INTRODUCED BY ROAE, JAMES, REED, McNEILL, V. BROWN, SAYLOR, MURT, SANTORA, WATSON, SONNEY, TOPPER, MENTZER, FABRIZIO, GROVE, RAPP, PHILLIPS-HILL, GIBBONS, HARHAI AND EVANKOVICH, MARCH 10, 2015

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS AMENDED, JUNE 29, 2015

AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in preliminary provisions, providing for powers and duties of the Secretary of Education in grounds and buildings, further providing for limitations on approval of public school building projects and establishing the public school building construction and reconstruction advisory committee; in pupils and attendance, further providing for education and training of exceptional children; in charter schools, further providing for school staff; in vocational education, further providing for vocational education equipment grants; in community colleges, further providing for financial program and payment reimbursement; in disruptive student programs, further providing for applications; in private alternative education institutions for disruptive students, further providing for contracts with private alternative education institutions; providing for the rural regional college for underserved counties; in funding for public libraries, providing for state aid for fiscal year 2015-2016; in reimbursements by commonwealth and between school districts, providing for student-weighted basic education funding; further providing for payments to intermediate units, for special education payments to school districts, for extraordinary special education program expenses and for special education funding for eligible students with disabilities in cost category 3; in reimbursements by commonwealth and between school districts, providing for for reimbursement for school districts without

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REQUIRED DOCUMENTATION, FOR PUBLIC SCHOOL BUILDING LEASE AND
DEBT SERVICE REIMBURSEMENTS FOR FISCAL YEAR 2015-2016 AND FOR
READY-TO-LEARN BLOCK GRANTS; PROVIDING FOR SCHOOL DISTRICT
DEBT REFINANCING BONDS; AND REPEALING PROVISIONS OF THE
FISCAL CODE RELATING TO RURAL REGIONAL COLLEGE FOR
UNDERSERVED COUNTIES.

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

Section 1. The act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, is amended by adding a section to read:

Section 124. Powers and Duties of the Secretary of Education.--(a) On behalf of the Commonwealth, the Secretary of Education shall have the authority and duty to enter into and administer membership in a regional compact and an interstate reciprocity agreement for the provision of postsecondary distance education by the following:

(1) Institutions of higher education to students in other states, territories and districts party to such agreement.

(2) Postsecondary institutions in other states, territories or districts that are a party to such agreement to students in this Commonwealth.

(b) The Department of Education may charge administrative fees to institutions of higher education that choose to participate in the agreement, not to exceed the Department of Education's additional administrative cost.

(c) The Postsecondary Distance Education Interstate Reciprocity Agreement Restricted Receipts Account is established as a special restricted receipts account within the General Fund of the State Treasury, from which the department may draw moneys for the purpose of agreement expenses, the costs of administering and implementing the agreement and all other costs associated with the activities of the department related to
implementation of this section. This account shall consist of all administrative fees deposited under subsection (b) and State funds appropriated for use under this section. The restricted receipts account shall be subject to audit by the Auditor General.

(d) For purposes of this section, "institution of higher education" shall have the meaning given in section 118.

Section 2. This act shall take effect in 60 days.

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

SECTION 124. POWERS AND DUTIES OF THE SECRETARY OF EDUCATION.--(A) ON BEHALF OF THE COMMONWEALTH, THE SECRETARY OF EDUCATION SHALL HAVE THE AUTHORITY AND DUTY TO ENTER INTO AND ADMINISTER MEMBERSHIP IN A REGIONAL COMPACT AND AN INTERSTATE RECIPROCITY AGREEMENT FOR THE PROVISION OF POSTSECONDARY DISTANCE EDUCATION BY THE FOLLOWING:

(1) INSTITUTIONS OF HIGHER EDUCATION TO STUDENTS IN OTHER STATES, TERRITORIES AND DISTRICTS PARTY TO SUCH AGREEMENT.

(2) POSTSECONDARY INSTITUTIONS IN OTHER STATES, TERRITORIES OR DISTRICTS THAT ARE A PARTY TO SUCH AGREEMENT TO STUDENTS IN THIS COMMONWEALTH.

JUNE 30, 2018, ANY REVISIONS TO THE ADMINISTRATIVE FEES CHARGED UNDER THIS SUBSECTION SHALL BE MADE THROUGH REGULATIONS PROMULGATED UNDER THE REGULATORY REVIEW ACT.

(C) THE POSTSECONDARY DISTANCE EDUCATION INTERSTATE RECIPROCITY AGREEMENT RESTRICTED RECEIPTS ACCOUNT IS ESTABLISHED AS A SPECIAL RESTRICTED RECEIPTS ACCOUNT WITHIN THE GENERAL FUND OF THE STATE TREASURY, FROM WHICH THE DEPARTMENT MAY DRAW MONEYS FOR THE PURPOSE OF AGREEMENT EXPENSES, THE COSTS OF ADMINISTERING AND IMPLEMENTING THE AGREEMENT AND ALL OTHER COSTS ASSOCIATED WITH THE ACTIVITIES OF THE DEPARTMENT RELATED TO IMPLEMENTATION OF THIS SECTION. THIS ACCOUNT SHALL CONSIST OF ALL ADMINISTRATIVE FEES DEPOSITED UNDER SUBSECTION (B) AND STATE FUNDS APPROPRIATED FOR USE UNDER THIS SECTION. THE RESTRICTED RECEIPTS ACCOUNT SHALL BE SUBJECT TO AUDIT BY THE AUDITOR GENERAL.

(D) FOR PURPOSES OF THIS SECTION, "INSTITUTION OF HIGHER EDUCATION" SHALL HAVE THE MEANING GIVEN IN SECTION 118.

SECTION 2. SECTION 732.1 OF THE ACT IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 732.1. LIMITATION ON NEW APPLICATIONS FOR DEPARTMENT OF EDUCATION APPROVAL OF PUBLIC SCHOOL BUILDING PROJECTS.--* * *

(C) FOR THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT OF EDUCATION SHALL NOT ACCEPT OR APPROVE NEW BUILDING CONSTRUCTION OR RECONSTRUCTION PROJECT APPLICATIONS. COMPLETED SCHOOL BUILDING CONSTRUCTION OR RECONSTRUCTION PROJECT APPLICATIONS RECEIVED BY THE DEPARTMENT OF EDUCATION BY AUGUST 15, 2015, ARE NOT SUBJECT TO THIS SUBSECTION.

SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 732.2. PUBLIC SCHOOL BUILDING CONSTRUCTION AND RECONSTRUCTION ADVISORY COMMITTEE.--(A) THERE IS HEREBY
Established an advisory committee to review and make findings related to the construction and reconstruction of public school buildings, including construction and reconstruction planning, financing and commonwealth reimbursement.

(b) The advisory committee shall consist of the following:

1. The secretary of education or a designee.
2. (Reserved).
3. A representative from the following:
   I. The Pennsylvania Association of School Business Officials.
   II. The Pennsylvania School Boards Association.
4. The chairman and minority chairman of the Appropriations Committee and Education Committee of the Senate and the chairman and minority chairman of the Appropriations Committee and Education Committee of the House of Representatives.
5. Two members appointed by the President Pro Tempore of the Senate, one of whom must have expertise in municipal debt and finance.
6. Two members appointed by the Speaker of the House of Representatives, one of whom must have experience in municipal debt and finance.

(c) The committee shall hold its first meeting within thirty days of the effective date of this section regardless of whether all of the committee members have been appointed to the committee. At the first meeting, the Department of Education shall present its report relating to the statewide analysis of school facilities and capital needs as required under section 732.1.

(d) The committee shall appoint a member to serve as chairman of the committee.
(E) THE COMMITTEE SHALL HOLD MEETINGS AT THE CALL OF THE CHAIRMAN.

(F) THE MEMBERS MAY NOT RECEIVE COMPENSATION FOR THEIR SERVICES, BUT SHALL BE REIMBURSED FOR ALL NECESSARY TRAVEL AND OTHER REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE PERFORMANCE OF THEIR DUTIES AS MEMBERS OF THE COMMITTEE.

(G) THE GENERAL ASSEMBLY SHALL PROVIDE ADMINISTRATIVE SUPPORT, MEETING SPACE AND ANY OTHER ASSISTANCE REQUIRED BY THE COMMITTEE TO CARRY OUT ITS DUTIES UNDER THIS SECTION IN COOPERATION WITH THE DEPARTMENT. THE DEPARTMENT SHALL PROVIDE THE COMMITTEE WITH DATA, RESEARCH AND OTHER INFORMATION UPON REQUEST.


SECTION 4. SECTION 1372(8) OF THE ACT, ADDED MAY 10, 2000 (P.L.44, NO.16), IS AMENDED TO READ:

SECTION 1372. EXCEPTIONAL CHILDREN; EDUCATION AND TRAINING.--

(8) REPORTING OF EXPENDITURES RELATING TO EXCEPTIONAL STUDENTS.

(I) BY DECEMBER 31, 2000, AND EACH YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL COMPILE INFORMATION LISTING THE NUMBER OF STUDENTS WITH DISABILITIES FOR WHICH EXPENDITURES ARE BETWEEN 20150HB0762PN1999 - 6 -
TWENTY-FIVE THOUSAND DOLLARS ($25,000) AND FIFTY THOUSAND
DOLLARS ($50,000), BETWEEN FIFTY THOUSAND DOLLARS ($50,000) AND
SEVENTY-FIVE THOUSAND DOLLARS ($75,000) AND OVER SEVENTY-FIVE
THOUSAND DOLLARS ($75,000) FOR THE PRIOR SCHOOL YEAR. THE
INFORMATION SHALL BE SUBMITTED TO THE DEPARTMENT IN A FORM
PRESCRIBED BY THE DEPARTMENT. BY FEBRUARY 1, 2001, AND EACH YEAR
THEREAFTER, THE DEPARTMENT SHALL SUBMIT TO THE CHAIRMAN AND
MINORITY CHAIRMAN OF THE EDUCATION AND APPROPRIATIONS COMMITTEES
OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
EDUCATION AND APPROPRIATIONS COMMITTEES OF THE HOUSE OF
REPRESENTATIVES A REPORT LISTING THIS INFORMATION BY SCHOOL
DISTRICT.

(II) BEGINNING WITH THE 2015-2016 SCHOOL YEAR, THE
DEPARTMENT SHALL ANNUALLY ADJUST THE DOLLAR RANGES FOR WHICH THE
INFORMATION IS COLLECTED UNDER THIS SECTION BY THE CONSUMER
PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW
JERSEY, DELAWARE AND MARYLAND AREA.

SECTION 5. SECTION 1724-A(C) OF THE ACT, AMENDED JUNE 30,
2011 (P.L.112, NO.24), IS AMENDED TO READ:

SECTION 1724-A. SCHOOL STAFF.--* * *

(C) ALL EMPLOYEES OF A CHARTER SCHOOL SHALL BE ENROLLED IN
THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM IN THE SAME
MANNER AS SET FORTH IN 24 PA.C.S. § 8301(A) (RELATING TO
MANDATORY AND OPTIONAL MEMBERSHIP) UNLESS AT THE TIME OF THE
APPLICATION FOR THE CHARTER SCHOOL THE SPONSORING DISTRICT OR
THE BOARD OF TRUSTEES OF THE CHARTER SCHOOL HAS A RETIREMENT
PROGRAM WHICH COVERS THE EMPLOYEES OR THE EMPLOYEE IS CURRENTLY
ENROLLED IN ANOTHER RETIREMENT PROGRAM. [THE COMMONWEALTH SHALL
MAKE CONTRIBUTIONS ON BEHALF OF CHARTER SCHOOL EMPLOYEES ENROLLED
IN THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM.] THE CHARTER
SCHOOL SHALL BE CONSIDERED A PUBLIC SCHOOL [DISTRICT] AS DEFINED IN 24 PA.C.S. § 8102 (RELATING TO DEFINITIONS) AND SHALL MAKE QUARTERLY PAYMENTS BY EMPLOYERS TO THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM AND MONTHLY PAYMENTS ON ACCOUNT OF SOCIAL SECURITY AS ESTABLISHED UNDER 24 PA.C.S. PT. IV (RELATING TO RETIREMENT FOR SCHOOL EMPLOYEES). THE MARKET VALUE/INCOME AID RATIO USED IN CALCULATING PAYMENTS AS PRESCRIBED IN THIS SUBSECTION SHALL BE THE MARKET VALUE/INCOME AID RATIO FOR THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL IS LOCATED OR, IN THE CASE OF A REGIONAL CHARTER SCHOOL, SHALL BE A COMPOSITE MARKET VALUE/INCOME AID RATIO FOR THE PARTICIPATING SCHOOL DISTRICTS AS DETERMINED BY THE DEPARTMENT. EXCEPT AS OTHERWISE PROVIDED, EMPLOYEES OF A CHARTER SCHOOL SHALL MAKE REGULAR MEMBER CONTRIBUTIONS AS REQUIRED FOR ACTIVE MEMBERS UNDER 24 PA.C.S. PT. IV. IF THE EMPLOYEES OF THE CHARTER SCHOOL PARTICIPATE IN ANOTHER RETIREMENT PLAN, THEN THOSE EMPLOYEES SHALL HAVE NO CONCURRENT CLAIM ON THE BENEFITS PROVIDED TO PUBLIC SCHOOL EMPLOYEES UNDER 24 PA.C.S. PT. IV. [FOR PURPOSES OF THIS SUBSECTION, A CHARTER SCHOOL SHALL BE DEEMED TO BE A "PUBLIC SCHOOL" AS DEFINED IN 24 PA.C.S. § 8102 (RELATING TO DEFINITIONS).] NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO REQUIRE THE COMMONWEALTH TO MAKE PAYMENTS TO CHARTER SCHOOLS OR CONTRIBUTIONS ON BEHALF OF CHARTER SCHOOL EMPLOYEES FROM APPROPRIATED FUNDS, AS PROVIDED IN 24 PA.C.S. §§ 8326 (RELATING TO CONTRIBUTIONS BY THE COMMONWEALTH) AND 8535 (RELATING TO PAYMENTS TO SCHOOL ENTITIES BY COMMONWEALTH) ON ACCOUNT OF CHARTER SCHOOL EMPLOYEES ENROLLED IN THE PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM AND 24 PA.C.S. § 8329(A) (RELATING TO PAYMENTS ON ACCOUNT OF SOCIAL SECURITY DEDUCTIONS FROM APPROPRIATIONS) ON ACCOUNT OF SOCIAL SECURITY DEDUCTIONS FROM APPROPRIATIONS] ON ACCOUNT OF SOCIAL SECURITY DEDUCTIONS FROM APPROPRIATIONS]
ACCOUNT OF SOCIAL SECURITY PAYMENTS MADE BY A CHARTER SCHOOL.

* * *

SECTION 6. SECTION 1855 OF THE ACT, AMENDED JUNE 22, 2001 (P.L.530, NO.35), IS AMENDED TO READ:

SECTION 1855. VOCATIONAL EDUCATION EQUIPMENT GRANTS.--(A)

FOR THE 2000-2001 FISCAL YEAR AND THE 2001-2002 FISCAL YEAR, THE DEPARTMENT OF EDUCATION SHALL ESTABLISH A GRANT PROGRAM TO ASSIST AREA VOCATIONAL-TECHNICAL SCHOOLS, SCHOOL DISTRICTS OFFERING APPROVED VOCATIONAL-TECHNICAL PROGRAMS AND THE THADDEUS STEVENS STATE COLLEGE OF TECHNOLOGY IN PURCHASING EQUIPMENT THAT MEETS INDUSTRY STANDARDS FOR THE PURPOSE OF PROVIDING TRAINING TO STUDENTS. GRANTS SHALL BE LIMITED TO THE PURCHASE OF EQUIPMENT IN THE FOLLOWING PROGRAM AREAS: AUTOMOTIVE TECHNOLOGY, AUTO BODY, DIESEL TECHNOLOGY, PRECISION MACHINE TECHNOLOGY, HEATING VENTILATION AND AIR CONDITIONING, PRINTING, DENTAL ASSISTING, ELECTRONICS, BUILDING TRADES AND OTHER PROGRAM AREAS APPROVED BY THE SECRETARY OF EDUCATION. GRANTS SHALL BE AWARDED BY THE DEPARTMENT OF EDUCATION ON A MATCHING BASIS, TWO STATE DOLLARS ($2) FOR EVERY LOCAL DOLLAR ($1), AND SHALL BE LIMITED TO FUNDS APPROPRIATED FOR THAT PURPOSE.

(B) FOR THE 2015-2016 SCHOOL YEAR, THE DEPARTMENT OF EDUCATION SHALL ESTABLISH A GRANT PROGRAM TO ASSIST EACH AREA VOCATIONAL-TECHNICAL SCHOOL AND SCHOOL DISTRICT WITH AN APPROVED VOCATIONAL PROGRAM THAT APPLIES FOR AND IS APPROVED FOR FUNDING BY THE DEPARTMENT OF EDUCATION TO PURCHASE EQUIPMENT THAT MEETS INDUSTRY STANDARDS. GRANTS SHALL BE DISTRIBUTED IN AN AMOUNT TO BE CALCULATED AS FOLLOWS:

(1) A BASE AMOUNT OF THREE THOUSAND DOLLARS ($3,000).

(2) A PER-STUDENT AMOUNT CALCULATED AS FOLLOWS:

(I) MULTIPLY THE 2014-2015 AVERAGE DAILY MEMBERSHIP IN...
APPROVED VOCATIONAL EDUCATION PROGRAMS FOR EACH AREA VOCATIONAL-TECHNICAL SCHOOL OR SCHOOL DISTRICT THAT HAS BEEN APPROVED FOR FUNDING BY THE DEPARTMENT BY THE DIFFERENCE BETWEEN THE AMOUNT APPROPRIATED FOR CAREER AND TECHNICAL EDUCATION EQUIPMENT GRANTS AND THE SUM OF THE FUNDING DISTRIBUTED UNDER PARAGRAPH (1) TO ALL AREA VOCATIONAL-TECHNICAL SCHOOLS AND SCHOOL DISTRICTS.

(II) DIVIDE THE PRODUCT FROM SUBPARAGRAPH (I) BY THE SUM OF THE 2014-2015 AVERAGE DAILY MEMBERSHIP IN APPROVED VOCATIONAL EDUCATION PROGRAMS FOR ALL AREA VOCATIONAL-TECHNICAL SCHOOLS AND SCHOOL DISTRICTS THAT HAVE BEEN APPROVED FOR FUNDING BY THE DEPARTMENT.

(C) THE APPLICATION TO APPLY FOR FUNDING UNDER SUBSECTION (B) SHALL BE DEVELOPED BY THE DEPARTMENT WITHIN THIRTY DAYS OF THE EFFECTIVE DATE OF THIS SECTION AND ONLY REQUIRE THE FOLLOWING, WHICH MAY BE COLLECTED ELECTRONICALLY:

(1) NAME, ADDRESS, E-MAIL ADDRESS AND TELEPHONE NUMBER OF THE AREA VOCATIONAL-TECHNICAL SCHOOL OR SCHOOL DISTRICT.

(2) NAME, E-MAIL ADDRESS AND TELEPHONE NUMBER OF AN EMPLOYEE OF THE AREA VOCATIONAL-TECHNICAL SCHOOL OR SCHOOL DISTRICT WHO WILL BE AVAILABLE TO ANSWER QUESTIONS REGARDING THE FUNDING APPLICATION.

(3) DESCRIPTION OF THE EQUIPMENT FOR WHICH THE REQUESTED FUNDING WILL BE USED; THE CAREER AND TECHNICAL EDUCATION PROGRAM IN WHICH THE EQUIPMENT WILL BE USED; THE DATE ON WHICH THE OCCUPATIONAL ADVISORY COMMITTEE RECOMMENDED THE PURCHASE OF THE EQUIPMENT; AND VERIFICATION THAT THE EQUIPMENT WILL BE USED FOR TECHNICAL CLASSROOM INSTRUCTION.

(D) THE DEPARTMENT MAY NOT REQUEST AND CONSIDER ANY INFORMATION OTHER THAN THE INFORMATION PROVIDED IN THE FUNDING APPLICATION.
(E) EACH AREA VOCATIONAL-TECHNICAL SCHOOL OR SCHOOL DISTRICT WITH AN APPROVED VOCATIONAL PROGRAM THAT SUBMITS A COMPLETED FUNDING APPLICATION SHALL RECEIVE FUNDING IN THE AMOUNT DETERMINED UNDER SUBSECTION (B).

(F) FOR PURPOSES OF THIS SECTION, "OCCUPATIONAL ADVISORY COMMITTEE" SHALL MEAN AN OCCUPATIONAL ADVISORY COMMITTEE ESTABLISHED PURSUANT TO 22 PA. CODE CH. 339 (RELATING TO VOCATIONAL EDUCATION).

SECTION 7. SECTION 1913-A(B)(1.6) OF THE ACT IS AMENDED BY ADDING A SUBCLAUSE TO READ:

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

(B) * * *

(1.6) FOR THE 2006-2007 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, THE PAYMENT FOR A COMMUNITY COLLEGE SHALL CONSIST OF THE FOLLOWING:

* * *

(IX) FOR THE 2015-2016 FISCAL YEAR, EACH COMMUNITY COLLEGE SHALL RECEIVE AN AMOUNT EQUAL TO THE SUM OF THE FOLLOWING:

(A) AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED TO THE COMMUNITY COLLEGE FOR OPERATING COSTS UNDER SUBCLAUSE (VIII)(A).

(B) AN AMOUNT EQUAL TO THE AMOUNT ALLOCATED TO A COMMUNITY COLLEGE FOR THE ECONOMIC DEVELOPMENT STIPEND UNDER SUBCLAUSE (VIII)(B).

(C) AN AMOUNT DETERMINED FOR EACH COMMUNITY COLLEGE AS FOLLOWS:

(I) DIVIDE THE SUM OF THE AMOUNTS OF FUNDING THE COMMUNITY COLLEGE RECEIVED UNDER PARAGRAPHS (A) AND (B) BY THE TOTAL AMOUNT OF FUNDING PROVIDED UNDER PARAGRAPHS (A) AND (B) FOR ALL COMMUNITY COLLEGES.
(II) Multiply the quotient in subparagraph (I) by the difference between the appropriation for payment of approved operating expenses of community colleges in fiscal year 2014-2015 and fiscal year 2013-2014.

(D) An amount determined for each community college as follows:

(I) Multiply the audited full-time equivalent enrollment as verified under subsection (K.1) for the most recent year available for the community college by the difference between the appropriation for payment of approved operating expenses of community colleges in fiscal year 2015-2016 and fiscal year 2014-2015.

(II) Divide the product in subparagraph (I) by the sum of the audited full-time equivalent enrollment as verified under subsection (K.1) for the most recent year available for all community colleges.

* * *

SECTION 8. Section 1902-C introductory paragraph of the act, added June 25, 1997 (P.L.297, No.30), is amended and the section is amended by adding a subsection to read:

Section 1902-C. Applications.--(A) Applicants shall submit applications at the time, in the manner and containing or accompanied by such information as the department may prescribe but, in any case, shall document the following:

* * *

(B) A school district, combination of school districts or charter school that makes an application to establish an alternative education program shall submit initial and renewal applications along with a fee of four hundred dollars ($400) as prescribed by the department. The money collected shall be
DEPOSITED INTO A RESTRICTED ACCOUNT IN THE GENERAL FUND TO BE
KNOWN AS THE ALTERNATIVE EDUCATION PROGRAM ACCOUNT. THE MONEY IN
THE RESTRICTED ACCOUNT IS HEREBY APPROPRIATED ON A CONTINUING
BASIS TO THE DEPARTMENT.

SECTION 9. SECTION 1902-E OF THE ACT, ADDED NOVEMBER 23,
1999 (P.L.529, NO.48), IS AMENDED BY ADDING A PARAGRAPH TO READ:
SECTION 1902-E. CONTRACTS WITH PRIVATE ALTERNATIVE EDUCATION INSTITUTIONS.—

* * *

(5) A PRIVATE ALTERNATIVE EDUCATION INSTITUTION THAT MAKES
AN APPLICATION FOR APPROVAL TO OPERATE SHALL SUBMIT INITIAL AND
RENEWAL APPLICATIONS ALONG WITH A FEE OF ONE THOUSAND DOLLARS
($1,000) AS PRESCRIBED BY THE DEPARTMENT. THE FUNDS COLLECTED
SHALL BE DEPOSITED INTO THE ALTERNATIVE EDUCATION PROGRAM
ACCOUNT ESTABLISHED IN SECTION 1902-C(B).

SECTION 10. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

ARTICLE XIX-G

RURAL REGIONAL COLLEGE FOR UNDERSERVED COUNTIES

SECTION 1901-G. (RESERVED).

SECTION 1901.1-G. LEGISLATIVE INTENT.

IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PROVIDE FOR THE
CONTINUED EXISTENCE, OPERATION AND ADMINISTRATION OF THE RURAL
REGIONAL COLLEGE ESTABLISHED UNDER FORMER ARTICLE XVII-E.1 OF
THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL
CODE.

SECTION 1901.2-G. APPROPRIATIONS.

APPROPRIATIONS FOR THE OPERATION OF THE RURAL REGIONAL
COLLEGE SHALL HAVE PREFERRED STATUS AND BE CONSIDERED ORDINARY
EXPENSES OF STATE GOVERNMENT.

SECTION 1902-G. SCOPE OF ARTICLE.
THIS ARTICLE PROVIDES FOR THE ESTABLISHMENT OF A RURAL REGIONAL COLLEGE IN A MULTICOUNTY RURAL AREA THAT IS UNDERSERVED BY COMPREHENSIVE COMMUNITY COLLEGE EDUCATION AND WORK FORCE DEVELOPMENT.

SECTION 1903-G. 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:

"ANNUAL." A 12-MONTH PERIOD COTERMINOUS WITH THE COMMONWEALTH'S FISCAL YEAR BEGINNING JULY 1 AND ENDING JUNE 30.

"BOARD OF TRUSTEES." THE BOARD OF TRUSTEES OF A RURAL REGIONAL COLLEGE ESTABLISHED UNDER THIS ARTICLE.

"CERTIFIED PUBLIC ACCOUNTANT." A MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS WHO HAS A MINIMUM OF FIVE YEARS' VERIFIABLE EXPERIENCE IN PERFORMING AUDITS OF GOVERNMENT FUNDS FOR NONPROFIT ORGANIZATIONS WITH A COMPARABLE OR LARGER ANNUAL BUDGET.

"COUNTY." ANY COUNTY IN THIS COMMONWEALTH.

"MIDDLE STATES." THE MIDDLE STATES ASSOCIATION OF COLLEGES AND SCHOOLS.

"PARTNER INSTITUTION." ONE OR MORE MIDDLE STATES-ACCREDITED INSTITUTIONS OF HIGHER EDUCATION.

"RURAL REGIONAL COLLEGE." A PUBLIC INSTITUTION OF HIGHER EDUCATION WHICH IS ESTABLISHED IN A RURAL AREA AND OPERATED IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE AS A COLLEGE WHICH PROVIDES UP TO A TWO-YEAR, POSTSECONDARY EDUCATION NOT TO EXCEED THE LEVEL OF AN ASSOCIATE OF ARTS OR SCIENCES DEGREE AND WHICH IS ACTIVE IN WORK FORCE DEVELOPMENT.

"RURAL REGIONAL COLLEGE PLAN" OR "PLAN." A PLAN FOR THE ESTABLISHMENT AND OPERATION OF A RURAL REGIONAL COLLEGE UNDER
THIS ARTICLE.

"SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH OR SUCH PERSON AS THE SECRETARY MAY DESIGNATE TO ACT ON BEHALF OF THE SECRETARY WITH REGARD TO ANY OF THE DUTIES AND PREROGATIVES IMPOSED BY THIS ARTICLE.

"STATE BOARD." THE STATE BOARD OF EDUCATION.

SECTION 1904-G. DESIGNATIONS BY SECRETARY.

(A) DUTIES OF SECRETARY.--


(2) WITHIN 30 DAYS OF THE DESIGNATION UNDER PARAGRAPH (1), THE SECRETARY SHALL, IN CONSULTATION WITH THE NONPROFIT ORGANIZATION, DESIGNATE CONTIGUOUS COUNTIES OR PARTS OF CONTIGUOUS COUNTIES TO BE SERVED BY ESTABLISHMENT OF A RURAL REGIONAL COLLEGE.

(B) CHANGES.--NO SOONER THAN JULY 10, 2018, THE SECRETARY, WITH APPROVAL OF THE BOARD OF TRUSTEES, MAY ADD COUNTIES OR PARTS OF COUNTIES TO BE SERVED BY THE RURAL REGIONAL COLLEGE.

SECTION 1905-G. DESIGNATION AND BOARD OF TRUSTEES.

THE FOLLOWING SHALL APPLY TO THE BOARD OF TRUSTEES ESTABLISHED UNDER THIS SECTION:

   (1) MEMBERS OF THE BOARD OF TRUSTEES SHALL BE REPRESENTATIVE OF THE AREA DESIGNATED UNDER SECTION 1904-G(A) AND MAY INCLUDE SCHOOL ADMINISTRATORS, COMMUNITY EDUCATION COUNCIL OFFICIALS, BUSINESS LEADERS AND GOVERNMENT OFFICIALS.

   (2) MEMBERS OF THE BOARD OF TRUSTEES SHALL BE APPOINTED FOR TERMS OF THREE YEARS EACH, EXCEPT THAT THOSE PERSONS INITIALLY APPOINTED SHALL DRAW LOTS TO DETERMINE WHICH TRUSTEES SHALL SERVE FOR A TERM OF THREE YEARS, WHICH TRUSTEES SHALL SERVE FOR A TERM OF TWO YEARS AND WHICH TRUSTEES SHALL SERVE FOR A TERM OF ONE YEAR. TO THE EXTENT PRACTICABLE, FROM THOSE TRUSTEES INITIALLY APPOINTED, AN EQUAL NUMBER SHALL DRAW LOTS TO SERVE FOR A TERM OF THREE YEARS, FOR A TERM OF TWO YEARS AND FOR A TERM OF ONE YEAR. THEREAFTER, ALL MEMBERS SHALL BE APPOINTED FOR TERMS OF THREE YEARS EACH.

   (3) VACANCIES ON THE BOARD SHALL BE FILLED BY THE EXISTING BOARD. A TRUSTEE MAY SUCCEED HIMSELF, PROVIDED THAT NO MEMBER SHALL SERVE FOR LONGER THAN 10 YEARS.

   (4) THE SECRETARY SHALL CONVENE AN INITIAL MEETING OF THE BOARD OF TRUSTEES WITHIN 30 DAYS OF THE SECRETARY'S APPOINTMENT OF A BOARD OF TRUSTEES UNDER THIS SECTION. AFTER THE INITIAL MEETING, THE BOARD OF TRUSTEES SHALL MEET AT SUCH TIMES EACH YEAR AS THE BOARD OF TRUSTEES DETERMINES TO BE NECESSARY TO SATISFY THE REQUIREMENTS OF THIS ARTICLE.

   (5) THE BOARD OF TRUSTEES SHALL ADOPT STANDING OPERATING RULES AND PROCEDURES, BYLAWS AND ARTICLES OF INCORPORATION.

   (6) THE BOARD OF TRUSTEES SHALL ESTABLISH AN ADVISORY
COUNCIL OF PRESIDENTS, OR THEIR DESIGNEES, FROM INSTITUTIONS WITH POSTSECONDARY EDUCATION PROGRAMS WITHIN THE REGION DESIGNATED UNDER SECTION 1904-G(A)(2). THE ADVISORY COUNCIL SHALL MEET QUARTERLY TO DISCUSS EMPLOYER AND WORK FORCE NEEDS, NEW EDUCATIONAL OFFERINGS AND GENERAL COORDINATION OF SERVICE AND FACILITIES. ONE ADVISORY COUNCIL MEMBER REPRESENTING A COMMUNITY COLLEGE AND ONE ADVISORY COUNCIL MEMBER THAT IS A PRESIDENT OF A COLLEGE OR UNIVERSITY SHALL SERVE AS COCHAIRMEN.

(7) THE BOARD OF TRUSTEES SHALL CHOOSE FROM AMONG ITS MEMBERS A CHAIRMAN, VICE CHAIRMAN AND SECRETARY.

(8) A MAJORITY OF THE MEMBERS OF THE BOARD OF TRUSTEES SHALL CONSTITUTE A QUORUM.

(9) TRUSTEES SHALL SERVE WITHOUT COMPENSATION, EXCEPT THAT THEY SHALL BE REIMBURSED BY THE RURAL REGIONAL COLLEGE FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

SECTION 1906-G. ESTABLISHMENT.

(A) GENERAL RULE.--NO LATER THAN JUNE 30, 2016, THE BOARD OF TRUSTEES APPOINTED UNDER SECTION 1905-G SHALL SUBMIT TO THE SECRETARY A PROPOSED RURAL REGIONAL COLLEGE PLAN IN SUCH FORM AND CONTAINING SUCH INFORMATION AS THE SECRETARY MAY REQUIRE. IN ADDITION TO OTHER INFORMATION WHICH MAY BE REQUIRED BY THE SECRETARY, THE PLAN SHALL INCLUDE THE FOLLOWING:

(1) A DESIGNATION OF THE NAME OF THE PROPOSED RURAL REGIONAL COLLEGE WHICH SHALL BE THE "RURAL REGIONAL COLLEGE OF ____________" OR "__________ RURAL REGIONAL COLLEGE."

(2) A SURVEY OF THE EDUCATIONAL, VOCATIONAL AND OCCUPATIONAL NEEDS OF THE AREA AND THE MEANS BY WHICH THE
PROPOSED RURAL REGIONAL COLLEGE WILL MEET THOSE NEEDS,
REENGAGE HIGH SCHOOL DROPOUTS TO EARN THEIR SECONDARY
CREDENTIALS AND POSTSECONDARY CREDENTIALS OR INDUSTRY
CERTIFICATION, REDUCE UNEMPLOYMENT AND IMPROVE THE EMPLOYABLE
SKILLS OF RESIDENTS OF THE AREA TO BE SERVED BY THE RURAL
REGIONAL COLLEGE.

(3) AN OPERATING AND FINANCIAL PLAN FOR THE PROPOSED
RURAL REGIONAL COLLEGE, INCLUDING A PLAN FOR THE CAPITAL
NEEDS AND EXPENSES OF THE PROPOSED RURAL REGIONAL COLLEGE.

(4) A PLAN BY WHICH THE RURAL REGIONAL COLLEGE SHALL
SEEK ACCREDITATION BY AN ACCREDITING ASSOCIATION WHICH IS
RECOGNIZED BY THE UNITED STATES DEPARTMENT OF EDUCATION.

(B) SUBMISSION OF PLAN.--WITHIN 60 DAYS OF THE SUBMISSION OF
THE RURAL REGIONAL COLLEGE PLAN TO THE SECRETARY, THE SECRETARY
SHALL ISSUE AN APPROVAL OR REJECTION OF THE PLAN. A REJECTION OF
THE PLAN SHALL BE ACCOMPANIED BY A WRITTEN STATEMENT OF THE
REASONS FOR THE REJECTION OF THE PLAN. IF THE PLAN IS REJECTED,
THE BOARD OF TRUSTEES SHALL SUBMIT A REVISED PLAN TO THE
SECRETARY WITHIN 60 DAYS OF THE PLAN'S REJECTION.

(C) PLAN APPROVAL.--UPON THE APPROVAL OF THE PLAN BY THE
SECRETARY, THE RURAL REGIONAL COLLEGE SHALL BE CONSIDERED
ESTABLISHED.

SECTION 1907-G. POWERS AND DUTIES OF BOARD OF TRUSTEES.

(A) GENERAL RULE.--THE BOARD OF TRUSTEES APPOINTED UNDER
SECTION 1905-G SHALL ADMINISTER AND SUPERVISE THE AFFAIRS OF THE
RURAL REGIONAL COLLEGE ESTABLISHED UNDER THIS ARTICLE, SUBJECT
TO ANY OTHER LAW AND TO ANY REGULATIONS PROMULGATED BY THE STATE
BOARD PERTAINING TO RURAL REGIONAL COLLEGES, THE BOARD OF
TRUSTEES SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

(1) TO ADVANCE THE MISSION OF THE RURAL REGIONAL COLLEGE
IN SERVICE TO RESIDENTS OF THE REGION DESIGNATED UNDER
SECTION 1904-G(A)(2).

(2) TO APPOINT AND FIX THE SALARY OF A PRESIDENT OF THE
RURAL REGIONAL COLLEGE.

(3) TO APPOINT AND FIX THE SALARY OF A CHIEF FINANCIAL
OFFICER OF THE RURAL REGIONAL COLLEGE.

(4) TO HOLD, RENT, LEASE, SELL, PURCHASE AND IMPROVE
LAND, BUILDINGS, FURNISHINGS, EQUIPMENT, MATERIALS, BOOKS AND
SUPPLIES.

(5) TO ENTER INTO CONTRACTS FOR SERVICES WITH COMMUNITY
EDUCATION COUNCILS, SCHOOLS, COLLEGES OR UNIVERSITIES, OR
WITH SCHOOL DISTRICTS OR MUNICIPALITIES, AND OTHER APPLICABLE
OR APPROPRIATE AGENCIES AND ORGANIZATIONS TO EFFECTUATE THE
PURPOSES OF THIS ARTICLE.

(6) TO ACCEPT AND RECEIVE GIFTS OF REAL AND PERSONAL
PROPERTY AND FEDERAL, STATE AND LOCAL MONEY, LOANS AND GRANTS
AND TO EXPEND THE SAME.

(7) TO MAKE POLICIES PROVIDING FOR THE ADMISSION AND
EXPULSION OF STUDENTS, THE COURSES OF INSTRUCTION, THE
TUITION AND FEES TO BE CHARGED AND FOR ALL MATTERS RELATED TO
THE GOVERNMENT AND ADMINISTRATION OF THE RURAL REGIONAL
COLLEGE, PROVIDED THAT POLICIES RELATED TO ADMISSION, TUITION
AND FEES GIVE PREFERENCE TO RESIDENTS OF THE AREA DESIGNATED
BY THE SECRETARY UNDER SECTION 1904-G(A)(2).

(8) TO SUBMIT TO THE SECRETARY FOR APPROVAL PROPOSED
AMENDMENTS TO THE RURAL REGIONAL COLLEGE PLAN.

(9) TO ENTER INTO CONTRACTS FOR SERVICES TO HIGH SCHOOLS
LOCATED IN THE AREA DESIGNATED BY THE SECRETARY UNDER SECTION
1904-G TO PROVIDE SERVICES, INCLUDING AREA VOCATIONAL-
TECHNICAL EDUCATION SERVICES.
(10) TO APPROVE AN ANNUAL BUDGET TO BE SUBMITTED TO THE
SECRETARY FOR FUNDING.

(11) TO EXERCISE SUCH OTHER POWERS AND PERFORM SUCH
OTHER DUTIES AS ARE NECESSARY TO EFFECTUATE THE PURPOSES OF
THIS ARTICLE.

(B) DUTIES OF BOARD.--THE BOARD OF TRUSTEES SHALL ENTER INTO
CONTRACTS, HOLD PROPERTY AND TAKE OTHER ACTIONS IN THE NAME OF
THE RURAL REGIONAL COLLEGE.

(C) INITIAL PARTNERSHIP.--

(1) THE BOARD OF TRUSTEES SHALL SELECT INITIALLY A
PARTNER INSTITUTION TO DEVELOP AND OFFER ACCREDITED COURSES
AND PROGRAMS OF STUDY AT THE APPROVED SITES OF OPERATION.

(2) THE PARTNER INSTITUTION SHALL SELECT PROGRAMS ONLY
WITH APPROVAL OF THE BOARD OF TRUSTEES AND CONSISTENT WITH
THE PARTNER INSTITUTION'S ACCREDITATION AND SHALL BE
RESPONSIBLE FOR STAFFING AND EVALUATION AND PROVISION OF
OTHER SUPPORT SERVICES AS MAY BE REQUIRED FOR STUDENTS.

(3) THE BOARD OF TRUSTEES MAY CONTRACT WITH OTHER
COLLEGES TO PROVIDE CURRICULA NOT AVAILABLE THROUGH THE
PARTNER INSTITUTION.

(4) AS THE RURAL REGIONAL COLLEGE IS ABLE TO OPERATE ON
ITS OWN, A TRANSITION PLAN AND BUDGET SHALL BE INCLUDED IN
THE CONTRACT BETWEEN THE RURAL REGIONAL COLLEGE AND THE
PARTNER INSTITUTION TO EFFICIENTLY EXPEDITE THE TRANSITION.

(5) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO
PRECLUDE THE BOARD OF TRUSTEES FROM CONTRACTING FOR SPECIFIC
SERVICES OR PROGRAMS FOLLOWING THE TRANSITION FROM THE
INITIAL PARTNER INSTITUTION.

SECTION 1908-G. OFFICERS OF RURAL REGIONAL COLLEGE.

(A) PRESIDENT.--THE PRESIDENT SHALL BE THE CHIEF EXECUTIVE
AND ADMINISTRATIVE OFFICER OF THE RURAL REGIONAL COLLEGE AND
SHALL PERFORM ALL DUTIES WHICH THE BOARD OF TRUSTEES MAY
PRESCRIBE. THE PRESIDENT SHALL HAVE THE RIGHT TO ATTEND MEETINGS
OF THE BOARD OF TRUSTEES AND TO BE HEARD ON ALL MATTERS BEFORE
IT BUT SHALL HAVE NO RIGHT TO VOTE ON ANY MATTER.

(B) CHIEF FINANCIAL OFFICER.--THE CHIEF FINANCIAL OFFICER OF
THE RURAL REGIONAL COLLEGE SHALL GIVE A PROPER BOND IN SUCH
AMOUNT AND WITH SUCH CORPORATE SURETY AS IS APPROVED BY THE
BOARD OF TRUSTEES. THE CHIEF FINANCIAL OFFICER SHALL FILE THE
BOND WITH THE BOARD OF TRUSTEES. THE ACCOUNT OF THE CHIEF
FINANCIAL OFFICER SHALL BE AUDITED ANNUALLY BY A CERTIFIED
PUBLIC ACCOUNTANT OR OTHER QUALIFIED PUBLIC ACCOUNTANT SELECTED
BY THE BOARD OF TRUSTEES.

SECTION 1909-G. STUDENTS.

ANY INDIVIDUAL MAY APPLY FOR ADMISSION TO THE RURAL REGIONAL
COLLEGE ESTABLISHED UNDER THIS ARTICLE, PROVIDED THAT PREFERENCE
IN ADMISSIONS, TUITION AND FEES MAY BE GIVEN TO RESIDENTS OF THE
MULTICOUNTY AREA DESIGNATED BY THE SECRETARY UNDER SECTION 1904-
G(A)(2). IN CONSIDERING APPLICANTS FOR ADMISSION, THE RURAL
REGIONAL COLLEGE SHALL NOT DISCRIMINATE ON THE BASIS OF RACE,
COLOR, GENDER, MARITAL STATUS, ETHNIC GROUP OR RELIGION.

SECTION 1910-G. TUITION.

THE TUITION AND FEES CHARGED BY THE RURAL REGIONAL COLLEGE
SHALL BE AN AMOUNT DETERMINED BY THE BOARD OF TRUSTEES, IN
ACCORDANCE WITH THE BUDGET SUBMITTED TO THE SECRETARY. THE BOARD
OF TRUSTEES SHALL ANNUALLY ESTABLISH A SEPARATE SCHEDULE OF
TUITION AND FEES FOR STUDENTS THAT RESIDE INSIDE THE REGION
DESIGNATED UNDER SECTION 1904-G(A)(2) AND STUDENTS THAT RESIDE
OUTSIDE THE REGION.

SECTION 1911-G. DISSOLUTION AND TRANSITION OF RURAL REGIONAL

SECTION 1912-G. DEGREES.

THE RURAL REGIONAL COLLEGE ESTABLISHED UNDER THIS ARTICLE MAY AWARD ANY TYPE OF DIPLOMA, TECHNICAL OR CAREER TRAINING CERTIFICATE OR ASSOCIATE DEGREES IN THE ARTS, SCIENCES, TECHNOLOGIES OR GENERAL EDUCATION UPON SUCCESSFUL COMPLETION OF PROGRAMS AUTHORIZED BY THE BOARD OF TRUSTEES, AS LONG AS THE PARTNER INSTITUTION PROVIDES THE ACCREDITED CURRICULA AND COURSES UNDER CONTRACT TO THE RURAL REGIONAL COLLEGE, THE REQUIREMENTS OF THE ACCREDITING AGENCY SHALL PERTAIN TO THE GRANTING OF SUCH AWARDS.

SECTION 1913-G. FUNDING.

THE RURAL REGIONAL COLLEGE ESTABLISHED UNDER THIS ARTICLE SHALL BE FUNDED BY TUITION AND FEES ESTABLISHED BY THE BOARD OF TRUSTEES AND MAY ACCEPT APPROPRIATIONS FROM THE GENERAL ASSEMBLY, GRANTS FROM THE FEDERAL GOVERNMENT, GRANTS FROM THE COMMONWEALTH, GRANTS FROM PRIVATE FOUNDATIONS OR ANY COMBINATION THEREOF.

SECTION 1914-G. FINANCIAL AID.

(A) INITIAL PARTNERSHIP PERIOD.--DURING THE RURAL REGIONAL COLLEGE'S INITIAL PARTNERSHIP WITH A PARTNER INSTITUTION, A STUDENT ENROLLED IN THE RURAL REGIONAL COLLEGE SHALL BE ELIGIBLE FOR...
FOR CONSIDERATION FOR A PENNSYLVANIA STATE GRANT AND OTHER
COMMONWEALTH-FUNDED FINANCIAL AID ADMINISTERED BY THE
PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY, PROVIDED THAT
THE PARTNER INSTITUTION IS AN INSTITUTION OF HIGHER EDUCATION AS
APPROVED BY AND IN ACCORDANCE WITH RULES AND REGULATIONS OF THE
PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY.

(B) POSTTRANSITION PERIOD.--UPON THE RURAL REGIONAL COLLEGE
OPERATING ON ITS OWN WITHOUT A PARTNER INSTITUTION, A STUDENT
SHALL ONLY BE ELIGIBLE FOR CONSIDERATION FOR A PENNSYLVANIA
STATE GRANT AND ANY OTHER COMMONWEALTH-FUNDED FINANCIAL AID IF
THE RURAL REGIONAL COLLEGE IS APPROVED BY THE DEPARTMENT OF
EDUCATION, IS ACCREDITED OR A RECOGNIZED CANDIDATE FOR
ACCREDITATION WITH AN ACCREDITING BODY RECOGNIZED UNDER RULES
AND REGULATIONS OF THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE
AGENCY AND SATISFIES ANY OTHER INSTITUTIONAL AND ADMINISTRATIVE
PROGRAM REQUIREMENTS AS THE PENNSYLVANIA HIGHER EDUCATION
ASSISTANCE AGENCY MAY REQUIRE.

SECTION 1915-G. REGULATIONS.

THE STATE BOARD MAY PROMULGATE REGULATIONS UNDER THE ACT OF
JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW
ACT, AS NECESSARY TO IMPLEMENT THIS ARTICLE.

SECTION 1916-G. REPORTS.

THE LEGISLATIVE BUDGET AND FINANCE COMMITTEE SHALL PREPARE
AND SUBMIT TO THE GENERAL ASSEMBLY WRITTEN INTERIM AND FINAL
REPORTS EVALUATING THE OPERATION OF THIS ARTICLE. THE INTERIM
REPORT SHALL BE SUBMITTED BY JUNE 30, 2018, AND THE FINAL REPORT
SHALL BE SUBMITTED BY JUNE 30, 2022. EACH REPORT SHALL INCLUDE,
BUT MAY NOT BE LIMITED TO, THE FOLLOWING:

(1) A REVIEW OF THE SUCCESS OF THE RURAL REGIONAL
COLLEGE ESTABLISHED UNDER THIS ARTICLE IN SATISFYING THE
GOALS SET FORTH IN THE RURAL REGIONAL COLLEGE PLAN APPROVED
BY THE SECRETARY AND IN SATISFYING THE NEEDS OF THE
MULTICOUNTY AREA THE RURAL REGIONAL COLLEGE WAS ESTABLISHED
TO SERVE.

(2) DEMOGRAPHIC AND PROGRAM DATA, INCLUDING THE
FOLLOWING:

(I) NUMBERS OF FULL-TIME AND PART-TIME FACULTY AND
STUDENT ENROLLMENTS, IN TOTAL AND WITHIN CURRICULAR
AREAS.

(II) DUAL ENROLLMENT PARTICIPATION.

(III) CREDIT HOURS TAUGHT BY FACULTY.

(IV) DISTANCE LEARNING COURSES OFFERED.

(V) ARTICULATION AGREEMENTS WITH HIGHER EDUCATION
INSTITUTIONS.

(VI) LISTS OF COURSES WITH FEWER THAN 20 STUDENTS.

(VII) LISTS OF COURSES WITH MORE THAN 50 STUDENTS.

WHERE AVAILABLE, STUDENT DATA SHALL BE DISAGGREGATED BY
CATEGORIES, INCLUDING GENDER, RACE AND AGE.

(3) STUDENT PROGRESS AND ACHIEVEMENT MEASURES, INCLUDING
THE FOLLOWING:

(I) RETENTION RATES RELATED TO STUDENT GOALS.

(II) GRADUATION AND COMPLETION RATES AFTER TWO,
THREE AND FOUR YEARS.

(III) PASSING RATES ON CERTIFICATION AND LICENSURE
EXAMINATIONS.

(IV) NUMBER OF STUDENTS EMPLOYED WITHIN ONE YEAR OF
PROGRAM COMPLETION.

(V) PLACEMENT INTO ADDITIONAL EDUCATION OR
EMPLOYMENT IN THE STUDENT'S FIELD OF STUDY.

WHERE AVAILABLE, DATA SHALL BE DISAGGREGATED BY CATEGORIES,
INCLUDING GENDER, RACE AND AGE.

(4) ECONOMIC AND WORK FORCE DEVELOPMENT MEASURES,
INCLUDING:

(I) EMPLOYER SATISFACTION.

(II) CUSTOMIZED JOB TRAINING OFFERINGS.

(III) EMPLOYMENT STATUS.

(IV) NUMBERS OF BUSINESSES AND ORGANIZATIONS SERVED.

(5) RECOMMENDATIONS FOR FUTURE LEGISLATION.

SECTION 1917-G. TRANSFERS OF CREDITS.

FOR PURPOSES OF FACILITATING THE TRANSFER OF CREDITS ATTAINED BY STUDENTS OF THE RURAL REGIONAL COLLEGE, THE RURAL REGIONAL COLLEGE SHALL BE CONSIDERED A PUBLIC INSTITUTION OF HIGHER EDUCATION AS DEFINED IN SECTION 2001-C AND, UPON THE RURAL REGIONAL COLLEGE BEING ABLE TO OPERATE ON ITS OWN, SHALL BE REQUIRED TO FULFILL ALL THE DUTIES AND OBTAIN FOR ITS STUDENTS ALL THE BENEFITS OF ARTICLE XX-C WITHIN TWO YEARS OF OPERATION OF THE ESTABLISHED RURAL REGIONAL COLLEGE.

SECTION 11. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 2320. STATE AID FOR FISCAL YEAR 2015-2016.

NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, EACH LIBRARY SUBJECT TO 24 PA.C.S. CH. 93 (RELATING TO PUBLIC LIBRARY CODE), SHALL BE ELIGIBLE FOR STATE AID FOR FISCAL YEAR 2015-2016, AS FOLLOWS:

(1) FUNDS APPROPRIATED FOR LIBRARIES SHALL BE DISTRIBUTED TO EACH LIBRARY UNDER THE FOLLOWING FORMULA:

(II) Multiply the quotient under subparagraph (I) by
the total state-aid subsidy for fiscal year 2015-2016.
(2) Following distribution of funds appropriated for
state aid to libraries under paragraph (1), any remaining
funds may be distributed at the discretion of the state
librarian.
(3) If funds appropriated for state aid to libraries in
fiscal year 2015-2016 are less than funds appropriated in
fiscal year 2002-2003, the state librarian may waive
standards as prescribed in 24 Pa.C.S. Ch. 93.
(4) Each library system receiving state aid under this
section may distribute the local library share of that aid in
a manner as determined by the board of directors of the
library system.
(5) In the case of a library system that contains a
library operating in a city of the second class, changes to
the distribution of state aid to the library shall be made by
mutual agreement between the library and the library system.
(6) In the event of a change in district library center
population prior to the effective date of this section as a
result of:
   (I) a city, borough, town, township, school district
       or county moving from one library center to another; or
   (II) a transfer of district library center status to
       a county library system.
   Funding of district library center aid shall be paid based on
the population of the newly established or reconfigured
district library center.
(7) In the event of a change in direct service area from
one library to another, the state librarian, upon agreement
OF THE AFFECTED LIBRARIES, MAY REDISTRIBUTE THE LOCAL LIBRARY
SHARE OF AID TO THE LIBRARY CURRENTLY SERVICING THE AREA.
SECTION 12. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
SECTION 2502.53. STUDENT-WEIGHTED BASIC EDUCATION FUNDING.--
(A) FOR THE 2014-2015 SCHOOL YEAR AND EACH SCHOOL YEAR
THEREAFTER, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT A
BASIC EDUCATION FUNDING ALLOCATION WHICH SHALL CONSIST OF THE
FOLLOWING:
(1) AN AMOUNT EQUAL TO THE SCHOOL DISTRICT'S BASIC EDUCATION
FUNDING ALLOCATION FOR THE 2013-2014 SCHOOL YEAR PURSUANT TO
SECTION 1722-J(16) OF THE ACT OF APRIL 9, 1929 (P.L.343,
NO.176), KNOWN AS "THE FISCAL CODE."
(2) AN AMOUNT EQUAL TO THE SCHOOL DISTRICT'S BASIC EDUCATION
FORMULA ENHANCEMENT ALLOCATION PAID DURING THE 2014-2015 SCHOOL
YEAR.
(3) A STUDENT-BASED ALLOCATION TO BE CALCULATED AS FOLLOWS:
(I) MULTIPLY THE SUM OF THE SCHOOL DISTRICT'S WEIGHTED BASIC
EDUCATION STUDENT HEADCOUNT AND THE SCHOOL DISTRICT'S
SPARSITY/SIZE ADJUSTMENT BY THE SCHOOL DISTRICT'S MEDIAN
HOUSEHOLD INCOME INDEX AND LOCAL EFFORT CAPACITY INDEX.
(II) MULTIPLY THE PRODUCT IN SUBPARAGRAPH (I) BY THE
DIFFERENCE BETWEEN THE AMOUNT APPROPRIATED FOR THE ALLOCATION OF
BASIC EDUCATION FUNDING AND THE SUM OF THE AMOUNTS ALLOCATED IN
PARAGRAPHS (1) AND (2) FOR ALL SCHOOL DISTRICTS.
(III) DIVIDE THE PRODUCT IN SUBPARAGRAPH (II) BY THE SUM OF
THE PRODUCTS IN SUBPARAGRAPH (I) FOR ALL SCHOOL DISTRICTS.
(B) FOR THE PURPOSES OF THIS SECTION:
(1) THE WEIGHTED BASIC EDUCATION STUDENT HEADCOUNT SHALL BE
CALCULATED FOR EACH SCHOOL DISTRICT AS FOLLOWS:
(I) MULTIPLY THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP
(II) Multiply the school district's number of students living in acute poverty by six-tenths (0.6).
(III) Multiply the school district's number of students living in poverty by three-tenths (0.3).
(IV) Multiply the school district's number of students living in concentrated poverty by three-tenths (0.3).
(V) Multiply the school district's number of limited English proficient students by six-tenths (0.6).
(VI) Multiply the charter and cyber charter school average daily membership applicable to the school district by two-tenths (0.2).
(VII) Add the products in subparagraphs (I), (II), (III), (IV), (V) and (VI).

2) The sparsity ratio shall be calculated for each school district as follows:
(I) Divide the school district's average daily membership per square mile by the state's average daily membership per square mile.
(II) Multiply the quotient in subparagraph (I) by five-tenths (0.5).
(III) Subtract the product in subparagraph (II) from one (1).

3) The size ratio for each school district shall be calculated as follows:
(I) Divide the school district's average daily membership by the average of the average daily membership of all school districts.
(II) Multiply the quotient in subparagraph (I) by five-tenths (0.5).
(III) Subtract the product in subparagraph (II) from one.

(4) The sparsity/size ratio for each school district shall be calculated by adding forty percent (40%) of the school district's sparsity ratio and sixty percent (60%) of the school district's size ratio.

(5) The sparsity/size adjustment for each school district shall be calculated as follows:

(I) For a school district with a sparsity/size ratio less than or equal to the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio for all school districts, the school district's sparsity/size adjustment shall be zero.

(II) For a school district with a sparsity/size ratio greater than the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio for all school districts, the school district's sparsity/size adjustment shall be calculated as follows:

(A) Divide the school district's sparsity/size ratio by the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio for all school districts.

(B) Subtract one (1) from the quotient in clause (A).

(C) Multiply the remainder in clause (B) by seven-tenths (0.7).

(D) Multiply the product in clause (C) by the school district's weighted basic education student headcount.

(6) The number of students living in acute poverty for each school district shall be calculated by multiplying the school district's percentage of students who are six (6) to seventeen (17) years of age according to the United States Census Bureau's 20150B0762PN1999.
RATIO OF INCOME TO POVERTY LESS THAN OR EQUAL TO NINETY-NINE PERCENT (99%) OF THE FEDERAL POVERTY GUIDELINES BY THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP.

(7) THE NUMBER OF STUDENTS LIVING IN POVERTY FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED BY MULTIPLYING THE SCHOOL DISTRICT'S PERCENTAGE OF STUDENTS WHO ARE SIX (6) TO SEVENTEEN (17) YEARS OF AGE ACCORDING TO THE UNITED STATES CENSUS BUREAU'S RATIO OF INCOME TO POVERTY GREATER THAN NINETY-NINE PERCENT (99%) AND LESS THAN ONE HUNDRED AND EIGHTY-FIVE PERCENT (185%) OF THE FEDERAL POVERTY GUIDELINES BY THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP.

(8) THE NUMBER OF STUDENTS LIVING IN CONCENTRATED POVERTY FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS FOLLOWS:

(I) FOR A SCHOOL DISTRICT IN WHICH THE PERCENTAGE OF STUDENTS LIVING IN ACUTE POVERTY IS LESS THAN THIRTY PERCENT (30%), THE SCHOOL DISTRICT'S NUMBER OF STUDENTS LIVING IN CONCENTRATED POVERTY SHALL BE ZERO.

(II) FOR A SCHOOL DISTRICT IN WHICH THE PERCENTAGE OF STUDENTS LIVING IN ACUTE POVERTY IS EQUAL TO OR GREATER THAN THIRTY PERCENT (30%), MULTIPLY THE SCHOOL DISTRICT'S PERCENTAGE OF STUDENTS LIVING IN ACUTE POVERTY BY THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP.

(9) THE MEDIAN HOUSEHOLD INCOME INDEX FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS FOLLOWS:

(I) DIVIDE THE SCHOOL DISTRICT'S MEDIAN HOUSEHOLD INCOME BY THE MEDIAN HOUSEHOLD INCOME FOR PENNSYLVANIA AS DETERMINED BY THE UNITED STATES CENSUS BUREAU.

(II) DIVIDE ONE (1) BY THE QUOTIENT IN SUBPARAGRAPH (I).

(10) THE LOCAL EFFORT FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED BY ADDING THE SCHOOL DISTRICT'S STATE PROPERTY TAX
REDUCTION ALLOCATION, TAXES LEVIED AND ASSESSED BY THE LOCAL EDUCATION AGENCY, DELINQUENCY ON TAXES LEVIED AND ASSESSED BY THE LOCAL EDUCATION AGENCY, REVENUE FROM LOCAL GOVERNMENT UNITS, AND OTHER LOCAL REVENUES NOT SPECIFIED ELSEWHERE, AS DESIGNATED IN THE DEPARTMENT OF EDUCATION'S MANUAL OF ACCOUNTING AND FINANCIAL REPORTING FOR PENNSYLVANIA PUBLIC SCHOOLS.

(11) THE LOCAL EFFORT PER HOUSEHOLD FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS FOLLOWS:

(I) DIVIDE THE SCHOOL DISTRICT'S LOCAL EFFORT BY THE SCHOOL DISTRICT'S NUMBER OF HOUSEHOLDS AS DETERMINED BY THE UNITED STATES CENSUS BUREAU.

(II) DIVIDE THE QUOTIENT IN SUBPARAGRAPH (I) BY THE SCHOOL DISTRICT'S MEDIAN HOUSEHOLD INCOME AS DETERMINED BY THE UNITED STATES CENSUS BUREAU.

(III) MULTIPLY THE QUOTIENT IN SUBPARAGRAPH (II) BY ONE-THOUSAND (1,000).

(12) THE LOCAL EFFORT FACTOR FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED BY DIVIDING THE SCHOOL DISTRICT'S LOCAL EFFORT PER HOUSEHOLD BY THE STATE MEDIAN LOCAL EFFORT PER HOUSEHOLD FOR ALL SCHOOL DISTRICTS.

(13) THE CURRENT EXPENDITURE PER WEIGHTED STUDENT FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED BY DIVIDING THE SCHOOL DISTRICT'S CURRENT EXPENDITURES BY THE SUM OF THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP, SPARSITY SIZE ADJUSTMENT AND THE AMOUNTS DETERMINED FOR THE SCHOOL DISTRICT UNDER SUBSECTION (B)(1)(II), (III), (IV), (V) AND (VI).

(14) THE EXCESS EXPENDITURE FACTOR FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS FOLLOWS:

(I) DIVIDE THE SCHOOL DISTRICT'S CURRENT EXPENDITURE PER WEIGHTED STUDENT BY THE STATE MEDIAN CURRENT EXPENDITURE PER WEIGHTED STUDENT.
WEIGHTED STUDENT FOR ALL SCHOOL DISTRICTS.

(II) DIVIDE ONE (1) BY THE QUOTIENT IN SUBPARAGRAPH (I).

(15) THE LOCAL EFFORT INDEX FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS Follows:

(I) FOR A SCHOOL DISTRICT WITH AN EXCESS EXPENDITURE FACTOR EQUAL TO OR GREATER THAN ONE (1), MULTIPLY THE SCHOOL DISTRICT'S LOCAL EFFORT FACTOR BY ONE (1).

(II) FOR A SCHOOL DISTRICT WITH AN EXCESS EXPENDITURE FACTOR LESS THAN ONE (1), MULTIPLY THE SCHOOL DISTRICT'S LOCAL EFFORT FACTOR BY THE SCHOOL DISTRICT'S EXCESS EXPENDITURE FACTOR.

(16) THE LOCAL EFFORT RATE FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED BY DIVIDING THE SCHOOL DISTRICT'S LOCAL EFFORT BY THE SUM OF THE SCHOOL DISTRICT'S MARKET VALUE AND ADJUSTED PERSONAL INCOME.

(17) THE LOCAL CAPACITY PER WEIGHTED STUDENT FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS Follows:

(I) MULTIPLY THE SUM OF THE SCHOOL DISTRICT'S MARKET VALUE AND ADJUSTED PERSONAL INCOME BY THE STATE MEDIAN LOCAL EFFORT RATE FOR ALL SCHOOL DISTRICTS.

(II) DIVIDE THE PRODUCT IN SUBPARAGRAPH (I) BY THE SUM OF THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP, SPARSITY SIZE ADJUSTMENT AND THE AMOUNTS DETERMINED FOR THE SCHOOL DISTRICT UNDER SUBSECTION (B)(1)(II), (III), (IV), (V) AND (VI).

(18) THE LOCAL CAPACITY INDEX FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS Follows:

(I) FOR A SCHOOL DISTRICT WITH A LOCAL CAPACITY PER WEIGHTED STUDENT EQUAL TO OR GREATER THAN THE STATE MEDIAN LOCAL CAPACITY PER WEIGHTED STUDENT, THE LOCAL CAPACITY INDEX FOR THE SCHOOL DISTRICT SHALL BE ZERO.

(II) FOR A SCHOOL DISTRICT WITH A LOCAL CAPACITY PER
WEIGHTED STUDENT LESS THAN THE STATE MEDIAN LOCAL CAPACITY PER WEIGHTED STUDENT, THE LOCAL CAPACITY INDEX SHALL BE CALCULATED AS FOLLOWS:

(A) DIVIDE THE SCHOOL DISTRICT'S LOCAL CAPACITY PER WEIGHTED STUDENT BY THE STATE MEDIAN LOCAL CAPACITY PER WEIGHTED STUDENT FOR ALL SCHOOL DISTRICTS.

(B) SUBTRACT THE QUOTIENT IN CLAUSE (A) FROM ONE (1).

(19) THE LOCAL EFFORT CAPACITY INDEX FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED BY ADDING THE SCHOOL DISTRICT'S LOCAL EFFORT INDEX TO THE SCHOOL DISTRICT'S LOCAL CAPACITY INDEX.

(C) THE DATA USED TO CALCULATE THE FACTORS IN THIS SECTION SHALL BE BASED ON THE MOST RECENT YEAR FOR WHICH DATA IS AVAILABLE AS DETERMINED BY THE DEPARTMENT OF EDUCATION. THE AVERAGE DAILY MEMBERSHIP SHALL BE THE AVERAGE OF THE THREE (3) MOST RECENT YEARS' AVERAGE DAILY MEMBERSHIP. THE AVERAGE DAILY MEMBERSHIP USED IN SUBSECTION (B)(6), (7), (8), (13) AND (17) SHALL BE BASED ON THE MOST RECENT YEAR'S AVERAGE DAILY MEMBERSHIP. INFORMATION UTILIZED FROM THE UNITED STATES CENSUS BUREAU SHALL BE FROM THE MOST RECENT AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATE OF THE UNITED STATES CENSUS BUREAU.

(D) THE APPROPRIATION FOR BASIC EDUCATION FORMULA ENHANCEMENT MADE DURING THE 2015-2016 FISCAL YEAR SHALL BE USED TO MAKE ALLOCATIONS UNDER THIS SECTION.

(E) ANY UNDISTRIBUTED FUNDS SHALL BE DEPOSITED IN THE FINANCIAL RECOVERY DISTRICT TRANSITIONAL LOAN ACCOUNT.

SECTION 13. SECTION 2509.1 OF THE ACT IS AMENDED BY ADDING A SUBSECTION TO READ:

SECTION 2509.1. PAYMENTS TO INTERMEDIATE UNITS.--* * *

(C.2) (1) FOR THE 2015-2016 SCHOOL YEAR, FIVE AND ONE-HALF
PERCENT (5.5%) OF THE STATE SPECIAL EDUCATION APPROPRIATION
SHALL BE PAID TO INTERMEDIATE UNITS ON ACCOUNT OF SPECIAL
EDUCATION SERVICES.

(2) THIRTY-FIVE PERCENT (35%) OF THE AMOUNT UNDER PARAGRAPH
(1) SHALL BE DISTRIBUTED EQUALLY AMONG ALL INTERMEDIATE UNITS.

(3) SIXTY-FIVE PERCENT (65%) OF THE AMOUNT UNDER PARAGRAPH
(1) SHALL BE DISTRIBUTED TO EACH INTERMEDIATE UNIT IN PROPORTION
TO THE NUMBER OF AVERAGE DAILY MEMBERSHIP OF THE COMPONENT
SCHOOL DISTRICTS OF EACH INTERMEDIATE UNIT AS COMPARED TO THE
STATEWIDE TOTAL AVERAGE DAILY MEMBERSHIP.

* * *

SECTION 14. SECTION 2509.5 OF THE ACT IS AMENDED BY ADDING A
SUBSECTION TO READ:

SECTION 2509.5. SPECIAL EDUCATION PAYMENTS TO SCHOOL
DISTRICTS.--* * *

(BBB) (1) DURING THE 2015-2016 SCHOOL YEAR AND EACH SCHOOL
YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL RECEIVE AN AMOUNT
EQUAL TO THE AMOUNT IT RECEIVED DURING THE 2013-2014 SCHOOL YEAR
UNDER SUBSECTION (AAA) AND A STUDENT-BASED ALLOCATION EQUAL TO
THE DIFFERENCE BETWEEN THE AMOUNT ALLOCATED FOR SPECIAL
EDUCATION PAYMENTS FOR SCHOOL DISTRICTS AND THE SUM OF THE
AMOUNTS PAID UNDER SUBSECTION (AAA) DURING THE 2013-2014 SCHOOL
YEAR TO ALL SCHOOL DISTRICTS. THE STUDENT-BASED ALLOCATION FOR
EACH SCHOOL DISTRICT SHALL BE CALCULATED AS FOLLOWS:

(I) MULTIPLY THE SUM OF THE SCHOOL DISTRICT'S WEIGHTED
SPECIAL EDUCATION STUDENT HEADCOUNT AND ITS SPARSITY/SIZE
ADJUSTMENT CALCULATED UNDER PARAGRAPH (2)(V) BY ITS MARKET
VALUE/INCOME AID RATIO AND ITS EQUALIZED MILLAGE MULTIPLIER
CALCULATED UNDER PARAGRAPH (2)(VI).

(II) MULTIPLY THE PRODUCT UNDER SUBPARAGRAPH (I) BY THE

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TOTAL AMOUNT AVAILABLE FOR THE STUDENT-BASED ALLOCATION.

(III) DIVIDE THE PRODUCT UNDER SUBPARAGRAPH (II) BY THE SUM
OF THE PRODUCTS UNDER SUBPARAGRAPH (I) FOR ALL SCHOOL DISTRICTS.

(2) FOR THE PURPOSES OF PARAGRAPH (1)(I):

(I) THE WEIGHTED SPECIAL EDUCATION STUDENT HEADCOUNT SHALL
BE CALCULATED FOR EACH SCHOOL DISTRICT AS FOLLOWS:

(A) MULTIPLY THE NUMBER OF SPECIAL EDUCATION STUDENTS WHO
RESIDE IN THE SCHOOL DISTRICT FOR WHICH THE ANNUAL EXPENDITURE
IS LESS THAN TWENTY-FIVE THOUSAND DOLLARS ($25,000), WHICH SHALL
BE KNOWN AS CATEGORY 1, BY ONE AND FIFTY-ONE HUNDREDS (1.51).

(B) MULTIPLY THE NUMBER OF SPECIAL EDUCATION STUDENTS WHO
RESIDE IN THE SCHOOL DISTRICT FOR WHICH THE ANNUAL EXPENDITURE
IS EQUAL TO OR GREATER THAN TWENTY-FIVE THOUSAND DOLLARS
($25,000), BUT LESS THAN FIFTY THOUSAND DOLLARS ($50,000), WHICH
SHALL BE KNOWN AS CATEGORY 2, BY THREE AND SEVENTY-SEVEN
HUNDREDS (3.77).

(C) MULTIPLY THE NUMBER OF SPECIAL EDUCATION STUDENTS WHO
RESIDE IN THE SCHOOL DISTRICT FOR WHICH THE ANNUAL EXPENDITURE
IS EQUAL TO OR GREATER THAN FIFTY THOUSAND DOLLARS ($50,000),
WHICH SHALL BE KNOWN AS CATEGORY 3, BY SEVEN AND FORTY-SIX
HUNDREDS (7.46).

(D) ADD THE PRODUCTS UNDER CLAUSES (A), (B) AND (C).

(II) THE SPARSITY RATIO SHALL BE CALCULATED FOR EACH SCHOOL
DISTRICT AS FOLLOWS:

(A) DIVIDE THE SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP
PER SQUARE MILE BY THE COMMONWEALTH'S AVERAGE DAILY MEMBERSHIP
PER SQUARE MILE.

(B) MULTIPLY THE QUOTIENT UNDER CLAUSE (A) BY ONE-HALF
(0.5).

(C) SUBTRACT THE PRODUCT UNDER CLAUSE (B) FROM ONE (1).
(III) The size ratio for each school district shall be calculated as follows:

(A) Divide the school district's average daily membership by the average of the average daily membership of all school districts.

(B) Multiply the quotient under clause (A) by one-half (0.5).

(C) Subtract the product under clause (B) from one (1).

(IV) The sparsity/size ratio for each school district shall be calculated by adding forty percent (40%) of the sparsity ratio and sixty percent (60%) of the size ratio.

(V) The sparsity/size adjustment for each school district shall be calculated as follows:

(A) For a school district with a sparsity/size ratio less than or equal to the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio of all school districts, the school district's sparsity/size adjustment shall be zero (0).

(B) For a school district with a sparsity/size ratio greater than the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio of all school districts, the school district's sparsity/size adjustment shall be calculated as follows:

(I) Divide the school district's sparsity/size ratio by the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio of all school districts.

(II) Subtract one (1) from the quotient under subclause (I).

(III) Multiply the remainder under subclause (II) by one-half (0.5).

(IV) Multiply the product under subclause (III) by the
SCHOOL DISTRICT'S WEIGHTED SPECIAL EDUCATION STUDENT HEADCOUNT.

(VI) THE EQUALIZED MILLAGE MULTIPLIER FOR EACH SCHOOL DISTRICT SHALL BE CALCULATED AS FOLLOWS:

(A) FOR A SCHOOL DISTRICT WITH AN EQUALIZED MILLAGE RATE GREATER THAN OR EQUAL TO THE EQUALIZED MILLAGE RATE THAT REPRESENTS THE SEVENTIETH PERCENTILE OF THE EQUALIZED MILLAGE RATE OF ALL SCHOOL DISTRICTS, THE SCHOOL DISTRICT'S EQUALIZED MILLAGE MULTIPLIER SHALL BE ONE (1).

(B) FOR A SCHOOL DISTRICT WITH AN EQUALIZED MILLAGE RATE LESS THAN THE EQUALIZED MILLAGE RATE THAT REPRESENTS THE SEVENTIETH PERCENTILE OF THE EQUALIZED MILLAGE RATE OF ALL SCHOOL DISTRICTS, THE SCHOOL DISTRICT'S EQUALIZED MILLAGE MULTIPLIER SHALL BE CALCULATED BY DIVIDING THE SCHOOL DISTRICT'S EQUALIZED MILLAGE RATE BY THE EQUALIZED MILLAGE RATE THAT REPRESENTS THE SEVENTIETH PERCENTILE OF THE EQUALIZED MILLAGE RATE OF ALL SCHOOL DISTRICTS.

(VII) THE DOLLAR RANGES FOR THE ANNUAL EXPENDITURE AMOUNTS DESIGNATED AS CATEGORY 1, CATEGORY 2 AND CATEGORY 3 UNDER SUBPARAGRAPH (I) SHALL BE BASED ON THE INFORMATION REPORTED TO THE DEPARTMENT UNDER SECTION 1372(8).

(VIII) THE DATA USED TO CALCULATE THE WEIGHTED SPECIAL EDUCATION STUDENT HEADCOUNT UNDER SUBPARAGRAPH (I) SHALL BE BASED ON INFORMATION FROM THE MOST RECENT YEAR FOR WHICH DATA IS AVAILABLE AS DETERMINED BY THE DEPARTMENT OF EDUCATION. THE DATA USED TO CALCULATE THE PROVISIONS UNDER SUBPARAGRAPHS (II), (III), (IV), (V) AND (VI) SHALL BE AVERAGED FOR THE THREE MOST RECENT YEARS FOR WHICH DATA IS AVAILABLE AS DETERMINED BY THE DEPARTMENT OF EDUCATION.

SECTION 15. SECTION 2509.8(E) OF THE ACT, ADDED DECEMBER 23, 2003 (P.L.304, NO.48), IS AMENDED AND THE SECTION IS AMENDED BY 20150HB0762PN1999
ADDING A SUBSECTION TO READ:

SECTION 2509.8. EXTRAORDINARY SPECIAL EDUCATION PROGRAM EXPENSES.

(E) For the 2003-2004 school year [and each school year thereafter] through the 2013-2014 school year, the Department of Education shall set aside one percent (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. Such special education program or service shall include, but not be limited to, the transportation of students with disabilities; services related to occupational therapy, physical therapy, speech and language, hearing impairments or visual impairments; or training in orientation and mobility for children who are visually impaired or blind.

(F) (I) For the 2015-2016 school year and each school year thereafter, an amount equal to one percent (1%) of the special education appropriation shall be distributed to school districts and charter schools 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. Such special education program or service shall include, but not be limited to, the transportation of students with disabilities; services related to occupational therapy, physical therapy, speech and language, hearing impairments or visual impairments; or training in orientation and mobility for children who are visually impaired or blind.

(II) Funds distributed to a school district or charter school under this subsection shall be allocated for students for which expenses are incurred on an annual basis that are equal to...
OR GREATER THAN SEVENTY-FIVE THOUSAND DOLLARS ($75,000) AS
FOLLOWS:

(A) FOR A STUDENT FOR WHOM EXPENSES ARE EQUAL TO OR GREATER
THAN SEVENTY-FIVE THOUSAND DOLLARS ($75,000) AND LESS THAN OR
EQUAL TO ONE HUNDRED THOUSAND DOLLARS ($100,000), SUBTRACT THE
STATE SUBSIDIES PAID ON BEHALF OF THE STUDENT TO THE SCHOOL
DISTRICT OR, FOR A STUDENT ENROLLED IN A CHARTER SCHOOL, THE
CHARTER SCHOOL PAYMENT RECEIVED BY THE CHARTER SCHOOL WHERE THE
CHILD IS ENROLLED FROM THE EXPENSE INCURRED FOR THE STUDENT AND
MULTIPLY THE DIFFERENCE BY THE SCHOOL DISTRICT'S OR CHARTER
SCHOOL'S MARKET VALUE/PERSOMAL INCOME AID RATIO.

(B) FOR A STUDENT FOR WHICH EXPENSES ARE GREATER THAN ONE
HUNDRED THOUSAND DOLLARS ($100,000), SUBTRACT THE STATE
SUBSIDIES PAID ON BEHALF OF THE STUDENT TO THE SCHOOL DISTRICT
OR, FOR A STUDENT ENROLLED IN A CHARTER SCHOOL, THE CHARTER
SCHOOL PAYMENT RECEIVED BY THE CHARTER SCHOOL WHERE THE CHILD IS
ENROLLED FROM THE EXPENSE INCURRED FOR THE STUDENT.

(III) NO SCHOOL DISTRICT OR CHARTER SCHOOL SHALL IN ANY
SCHOOL YEAR RECEIVE AN AMOUNT UNDER SUBCLAUSE (I) WHICH EXCEEDS
THE TOTAL AMOUNT OF FUNDING AVAILABLE MULTIPLIED BY THE
PERCENTAGE EQUAL TO THE GREATEST PERCENTAGE OF THE STATE'S
SPECIAL EDUCATION STUDENTS ENROLLED IN A SCHOOL DISTRICT OR
CHARTER SCHOOL.

(P.L.12, NO.3), IS REPEALED:

[SECTION 2509.14. SPECIAL EDUCATION FUNDING FOR ELIGIBLE
STUDENTS WITH DISABILITIES IN COST CATEGORY 3.--(A) FOR THE
2014-2015 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER, THE
DEPARTMENT OF EDUCATION SHALL SET ASIDE AN AMOUNT NOT LESS THAN
ONE PERCENT (1%) OF THE STATE SPECIAL EDUCATION APPROPRIATION
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ABOVE THE LEVEL OF THE APPROPRIATION IN THE BASE YEAR. THE
DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THIS AMOUNT AS PROVIDED
IN SUBSECTION (B).

(B) FOR THE 2014-2015 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER, EACH SCHOOL DISTRICT IN THIS COMMONWEALTH SHALL RECEIVE A PRO RATA SHARE OF THE AMOUNT SET ASIDE UNDER SUBSECTION (A) BASED UPON THE NUMBER OF ELIGIBLE STUDENTS RESIDING OR ENROLLED IN EACH SCHOOL DISTRICT AND CLASSIFIED IN COST CATEGORY 3 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR.

(C) THE FUNDING PROVIDED UNDER THIS SECTION SHALL BE ACCOUNTED FOR AS PART OF ACTUAL SPECIAL EDUCATION SPENDING AND AS PART OF THE SPECIAL EDUCATION ALLOCATION RECEIVED BY A SCHOOL DISTRICT, ACCORDING TO THE DEFINITIONS IN SECTION 2501. SCHOOL DISTRICTS SHALL ALSO ACCOUNT FOR THE FUNDING PROVIDED UNDER THIS SECTION AND THE RESULTING SERVICES AND SUPPORTS FOR ELIGIBLE STUDENTS THROUGH THE SPECIAL EDUCATION PLANS, REVISIONS, UPDATES AND AMENDMENTS REQUIRED BY SECTION 2509.15.}

SECTION 16.1. SECTION 2510.3 OF THE ACT, ADDED JULY 9, 2013 (P.L. , NO.59), IS AMENDED TO READ:

SECTION 2510.3. ASSISTANCE TO SCHOOL DISTRICTS DECLARED TO BE IN FINANCIAL RECOVERY STATUS OR IDENTIFIED FOR FINANCIAL WATCH STATUS.--(A) FOR THE 2013-2014 AND 2015-2016 FISCAL YEAR, THE DEPARTMENT OF EDUCATION MAY UTILIZE UP TO FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS ($4,500,000) OF UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR COMMITTED FROM APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT OF EDUCATION TO ASSIST SCHOOL DISTRICTS DECLARED TO BE IN FINANCIAL RECOVERY STATUS UNDER SECTION 621-A OR IDENTIFIED FOR FINANCIAL WATCH STATUS UNDER SECTION 611-A. THE FUNDS SHALL BE TRANSFERRED BY THE SECRETARY OF THE BUDGET TO A RESTRICTED ACCOUNT AS NECESSARY TO 20150HB0762PN1999 - 40 -
MAKE PAYMENTS UNDER THIS SECTION AND, WHEN TRANSFERRED, ARE
HEREBY APPROPRIATED TO CARRY OUT THE PROVISIONS OF THIS SECTION.

(B) FOR THE 2013-2014 FISCAL YEAR, THE AMOUNT OF SEVEN
MILLION FIVE HUNDRED THOUSAND DOLLARS ($7,500,000) OF
UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR COMMITTED FROM
APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT
OF EDUCATION SHALL BE TRANSFERRED TO THE FINANCIAL RECOVERY
SCHOOL DISTRICT TRANSITIONAL LOAN ACCOUNT TO MAKE LOANS AS
PROVIDED UNDER SECTION 681-A.

SECTION 17. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

SECTION 2581. REIMBURSEMENT FOR SCHOOL DISTRICTS NOT
SUBMITTING REQUIRED DOCUMENTATION.--(A) FOR A SCHOOL DISTRICT
THAT HAS RECEIVED DEPARTMENT OF EDUCATION APPROVAL FOR
COMMONWEALTH REIMBURSEMENT OF A CONSTRUCTION OR RECONSTRUCTION
PROJECT, BUT FAILS TO SUBMIT ALL ADDITIONAL PROJECT
DOCUMENTATION REQUESTED BY THE DEPARTMENT WITHIN NINETY (90)
DAYS AFTER THE DEPARTMENT’S REQUEST, THE DEPARTMENT SHALL MOVE:
(1) THE PROJECT BACK IN THE REIMBURSEMENT ORDER UNTIL SUCH
TIME AS THE SCHOOL DISTRICT COMPLIES WITH THE INFORMATION
REQUEST; AND
(2) OTHER PROJECTS UP IN THE REIMBURSEMENT ORDER.

(B) THE SECRETARY OF EDUCATION MAY GRANT WAIVERS TO SCHOOL
DISTRICTS THAT FAIL TO SUBMIT REQUESTED DOCUMENTATION UNDER
SUBSECTION (A) AND ARE IN THE PROCESS OF RECONCILING FINANCIAL
RECORDS OR ARE FACING LITIGATION OR BOND REFINANCING DELAYS.

SECTION 2582. PUBLIC SCHOOL BUILDING LEASE AND DEBT SERVICE
REIMBURSEMENTS FOR FISCAL YEAR 2015-2016.--(A) FOR THE 2015-
2016 FISCAL YEAR, THE DEPARTMENT OF EDUCATION SHALL UTILIZE
UNDISTRIBUTED FUNDS NOT EXPENDED AS OF JUNE 20, 2015, FROM
APPROPRIATIONS FOR PAYMENT ON ACCOUNT OF ANNUAL RENTAL OR
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SINKING FUND CHARGES ON SCHOOL BUILDINGS, INCLUDING CHARTER SCHOOLS, TO MAKE REIMBURSEMENTS FOR SCHOOL BUILDING LEASES AND DEBT SERVICE NECESSARY TO MAKE PAYMENTS IN FISCAL YEAR 2015-2016 UNDER THIS ARTICLE.

(B) THIS SECTION SHALL NOT INCLUDE REIMBURSEMENT FOR DEBT SERVICE MEETING THE CRITERIA FOR BOND ISSUANCE UNDER ARTICLE XXV-B.


(B) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE REVENUES RECEIVED BY A SCHOOL DISTRICT UNDER THIS SECTION IN AN AMOUNT EQUAL TO THE AMOUNT RECEIVED BY THE SCHOOL DISTRICT UNDER SECTION 1722-J(21)(II) OF "THE FISCAL CODE" SHALL NOT BE INCLUDED IN THE SCHOOL DISTRICT'S BUDGETED TOTAL EXPENDITURE PER AVERAGE DAILY MEMBERSHIP USED TO CALCULATE THE AMOUNT TO BE PAID TO A CHARTER SCHOOL UNDER SECTION 1725-A(A)(2) AND (3).

(C) FOR THE PURPOSE OF THIS SECTION, A "SCHOOL ENTITY" MEANS A SCHOOL DISTRICT, CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

SECTION 18. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

ARTICLE XXV-B

SCHOOL DISTRICT DEBT REFINANCING BONDS

SECTION 2501-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:

"APPROVED RENTAL OR SINKING FUND CHARGES." THE TERM SHALL
HAVE THE SAME MEANING AND SHALL CONSIST OF APPROVED REIMBURSABLE
RENTAL FOR LEASES AND APPROVED REIMBURSABLE SINKING FUND CHARGES
ON INDEBTEDNESS AS DEFINED IN SUBARTICLE (F) OF ARTICLE XXV.
"AUTHORITY." THE STATE PUBLIC SCHOOL BUILDING AUTHORITY.
"BOND." AS DEFINED IN SECTION 2(D) OF THE ACT OF JULY 5,
1947 (P.L.1217, NO.498), KNOWN AS THE STATE PUBLIC SCHOOL
BUILDING AUTHORITY ACT.
"BOND OBLIGATIONS." THE PRINCIPAL OF A BOND AND ANY PREMIUM
AND INTEREST PAYABLE ON A BOND, TOGETHER WITH ANY AMOUNT OWED
UNDER A RELATED AGREEMENT OR A RELATED RESOLUTION OF THE
AUTHORITY AUTHORIZING A BOND, TOGETHER WITH ANY ADMINISTRATIVE
EXPENSES INCURRED IN CONNECTION THEREWITH.
"CALL DATE." THE DATE ON WHICH ANY SCHOOL DISTRICT DEBT MAY
BE REDEEMED BEFORE MATURITY.
"DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
COMMONWEALTH.
"DISTRICT DEBT" OR "DEBT." ANY OBLIGATION OF A SCHOOL
DISTRICT CONSTITUTING DEBT UNDER EITHER THIS ACT OR 53 PA.C.S.
PT. VII SUBPT. B (RELATING TO INDEBTEDNESS AND BORROWING) WHICH
IS ELIGIBLE FOR REFUNDING UNDER THE PROVISIONS OF THIS ARTICLE.
"FINANCING LAW." THE ACT OF JULY 5, 1947 (P.L.1217, NO.498),
KNOWN AS THE STATE PUBLIC SCHOOL BUILDING AUTHORITY ACT.
"PROJECT." AS DEFINED IN SECTION 2(C) OF THE ACT OF JULY 5,
1947 (P.L.1217, NO.498), KNOWN AS THE STATE PUBLIC SCHOOL
BUILDING AUTHORITY ACT.
"REIMBURSEMENT PERCENTAGE." AS IT RELATES TO DISTRICT DEBT,
AN AMOUNT DETERMINED BY MULTIPLYING THE DISTRICT'S AID RATIO BY
THE APPROVED REIMBURSABLE RENTAL OR APPROVED REIMBURSABLE
SINKING FUND CHARGE.
SECTION 2502-B. BOND ISSUANCE.
(A) DECLARATION OF POLICY.--THE GENERAL ASSEMBLY FINDS AND DECLares THAT FUNDING THE PAYMENT OF REIMBURSEMENTS TO SCHOOL DISTRICTS FOR PROJECTS, THROUGH THE AUTHORITY, IS IN THE BEST INTEREST OF THE COMMONWEALTH.

(B) AUTHORITY.--NOTWITHSTANDING ANY OTHER LAW, THE AUTHORITY SHALL ISSUE BONDS ON BEHALF OF SCHOOL DISTRICTS TO PROVIDE REIMBURSEMENTS FROM THE COMMONWEALTH AS REQUIRED UNDER SUBARTICLE (F) OF ARTICLE XXV FOR APPROVED RENTAL OR SINKING FUND CHARGES.

(C) DEBT OR LIABILITY.--

(1) BONDS ISSUED UNDER THIS ARTICLE SHALL NOT BE A DEBT OR LIABILITY OF THE COMMONWEALTH AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE COMMONWEALTH.

(2) BOND OBLIGATIONS SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR REPAYMENT AS AUTHORIZED IN THIS ARTICLE.

(3) EACH BOND MUST CONTAIN ON ITS FACE A STATEMENT THAT:

(I) THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS ONLY FROM FUNDS PLEDGED UNDER THIS ARTICLE.

(II) NEITHER THE COMMONWEALTH NOR ANY SCHOOL DISTRICT IS OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS.

(III) THE FULL FAITH AND CREDIT OF THE COMMONWEALTH OR OF ANY SCHOOL DISTRICT IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.

SECTION 2503-B. CRITERIA FOR BOND ISSUANCE.

(A) DETERMINATION.--

(1) THE DEPARTMENT SHALL DIRECT EACH SCHOOL DISTRICT IN
THE COMMONWEALTH THAT HAS NOT YET RECEIVED ITS FULL
REIMBURSEMENT FOR APPROVED RENTAL OR SINKING FUND CHARGES
UNDER SUBARTICLE (F) OF ARTICLE XXV TO REFINANCE THAT PORTION
OF THE DISTRICT DEBT THAT WAS INCURRED FOR PROJECTS THAT ARE
CURRENTLY RECEIVING REIMBURSEMENTS FOR CONSTRUCTION COSTS IN
SUCH AMOUNTS AS CALCULATED UNDER THE PROVISIONS OF THIS
ARTICLE.

(2) SCHOOL DISTRICTS THAT SUBMITTED A COMPLETED INITIAL
SCHOOL CONSTRUCTION OR RECONSTRUCTION PROJECT APPLICATION TO
THE DEPARTMENT BEFORE OCTOBER 1, 2012, AND HAVE INCURRED DEBT
TO PAY FOR AN ELIGIBLE PROJECT SHALL BE DEEMED TO BE
CURRENTLY RECEIVING REIMBURSEMENT FOR APPROVED RENTAL OR
SINKING FUND CHARGES.

(3) FOR THE PURPOSES OF REFINANCING DEBT UNDER THIS
SECTION, THE SCHOOL DISTRICTS SHALL UTILIZE THE AUTHORITY AS
THE ISSUER OF THE BONDS.

(4) THE DEPARTMENT SHALL PROVIDE TECHNICAL ASSISTANCE TO
THE AUTHORITY AND SCHOOL DISTRICTS THAT REFINANCE THEIR DEBT
UNDER THIS ARTICLE.

(B) TERMS.--

(1) A SCHOOL DISTRICT, WITH THE APPROVAL OF THE
DEPARTMENT, SHALL REFINANCE ITS DISTRICT DEBT THROUGH THE
AUTHORITY IN SUCH AMOUNTS CALCULATED AS FOLLOWS:

(I) FOR DISTRICT DEBT WHERE THE CALL DATE HAS NOT
BEEN REACHED, THE SUM OF THE PRINCIPAL AND INTEREST
PAYMENTS DUE TO THE CALL DATE MULTIPLIED BY THE SCHOOL
DISTRICT'S REIMBURSEMENT PERCENTAGE FOR THE DISTRICT DEBT
BEING REFINANCED PLUS THE SUM OF THE PRINCIPAL DUE AFTER
THE CALL DATE MULTIPLIED BY THE DISTRICT'S REIMBURSEMENT
PERCENTAGE FOR THE DISTRICT DEBT BEING REFINANCED PLUS
THE COST INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

(II) FOR DISTRICT DEBT WHERE THE CALL DATE HAS BEEN REACHED, THE PRINCIPAL DUE AND INTEREST TO THE REDEMPTION DATE MULTIPLIED BY THE DISTRICT'S REIMBURSEMENT PERCENTAGE FOR THE DEBT BEING REFINANCED PLUS THE COST INCURRED IN CONNECTION WITH THE ISSUANCE OF THE BONDS.

(2) THE MAXIMUM TERM OF THE BONDS TO BE ISSUED BY THE AUTHORITY MAY NOT EXCEED 30 YEARS.

(3) THE TOTAL PRINCIPAL AMOUNT OF BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE MAY NOT EXCEED THE AMOUNT DETERMINED UNDER THIS ARTICLE TO REIMBURSE ELIGIBLE DISTRICT DEBT.

SECTION 2504-B. ISSUANCE OF BONDS AND SECURITY.

(A) ISSUANCE.--BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE SHALL BE SUBJECT TO THE PROVISIONS OF THE FINANCING LAW, UNLESS OTHERWISE SPECIFIED BY THIS ARTICLE.

(B) REFINANCING.--THE AUTHORITY IS HEREBY AUTHORIZED TO REFINANCE DISTRICT DEBT.

(C) AGREEMENTS.--THE AUTHORITY AND A SCHOOL DISTRICT MAY ENTER INTO LOAN AGREEMENTS, LETTERS OF CREDIT, PLEDGE AGREEMENTS, CREDIT AGREEMENTS, BOND PURCHASE AGREEMENTS AND OTHER CONTRACTS, INSTRUMENTS AND AGREEMENTS THAT:

(1) ENHANCE THE MARKETABILITY, SECURITY OR CREDITWORTHINESS OF THE BONDS; OR

(2) EFFECTUATE THE PURPOSES OF THE FINANCING LAW AND THIS ARTICLE.

(D) SECURITY.--THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON ANY BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE ARE SECURED SOLELY BY A SCHOOL DISTRICT'S PLEDGE AND ASSIGNMENT.
TO THE AUTHORITY OF THE SCHOOL DISTRICT'S STATE REIMBURSEMENT
ASSOCIATED WITH THE DISTRICT DEBT BEING REFINANCED WITH THE
PROCEEDS OF THE BONDS, THE SCHOOL DISTRICT'S PLEDGE OF SECURITY
AS DESCRIBED HEREIN MAY BE CONTAINED IN ONE OR MORE OF THE
AGREEMENTS AS DESCRIBED IN SECTION 2504-B(C), SUCH AGREEMENTS
SHALL COLLECTIVELY INCLUDE THE FOLLOWING PROVISIONS:

(1) A SCHOOL DISTRICT SHALL RELINQUISH ANY CLAIMS TO
FURTHER REIMBURSEMENT FOR APPROVED RENTAL OR SINKING FUND
CHARGES FOR DISTRICT DEBT REFINANCED UNDER SECTION 2503-B.

(2) THE COMMONWEALTH SHALL ACCEPT AND ACKNOWLEDGE EACH
SCHOOL DISTRICT'S PLEDGE OF ITS STATE REIMBURSEMENT FOR
APPROVED RENTAL OR SINKING FUND CHARGES. SUCH ACCEPTANCE AND
ACKNOWLEDGMENT BY THE COMMONWEALTH SHALL INCLUDE THE
FOLLOWING PROVISIONS:

(I) THE RIGHT OF THE SCHOOL DISTRICT AND ITS ASSIGNS
TO RECEIVE STATE REIMBURSEMENT FOR APPROVED RENTAL OR
SINKING FUND CHARGES IS SUBJECT TO ANNUAL APPROPRIATION
BY THE GENERAL ASSEMBLY.

(II) IF INSUFFICIENT FUNDS ARE APPROPRIATED IN A
FISCAL YEAR FOR THE PLEDGED PAYMENTS OF APPROVED RENTAL
OR SINKING FUND CHARGES DUE TO THE SCHOOL DISTRICT UNDER
ANY AGREEMENT DESCRIBED IN SUBSECTION (C), THE DEPARTMENT
SHALL IMMEDIATELY NOTIFY EACH PARTY TO SUCH AGREEMENT AND
THE AGREEMENT SHALL TERMINATE ON THE LAST DAY OF THE
FISCAL YEAR FOR WHICH SUCH APPROPRIATIONS WERE MADE.

(C) AGREEMENT NOT TO BE TERMINATED.--NOTWITHSTANDING THE
PROVISIONS OF THIS SUBSECTION, THE COMMONWEALTH AGREES THAT IT
MAY NOT TERMINATE THE AGREEMENT OF ANY SCHOOL DISTRICT UNDER THE
PROVISIONS OF THIS SECTION IF ANY FUNDS ARE APPROPRIATED IN A
FISCAL YEAR TO ANY RECIPIENT FOR APPROVED RENTAL OR SINKING FUND
CHARGES.

SECTION 2505-B. (RESERVED).

SECTION 2506-B. USE OF BOND PROCEEDS.

(A) ORDER.--THE PROCEEDS OF THE BONDS ISSUED BY THE
AUTHORITY SHALL BE LOANED TO EACH PARTICIPATING SCHOOL DISTRICT,
AND SHALL BE USED AS FOLLOWS:

(1) THE SCHOOL DISTRICT MAY REIMBURSE ITS GENERAL FUND
FOR PAYMENTS MADE BY SUCH SCHOOL DISTRICT IN AMOUNTS EQUAL TO
ITS APPROVED RENTAL AND SINKING FUND CHARGES NOT PREVIOUSLY
REIMBURSED BY THE COMMONWEALTH.

(2) PROCEEDS OF THE BONDS IN SUCH AMOUNT TO SATISFY THE
PAYMENT OBLIGATIONS AS STATED IN SUBPARAGRAPH (I) AND (II)
SHALL BE IRREVOCABLY ESCROWED BY EACH SCHOOL DISTRICT FOR
DISBURSEMENT AS FOLLOWS:

(I) FOR DISTRICT DEBT WHERE THE CALL DATE HAS NOT
BEEN REACHED:

(A) FOR EACH PAYMENT OF PRINCIPAL OR INTEREST
PRIOR TO THE CALL DATE, FOR PAYMENT OF AN AMOUNT
EQUAL TO THAT INSTALLMENT OF PRINCIPAL OR INTEREST
MULTIPLIED BY THE SCHOOL DISTRICT'S REIMBURSEMENT
PERCENTAGE.

(B) AT THE CALL DATE, FOR THE REDEMPTION OR
PREPAYMENT OF A PRO RATA SHARE OF EACH REMAINING
PRINCIPAL PAYMENT EQUAL TO EACH REMAINING PRINCIPAL
PAYMENT MULTIPLIED BY THE SCHOOL DISTRICT'S
REIMBURSEMENT PERCENTAGE.

(II) FOR DISTRICT DEBT WHERE THE CALL DATE HAS BEEN
REACHED:

(A) AN AMOUNT EQUAL TO THE INTEREST ACCRUED TO
THE FIRST AVAILABLE REDEMPTION DATE FOLLOWING BOND_
ISSUANCE MULTIPLIED BY THE SCHOOL DISTRICT'S REIMBURSEMENT PERCENTAGE.

(B) FOR THE REDEMPTION OR PREPAYMENT OF A PRO RATA SHARE OF EACH REMAINING PRINCIPAL PAYMENT EQUAL TO EACH REMAINING PRINCIPAL PAYMENT MULTIPLIED BY THE DISTRICT'S REIMBURSEMENT PERCENTAGE.

(3) THE PROCEEDS OF THE BONDS MAY BE USED TOWARD SUCH OTHER PURPOSES AS AUTHORIZED BY THIS ARTICLE AND THE FINANCING LAW.

SECTION 2507-B. COMMONWEALTH NOT TO IMPAIR BOND OBLIGATIONS.

THE COMMONWEALTH PLEDGES THAT IT SHALL NOT DO ANY OF THE FOLLOWING:

(1) LIMIT OR ALTER THE RIGHTS AND RESPONSIBILITIES OF THE AUTHORITY OR A SCHOOL DISTRICT UNDER THIS ARTICLE, INCLUDING THE RESPONSIBILITY TO:

(I) PAY BOND OBLIGATIONS.

(II) COMPLY WITH ANY OTHER INSTRUMENT OR AGREEMENT PERTAINING TO THE BONDS.

(2) ALTER OR LIMIT THE SECURITY INTEREST GRANTED IN SECTION 2504-B(D).

(3) IMPAIR THE RIGHTS AND REMEDIES OF THE HOLDERS OF BONDS, UNTIL ALL BONDS AT ANY TIME ISSUED, TOGETHER WITH THE INTEREST THEREON, ARE FULLY MET AND DISCHARGED.

SECTION 2508-B. NO PERSONAL LIABILITY.

THE MEMBERS, DIRECTORS, OFFICERS AND EMPLOYEES OF A SCHOOL DISTRICT, THE DEPARTMENT AND THE AUTHORITY SHALL NOT BE PERSONALLY LIABLE AS A RESULT OF GOOD FAITH EXERCISE OF THE RIGHTS AND RESPONSIBILITIES GRANTED UNDER THIS ARTICLE.

SECTION 2509-B. PROFESSIONAL SERVICES.

FOR THE PURPOSES OF MAKING OR APPROVING CONTRACTS OF EVERY
NAME AND NATURE AND EXECUTING ALL NECESSARY INSTRUMENTS,
INCLUDING CONTRACTS FOR LEGAL AND PROFESSIONAL SERVICES, UNDER
THIS ARTICLE, THE AUTHORITY SHALL BE AN INDEPENDENT AGENCY AS
DEFINED IN SECTION 101 OF THE ACT OF OCTOBER 15, 1980 (P.N.950,
NO.164), KNOWN AS THE COMMONWEALTH ATTORNEYS ACT. ALL
PROFESSIONAL SERVICES NECESSARY TO IMPLEMENT THIS ARTICLE SHALL
BE SELECTED OR APPROVED BY A MAJORITY VOTE OF THE MEMBERS OF THE
GOVERNING BODY OF THE AUTHORITY.

SECTION 2510-B. EXPIRATION.

THE AUTHORITY TO ISSUE BONDS UNDER THIS ARTICLE SHALL EXPIRE
JUNE 30, 2016.

SECTION 19. REPEALS ARE AS FOLLOWS:

(1) THE GENERAL ASSEMBLY FINDS THAT THE REPEAL UNDER
PARAGRAPH (2) IS NECESSARY FOR THE ADDITION OF ARTICLE XIX-G
OF THE ACT.

(2) ARTICLE XVII-E.1 OF THE ACT OF APRIL 9, 1929
(P.L.343, NO. 176), KNOWN AS THE FISCAL CODE, IS REPEALED.

SECTION 20. THE ADDITION OF ARTICLE XIX-G OF THE ACT IS A
CONTINUATION OF FORMER ARTICLE XVII-E.1 OF THE ACT OF APRIL 9,
1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE. THE FOLLOWING
APPLY:

(1) EXCEPT AS OTHERWISE PROVIDED IN ARTICLE XIX-G OF THE
ACT, ALL ACTIVITIES INITIATED UNDER FORMER ARTICLE XVII-E.1
OF THE FISCAL CODE SHALL CONTINUE AND REMAIN IN FULL FORCE
AND EFFECT AND MAY BE COMPLETED UNDER ARTICLE XIX-G OF THE
ACT. ORDERS, REGULATIONS, RULES AND DECISIONS WHICH WERE MADE
UNDER FORMER ARTICLE XVII-E.1 OF THE FISCAL CODE AND WHICH
ARE IN EFFECT ON THE EFFECTIVE DATE OF THIS SECTION SHALL
REMAIN IN FULL FORCE AND EFFECT UNTIL REVOKED, VACATED OR
MODIFIED UNDER ARTICLE XIX-G OF THE ACT. CONTRACTS,
OBLIGATIONS AND COLLECTIVE BARGAINING AGREEMENTS ENTERED INTO UNDER FORMER ARTICLE XVII-E.1 OF THE FISCAL CODE ARE NOT AFFECTED NOR IMPAIRED BY THE REPEAL OF FORMER ARTICLE XVII-E.1 OF THE FISCAL CODE.

(2) EXCEPT AS SET FORTH IN PARAGRAPH (3), ANY DIFFERENCE IN LANGUAGE BETWEEN ARTICLE XIX-G OF THE ACT AND FORMER ARTICLE XVII-E.1 OF THE FISCAL CODE IS INTENDED ONLY TO CONFORM TO THE STYLE OF THE PUBLIC SCHOOL CODE OF 1949 AND IS NOT INTENDED TO CHANGE OR AFFECT THE LEGISLATIVE INTENT, JUDICIAL CONSTRUCTION OR ADMINISTRATION AND IMPLEMENTATION OF FORMER ARTICLE XVII-E.1 OF THE FISCAL CODE.

(3) PARAGRAPH (2) DOES NOT APPLY TO THE ADDITION OF THE FOLLOWING PROVISIONS:

(I) SECTIONS 1901.1-G AND 1901.2-G OF THE ACT.

(II) THE REFERENCE TO JUNE 30, 2016, IN SECTION 1906-G(A) OF THE ACT.


SECTION 21. THIS ACT SHALL TAKE EFFECT JULY 1, 2015, OR IMMEDIATELY, WHICHEVER IS LATER.