549, NO.290),
26 REFERRED TO AS THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE
27 AGENCY ACT, THE TEACHER RECRUITMENT ASSISTANCE FUND IS
28 ESTABLISHED IN THE STATE TREASURY.

29 (B) PURPOSE.--THE FUND SHALL PROVIDE ASSISTANCE TO
30 DESIGNATED COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT PUBLIC

SCHOOL DISTRICTS IN RECRUITING TEACHERS THROUGH A PROGRAM OF
TEACHER LOAN FORGIVENESS AS PROVIDED FOR IN THIS ARTICLE.

(C) ADMINISTRATION.--THE AGENCY SHALL ADMINISTER THE FUND
AND ADOPT SUCH REGULATIONS, POLICIES, PROCEDURES AND FORMS AS
ARE NECESSARY AND NOT INCONSISTENT WITH THE PROVISIONS OF THIS
ARTICLE.

SECTION 2603-I. TEACHER RECRUITMENT ASSISTANCE.

(A) GENERAL RULE.--A QUALIFIED APPLICANT WHO IS SELECTED IN
ACCORDANCE WITH THIS ARTICLE SHALL BE ELIGIBLE FOR AN AWARD BY
THE AGENCY FROM THE FUND OF A PORTION OF THE DEBT INCURRED BY
THE APPLICANT THROUGH THE AGENCY-ADMINISTERED GUARANTEED STUDENT
LOAN PROGRAMS FOR THE EDUCATION NECESSARY TO BE CERTIFIED TO
TEACH IN THIS COMMONWEALTH.

(B) FORGIVENESS OF LOAN.--FOR EACH ACADEMIC YEAR THAT THE
ELIGIBLE APPLICANT IS A FULL-TIME TEACHER IN A DESIGNATED
COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT PUBLIC SCHOOL
DISTRICT, THE AGENCY MAY FORGIVE A PROPORTIONAL PART OF THE
APPLICANT'S LOAN OVER FOUR YEARS OF FULL-TIME TEACHING. NO MORE
THAN \$2,500 SHALL BE FORGIVEN IN ANY YEAR AND NO MORE THAN
\$10,000 SHALL BE FORGIVEN FOR ANY ELIGIBLE APPLICANT.

(C) PAYMENTS.--SHALL BE MADE IN ACCORDANCE WITH PROCEDURES
ESTABLISHED BY THE AGENCY.

SECTION 2604-I. LOAN FORGIVENESS AWARDS.

RECIPIENTS OF TEACHER RECRUITMENT ASSISTANCE AWARDS SHALL BE
THOSE TEACHERS WHO ARE CERTIFIED BY THE DEPARTMENT AND WHO HAVE
RECEIVED A SATISFACTORY RATING BY THE DISTRICT FOR THE ACADEMIC
YEAR. EACH TEACHER SHALL BE REQUIRED TO SUBMIT SUCH
DOCUMENTATION OF CONTINUED ELIGIBILITY AS THE AGENCY MAY
REQUIRE.

SECTION 2605-I. FUNDING.

1 (A) GENERAL RULE.--LOAN FORGIVENESS AWARDS MAY BE MADE TO
2 THE EXTENT THAT FUNDS ARE APPROPRIATED BY THE GENERAL ASSEMBLY
3 TO THE FUND.

4 (B) OTHER SOURCES.--IN ADDITION TO APPROPRIATIONS FROM THE
5 GENERAL ASSEMBLY, THE FUND MAY ACCEPT DONATIONS AND
6 CONTRIBUTIONS FROM ALL PUBLIC AND PRIVATE SOURCES, INCLUDING THE
7 FEDERAL GOVERNMENT.

8 (C) INSUFFICIENT FUNDING.--IF IN ANY FISCAL YEAR, THE SUM OF
9 THE AMOUNT OF FUNDS APPROPRIATED TO THE FUND BY THE GENERAL
10 ASSEMBLY, AMOUNTS CONTRIBUTED TO THE FUND FROM OTHER SOURCES AND
11 THE AVAILABLE FUND BALANCE ARE INSUFFICIENT TO PAY THE TOTAL
12 AMOUNT OF LOAN FORGIVENESS AWARDS DUE TO BE PAID IN THAT FISCAL
13 YEAR, THEN SUCH PAYMENTS SHALL BE MADE ON A PRO RATA BASIS.

14 (D) EXHAUSTION OF FUNDING.--IF IN ANY FISCAL YEAR THE FUND
15 BALANCE IS EXHAUSTED BECAUSE PRO RATA PAYMENTS HAVE BEEN MADE
16 UNDER SUBSECTION (C), AND IN THE NEXT SUCCEEDING FISCAL YEAR THE
17 GENERAL ASSEMBLY DOES NOT APPROPRIATE FUNDS FOR TEACHER
18 RECRUITMENT ASSISTANCE, THEN THE ELIGIBILITY OF QUALIFIED
19 APPLICANTS FOR LOAN FORGIVENESS AWARDS UNDER THIS ARTICLE SHALL
20 BE EXTINGUISHED.

21 SECTION 39. SECTION 614-A(F)(6) AND (8) OF THE ACT SHALL
22 APPLY TO SCHOOL DISTRICTS IN WHICH A REFERENDUM QUESTION UNDER
23 53 PA.C.S. § 8703 IS APPROVED AND IMPLEMENTED.

24 SECTION 40. NO SCHOOL DISTRICT WHICH HAS NOT ALREADY MADE AN
25 ELECTION TO ADOPT THE PROVISIONS OF 53 PA.C.S. CH. 87 MAY MAKE
26 AN ELECTION TO DO SO AFTER THE EFFECTIVE DATE OF THIS SECTION.

27 SECTION 41. THE FOLLOWING SHALL APPLY:

28 (1) NO LATER THAN JANUARY 1, 2004, THE DEPARTMENT OF
29 EDUCATION SHALL DO ALL OF THE FOLLOWING:

30 (I) IDENTIFY THOSE SCHOOL DISTRICTS WHICH BORROWED

1 MONEY DIRECTLY AS A RESULT OF ANY DELAYED PAYMENTS FOR
2 ALLOCATION DURING THE 2003-2004 SCHOOL YEAR FOR BASIC
3 EDUCATION FUNDING, AS REQUIRED BY SECTION 2517 OF THE ACT
4 OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC
5 SCHOOL CODE OF 1949.

6 (II) ASCERTAIN FOR EACH AFFECTED DISTRICT THE DATE
7 OF INCEPTION OF EACH LOAN TAKEN AND THE DATE ON WHICH
8 EACH LOAN WAS REPAYED.

9 (III) DETERMINE THE DOLLAR AMOUNT OF INTEREST PAID
10 BY EACH AFFECTED DISTRICT ON EACH LOAN FROM THE PERIOD OF
11 INCEPTION OF THE LOAN THROUGH THE DATE OF REPAYMENT.

12 (IV) UTILIZING THE DATA COLLECTED PURSUANT TO
13 SUBPARAGRAPHS (I), (II) AND (III), DETERMINE THE TOTAL
14 STATEWIDE COST OF THE INTEREST PAYMENTS.

15 (2) THE SECRETARY OF THE BUDGET SHALL, NO LATER THAN
16 JANUARY 1, 2004, VERIFY THE AMOUNT OF INTEREST ACCRUED BY THE
17 COMMONWEALTH ON FUNDS NOT ALLOCATED TO SCHOOL DISTRICTS AS A
18 RESULT OF THE DELAYED PAYMENT OF BASIC EDUCATION FUNDING FOR
19 THE 2003-2004 SCHOOL YEAR AS PROVIDED FOR IN SECTION 2517 OF
20 THE PUBLIC SCHOOL CODE OF 1949.

21 (3) THE INFORMATION COLLECTED PURSUANT TO PARAGRAPHS (1)
22 AND (2) SHALL BE USED BY THE GOVERNOR TO SUBMIT A PROPOSAL TO
23 THE GENERAL ASSEMBLY NO LATER THAN FEBRUARY 1, 2004, TO
24 PROVIDE FOR REIMBURSEMENT TO SCHOOL DISTRICTS FOR PAYMENT OF
25 INTEREST ON BORROWING NECESSITATED DIRECTLY AS A RESULT OF
26 ANY DELAYED PAYMENTS FOR ALLOCATION OF BASIC EDUCATION
27 FUNDING DURING THE 2003-2004 SCHOOL YEAR.

28 ~~SECTION 42. THE FOLLOWING AMOUNTS ARE HEREBY APPROPRIATED~~ <—
29 ~~FROM THE GENERAL FUND TO THE DEPARTMENT OF EDUCATION FOR THE~~
30 ~~FISCAL PERIOD JULY 1, 2003, TO JUNE 30, 2004, AS FOLLOWS:~~

~~(1) THE SUM OF \$74,135,000 IS HEREBY APPROPRIATED FOR SERVICES TO NONPUBLIC SCHOOLS AS PROVIDED UNDER SECTION 922.1 A OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN THE AMOUNT OF \$71,976,000 FOR SERVICES TO NONPUBLIC SCHOOLS UNDER SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM THE SUM APPROPRIATED IN THIS PARAGRAPH.~~

~~(2) THE SUM OF \$22,691,000 IS HEREBY APPROPRIATED FOR TEXTBOOKS, INSTRUCTIONAL MATERIAL AND INSTRUCTIONAL EQUIPMENT FOR NONPUBLIC SCHOOLS AS PROVIDED FOR UNDER SECTION 923 A OF THE PUBLIC SCHOOL CODE OF 1949, PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN THE AMOUNT OF \$22,030,000 FOR TEXTBOOKS, INSTRUCTIONAL MATERIAL AND INSTRUCTIONAL EQUIPMENT FOR NONPUBLIC SCHOOLS UNDER SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003 SHALL BE DEDUCTED FROM THE SUM APPROPRIATED IN THIS PARAGRAPH.~~

~~(3) THE SUM OF \$34,000,000 IS HEREBY APPROPRIATED FOR THE EDUCATION SUPPORT SERVICES PROGRAM AND EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED UNDER ARTICLE XV C OF THE PUBLIC SCHOOL CODE OF 1949. OF THIS AMOUNT \$9,000,000 SHALL BE USED TO PROVIDE GRANTS UNDER THE EDUCATION SUPPORT SERVICES PROGRAM AND \$25,000,000 SHALL BE USED FOR THE EDUCATIONAL ASSISTANCE PROGRAM.~~

~~(4) THE SUM OF \$15,000,000 IS HEREBY APPROPRIATED FOR THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM ESTABLISHED UNDER ARTICLE XV D OF THE PUBLIC SCHOOL CODE OF 1949.~~

~~(5) THE SUM OF \$25,380,000 IS HEREBY APPROPRIATED FOR~~

1 ~~SCHOOL IMPROVEMENT GRANTS AS PROVIDED FOR UNDER SECTION 1709-~~
2 ~~B OF THE PUBLIC SCHOOL CODE OF 1949. FUNDS APPROPRIATED UNDER~~
3 ~~THIS PARAGRAPH THAT ARE NOT ALLOCATED DURING THE 2003-2004~~
4 ~~FISCAL YEAR SHALL BE CONSIDERED UNDISTRIBUTED FUNDS NOT~~
5 ~~EXPENDED, ENCUMBERED OR COMMITTED FOR DISTRIBUTION UNDER~~
6 ~~SECTIONS 1705 B AND 2502.30 OF THE PUBLIC SCHOOL CODE OF~~
7 ~~1949.~~

8 ~~(6) THE SUM OF \$56,762,000 IS HEREBY APPROPRIATED FOR~~
9 ~~PAYMENTS ON ACCOUNT OF VOCATIONAL EDUCATION AS PROVIDED FOR~~
10 ~~UNDER SECTION 2502.8 OF THE PUBLIC SCHOOL CODE OF 1949,~~
11 ~~PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF~~
12 ~~EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN THE~~
13 ~~AMOUNT OF \$55,378,000 FOR VOCATIONAL EDUCATION UNDER SECTION~~
14 ~~212 OF THE ACT OF MARCH 20, 2003 (P.L. —, NO.1A), KNOWN AS~~
15 ~~THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM~~
16 ~~THE SUM APPROPRIATED IN THIS PARAGRAPH.~~

17 ~~(7) THE SUM OF \$4,209,152,000 IS HEREBY APPROPRIATED FOR~~
18 ~~BASIC EDUCATION FUNDING TO SCHOOL DISTRICTS, PROVIDED THAT~~
19 ~~THE SECRETARY OF EDUCATION, WITH THE APPROVAL OF THE~~
20 ~~GOVERNOR, MAY MAKE PAYMENTS FROM THIS APPROPRIATION IN~~
21 ~~ADVANCE OF THE DUE DATE PRESCRIBED BY LAW TO SCHOOL DISTRICTS~~
22 ~~WHICH ARE FINANCIALLY HANDICAPPED WHENEVER THE SECRETARY OF~~
23 ~~EDUCATION SHALL DEEM IT NECESSARY TO MAKE SUCH ADVANCE~~
24 ~~PAYMENTS TO ENABLE THE SCHOOL DISTRICTS TO KEEP THEIR SCHOOLS~~
25 ~~OPEN.~~

26 ~~(8) THE SUM OF \$904,606,000 IS HEREBY APPROPRIATED FOR~~
27 ~~PAYMENTS ON ACCOUNT OF SPECIAL EDUCATION OF EXCEPTIONAL~~
28 ~~CHILDREN, PROVIDED THAT THIS AMOUNT INCLUDES \$563,000 FOR~~
29 ~~COMMUNITY SUPPORT SERVICES WHICH IS NOT TO BE INCLUDED IN THE~~
30 ~~BASE CALCULATIONS OF THE SPECIAL EDUCATION PROGRAM~~

1 ~~COMPONENTS, AND PROVIDED FURTHER THAT ANY AMOUNTS EXPENDED BY~~
2 ~~THE DEPARTMENT OF EDUCATION PURSUANT TO THE FORMER STATE~~
3 ~~APPROPRIATION IN THE AMOUNT OF \$874,319,000 FOR PAYMENTS ON~~
4 ~~ACCOUNT OF SPECIAL EDUCATION OF EXCEPTIONAL CHILDREN UNDER~~
5 ~~SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003 SHALL BE~~
6 ~~DEDUCTED FROM THE SUM APPROPRIATED IN THIS PARAGRAPH.~~

7 ~~(9) THE SUM OF \$26,749,000 IS HEREBY APPROPRIATED FOR~~
8 ~~PAYMENTS TO PENNSYLVANIA CHARTER SCHOOLS FOR THE DEAF AND~~
9 ~~BLIND, PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT~~
10 ~~OF EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN~~
11 ~~THE AMOUNT OF \$25,749,000 FOR PAYMENTS TO PENNSYLVANIA~~
12 ~~CHARTER SCHOOLS FOR THE DEAF AND BLIND UNDER SECTION 212 OF~~
13 ~~THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM~~
14 ~~THE SUM APPROPRIATED IN THIS PARAGRAPH.~~

15 ~~(10) THE SUM OF \$67,450,000 IS HEREBY APPROPRIATED FOR~~
16 ~~SPECIAL EDUCATION APPROVED PRIVATE SCHOOLS, PROVIDED THAT~~
17 ~~ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT~~
18 ~~TO THE FORMER STATE APPROPRIATION IN THE AMOUNT OF~~
19 ~~\$63,450,000 FOR SPECIAL EDUCATION APPROVED PRIVATE SCHOOLS~~
20 ~~UNDER SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003,~~
21 ~~SHALL BE DEDUCTED FROM THE SUM APPROPRIATED IN THIS~~
22 ~~PARAGRAPH.~~

23 ~~(11) THE SUM OF \$200,000,000 IS HEREBY APPROPRIATED FOR~~
24 ~~PENNSYLVANIA ACCOUNTABILITY GRANTS UNDER SECTION 2599.2 OF~~
25 ~~THE PUBLIC SCHOOL CODE OF 1949.~~

26 ~~(12) THE SUM OF \$2,000,000 IS HEREBY APPROPRIATED FOR~~
27 ~~TRANSFER TO THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE~~
28 ~~AGENCY FOR THE TEACHER RECRUITMENT ASSISTANCE FUND AS~~
29 ~~PROVIDED FOR UNDER ARTICLE XXVI I OF THE PUBLIC SCHOOL CODE~~
30 ~~OF 1949.~~

~~(13) THE SUM OF \$25,000,000 IS HEREBY APPROPRIATED FOR PAYMENTS TO ANY SCHOOL DISTRICT OF THE FIRST CLASS WHICH HAS BEEN DECLARED DISTRESSED UNDER SECTION 691(C) OF THE PUBLIC SCHOOL CODE OF 1949, PROVIDED THAT SUCH SCHOOL DISTRICT SUBMITS A QUARTERLY ITEMIZATION OF ALL FEDERAL, STATE AND LOCAL FUNDS DISTRIBUTED TO EACH SCHOOL IN THE SCHOOL DISTRICT, INCLUDING SCHOOLS GOVERNED BY AGREEMENTS CURRENTLY IN EFFECT UNDER SECTION 696(1)(2) OF THE PUBLIC SCHOOL CODE OF 1949 AND SCHOOLS DESIGNATED AS PARTNERSHIP SCHOOLS UNDER THE SCHOOL REFORM COMMISSION RESOLUTION NUMBER 10 OF APRIL 17, 2002, TO THE DEPARTMENT OF EDUCATION AND TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SENATE AND TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES. IF THE DEPARTMENT OF EDUCATION DETERMINES THAT THE REPORT IS NOT BEING SUBMITTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS PARAGRAPH, THE DEPARTMENT OF EDUCATION SHALL WITHHOLD FROM ANY AND ALL PAYMENTS TO WHICH THAT SCHOOL DISTRICT OF THE FIRST CLASS MAY BE ENTITLED UNDER THE ACT AN AMOUNT EQUAL TO THE FUNDS RECEIVED FROM THIS APPROPRIATION.~~

~~(14) THE SUM OF \$2,000,000 IS HEREBY APPROPRIATED FOR A SCIENCE EDUCATION PROGRAM DELIVERING SCIENCE CURRICULUM AND INSTRUCTION, EQUIPMENT AND SUPPLIES TO PARTICIPATING CLASSROOMS IN THIS COMMONWEALTH THROUGH THE BASIC ED/HIGHER ED SCIENCE AND TECHNOLOGY PARTNERSHIP.~~

~~SECTION 43. THE FOLLOWING ACTS AND PARTS OF ACTS ARE REPEALED TO THE EXTENT SPECIFIED:~~

~~SECTION 2509.8 OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.~~

~~AS MUCH AS RELATES TO THE STATE APPROPRIATIONS IN THE AMOUNT~~

1 ~~OF \$55,378,000 FOR VOCATIONAL EDUCATION AND IN THE AMOUNT OF~~
2 ~~\$874,319,000 FOR PAYMENTS ON ACCOUNT OF SPECIAL EDUCATION OF~~
3 ~~EXCEPTIONAL CHILDREN, IN THE AMOUNT OF \$71,976,000 FOR SERVICES~~
4 ~~TO NONPUBLIC SCHOOLS AND IN THE AMOUNT OF \$22,030,000 FOR~~
5 ~~TEXTBOOKS, INSTRUCTIONAL MATERIAL AND INSTRUCTIONAL EQUIPMENT~~
6 ~~FOR NONPUBLIC SCHOOLS IN SECTION 212 OF THE ACT OF MARCH 20,~~
7 ~~2003 (P.L. —, NO.1A), KNOWN AS THE GENERAL APPROPRIATION ACT OF~~
8 ~~2003.~~

9 SECTION 44 42. THIS ACT SHALL TAKE EFFECT AS FOLLOWS: <—

10 (1) THE AMENDMENT OF SECTION 672(A) OF THE ACT SHALL
11 TAKE EFFECT JULY 1, 2004.

12 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
13 IMMEDIATELY.