
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 113 Session of
2003

INTRODUCED BY HALUSKA, ARGALL, BARD, BEBKO-JONES, BELARDI,
BELFANTI, BROWNE, BUNT, CAUSER, CAWLEY, CORRIGAN, COY,
CRAHALLA, 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, S. MILLER, NAILOR, PALLONE,
PETRONE, PICKETT, PISTELLA, PRESTON, READSHAW, RUFFING,
SAINATO, SATHER, SAYLOR, SCRIMENTI, SEMMEL, SOLOBAY, STABACK,
STERN, TANGRETTI, E. Z. TAYLOR, THOMAS, TIGUE, WANSACZ,
WASHINGTON, WOJNAROSKI, YOUNGBLOOD, SURRA, HARPER, REICHLEY
AND HABAY, FEBRUARY 6, 2003

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,
OCTOBER 19, 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;~~

~~and making appropriations, repeals and an editorial change.~~
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," ADDING DEFINITIONS; REQUIRING SCHOOL
DISTRICTS TO REOPEN THEIR 2003-2004 BUDGETS; FURTHER
PROVIDING FOR FISCAL YEAR AND DELAY OF ADOPTION OF ANNUAL
BUDGET, FOR TAX LEVY AND LIMITATIONS, FOR PER CAPITA TAXES,
FOR AUXILIARY SERVICES AND FOR DISTRESS IN SCHOOL DISTRICTS
OF THE FIRST CLASS; PROVIDING FOR THE IMPOSITION AND
COLLECTION OF AN EARNED INCOME AND NET PROFITS TAX OR
PERSONAL INCOME TAX BY SCHOOL DISTRICTS AFTER APPROVAL BY THE
ELECTORS, FOR STATE MATCHING FUNDS FORMULA AND FOR WAGE AND
NET PROFITS TAX RELIEF IN CITIES OF THE FIRST CLASS; FURTHER
PROVIDING FOR LOAN OF TEXTBOOKS, INSTRUCTIONAL MATERIALS AND
INSTRUCTIONAL EQUIPMENT FOR NONPUBLIC SCHOOL CHILDREN;
DELETING PROVISIONS RELATING TO PROFESSIONAL TEACHER
ASSESSMENT; PROVIDING FOR FIREFIGHTER AND EMERGENCY SERVICE
TRAINING; AMENDING PROVISIONS RELATING TO THE EDUCATION
SUPPORT SERVICES PROGRAM; PROVIDING FOR THE EDUCATIONAL
ASSISTANCE PROGRAM, THE HEAD START SUPPLEMENTAL ASSISTANCE
PROGRAM AND FOR A CHILD DAY CARE AND EARLY CHILDHOOD
DEVELOPMENT STUDY; FURTHER PROVIDING FOR FUNDING FOR CHARTER
SCHOOLS, FOR CAUSES FOR NONRENEWAL OR TERMINATION OF CHARTER
SCHOOLS, FOR EDUCATION EMPOWERMENT DISTRICTS AND FOR SCHOOL
IMPROVEMENT GRANTS; IMPOSING CERTAIN LIMITATIONS ON
PROVISIONS RELATING TO EDUCATION EMPOWERMENT; FURTHER
PROVIDING FOR FINANCIAL PROGRAM AND REIMBURSEMENT OF PAYMENTS
RELATING TO COMMUNITY COLLEGES; AMENDING PROVISIONS RELATING
TO EDUCATIONAL IMPROVEMENT TAX CREDIT; FURTHER PROVIDING FOR
PAYMENTS ON ACCOUNT OF PUPILS ENROLLED IN VOCATIONAL
CURRICULUMS, FOR SMALL DISTRICT ASSISTANCE AND FOR TEMPORARY
SPECIAL AID TO SCHOOL DISTRICTS SUFFERING LOSS OF TAX REVENUE
UNDER CERTAIN CIRCUMSTANCES; PROVIDING FOR BASIC EDUCATION
FUNDING FOR 2002-2003 SCHOOL YEAR; FURTHER PROVIDING FOR
PAYMENTS TO INTERMEDIATE UNITS, FOR SPECIAL EDUCATION
PAYMENTS TO SCHOOL DISTRICTS, FOR EXTRAORDINARY SPECIAL
EDUCATION PROGRAM EXPENSES AND FOR FOR COMMONWEALTH
REIMBURSEMENTS FOR CHARTER SCHOOLS AND CYBER CHARTER SCHOOLS;
PROVIDING FOR PENNSYLVANIA ACCOUNTABILITY GRANTS; ADDING
PROVISIONS RELATING TO CERTAIN EDUCATIONAL ACCOUNTABILITY;
PROVIDING FOR TEACHER RECRUITMENT ASSISTANCE; ESTABLISHING
THE TEACHER RECRUITMENT ASSISTANCE FUND; FURTHER PROVIDING
FOR POWERS AND DUTIES OF THE STATE BOARD OF EDUCATION; MAKING
APPROPRIATIONS; PROVIDING FOR APPLICABILITY OF REFERENDUM
EXCEPTIONS AND MAKING OF ELECTIONS; MAKING REPEALS; AND
MAKING EDITORIAL CHANGES.

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

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

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

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

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

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

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

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

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

~~(3) Under no circumstances shall any increased State
allocations be used to increase a school district's reserved or~~

1 ~~unreserved fund balances.~~

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

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

4 ~~Balances. (a) For the 2003-2004 school year and each school~~

5 ~~year thereafter, no school district shall approve an increase in~~

6 ~~real property taxes unless it has adopted a budget or a reopened~~

7 ~~budget pursuant to section 687 that includes an estimated,~~

8 ~~ending unreserved undesignated fund balance in accordance with~~

9 ~~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%

22 ~~(b) By August 15, 2003, and each year thereafter, each~~

23 ~~school district that approves an increase in real property taxes~~

24 ~~shall provide the Department of Education with information~~

25 ~~certifying compliance with this section. Such information shall~~

26 ~~be provided in a form and manner prescribed by the Department of~~

27 ~~Education and shall include information on the school district's~~

28 ~~estimated, ending unreserved undesignated fund balance expressed~~

29 ~~as a dollar amount and as a percentage of the school district's~~

30 ~~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~~

1 ~~Commonwealth of Pennsylvania.~~

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

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

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

1 ~~program costs.~~

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

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

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

13 ~~Section 4. Section 1376 of the act, amended June 7, 1993~~
14 ~~(P.L.49, No.16), June 30, 1995 (P.L.220, No.26) and June 22,~~
15 ~~2001 (P.L.530, No.35), is amended to read:~~

16 ~~Section 1376. Cost of Tuition and Maintenance of Certain~~
17 ~~Exceptional Children in Approved Institutions. (a) When any~~
18 ~~child between school entry age and twenty one (21) years of age~~
19 ~~and resident in this Commonwealth, who is blind or deaf, or has~~
20 ~~cerebral palsy and/or neurological impairment and/or muscular~~
21 ~~dystrophy and/or is mentally retarded and/or has a serious~~
22 ~~emotional disturbance and/or has autism/pervasive developmental~~
23 ~~disorder and is enrolled, with the approval of the Department of~~
24 ~~Education, as a pupil in an approved private school approved by~~
25 ~~the Department of Education, in accordance with standards and~~
26 ~~regulations promulgated by the State Board of Education, the~~
27 ~~school district in which such child is resident or, for students~~
28 ~~placed by a charter school, the charter school in which the~~
29 ~~student was enrolled shall pay the greater of either twenty per~~
30 ~~centum (20%) of the actual audited cost of tuition and~~

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

~~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~~

~~1 interim reimbursement rate for the approved private school. The~~
~~2 Department of Education shall provide the approved private~~
~~3 school with monthly payments in advance of the final cost~~
~~4 settlement as provided for in subsection (c.2). The Department~~
~~5 of Education shall adopt final reimbursement rates based on the~~
~~6 final cost settlement. The Department of Education may withhold~~
~~7 a portion of such payments not exceeding five percent (5%) of~~
~~8 such payment, pending final cost settlement. In no event shall~~
~~9 either the payments made in advance of the final cost settlement~~
~~10 or final reimbursements based on the final cost settlement made~~
~~11 by the Department of Education exceed the appropriation~~
~~12 available for approved private schools.~~

~~13 [(c) Each approved private school, prior to the start of the~~
~~14 school year, shall submit to the department such information as~~
~~15 the department may require in order to establish an estimate of~~
~~16 reimbursable costs. Based upon this information, any other data~~
~~17 deemed necessary by the department and in accordance with~~
~~18 department standards, the department shall develop for each~~
~~19 approved private school an estimate of reimbursable costs. Based~~
~~20 upon such estimate, the department shall provide each approved~~
~~21 private school with monthly payments in advance of department~~
~~22 audit. The department may withhold a portion of such payments~~
~~23 not exceeding five percent (5%) of such payment, pending final~~
~~24 audit. In no event shall either the advance payments or final~~
~~25 reimbursement made by the department following audit exceed the~~
~~26 appropriation available for approved private schools.]~~

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

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

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

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

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

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

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

1 ~~(ii) The role of the approved private school in the mandated~~
2 ~~continuum of special education services available to students in~~
3 ~~Pennsylvania.~~

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

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

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

20 ~~Section 5. The act is amended by adding a section to read:~~

21 ~~Section 1550. Firefighter and Emergency Service Training.~~

22 ~~(a) Beginning with the 2003-2004 school year and each school~~
23 ~~year thereafter, a school district may offer firefighter and~~
24 ~~emergency service training as credit earning courses to students~~
25 ~~of the age of sixteen (16) years or older. Such courses may~~
26 ~~include:~~

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

29 ~~(2) Training as an emergency medical technician by the~~
30 ~~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~~

1 ~~established in section 1502 C.~~

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

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

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

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

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

28 ~~(c) Approval. A provider must be approved by the department~~
29 ~~in order to provide education support services under this~~
30 ~~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 of the services to be provided, the cost of the services, the qualification of all individuals providing those services, including evidence of compliance with section 111 and with 23 Pa.C.S. § 6355 (relating to requirement), and such other information as may be required by the department.~~

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

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

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

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

~~(a) Certificates. A certificate for education support services under this article shall be issued by the department in an amount authorizing up to \$500 for each eligible student identified on the certificate. The certificate shall be issued to the grant recipient and shall be valid only for the fiscal year in which it is issued. After receiving the certificate from a grant recipient, the provider shall include the following information on the certificate: name of eligible student served, type of instruction, date and length of instruction and cost of instruction provided to the eligible student. When the amount of the certificate has been utilized or when the eligible student is no longer receiving education support services from the provider, the provider shall return the completed certificate to the grant recipient for submission to the department for payment. The department shall make payment directly to the grant~~

~~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~~

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

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

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

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

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

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

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

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

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

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

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

~~(7) To fund any other program contained in the school district improvement plan.~~

~~(d) Subject to the requirements of this section, each qualifying school district shall receive a base annual grant of four hundred fifty thousand dollars (\$450,000) and an additional grant of up to seventy five dollars (\$75) per average daily membership for the prior school year of the school district. The school district or the board of control shall give priority in allocating the grant funding received under this section to the individual schools identified pursuant to sections 1703 B(b) and 1706 B(b).~~

~~(e) The department shall set forth the specific allowable uses for grant funds and place conditions, as necessary, on the use of grant funds. The department shall establish accountability procedures and auditing guidelines to ensure that grant funds are utilized in accordance with the allowable uses and conditions.~~

~~(f) A school district receiving a grant under this section shall be required to maintain separate accounts in that school district's budget to facilitate monitoring the use of these grant funds. In no case shall a school district use more than five per centum of the grant funds for administrative costs.~~

~~(g) 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 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
by the Secretary of Education.~~

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

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

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

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

~~(4) For the 1985 1986 through 1999 2000 school years, the
Commonwealth shall pay the amount required by this section to~~

~~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-~~

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

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

1 ~~1999-2000, the Commonwealth shall pay to each school district~~
2 ~~which has an average daily membership of one thousand five~~
3 ~~hundred (1,500) or less and a market value/income aid ratio of~~
4 ~~five thousand ten thousandths (0.5000) or greater an amount~~
5 ~~equal to seventy five dollars (\$75) multiplied by that~~
6 ~~district's average daily membership. For the school years 2000-~~
7 ~~2001 [and], 2001-2002 and 2002-2003, the Commonwealth shall pay~~
8 ~~to each school district which has an average daily membership of~~
9 ~~one thousand five hundred (1,500) or less an amount equal to~~
10 ~~seventy five dollars (\$75) multiplied by that district's average~~
11 ~~daily membership.~~

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

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

17 ~~(1) An amount equal to the basic education funding~~
18 ~~allocation for the 2001-2002 school year pursuant to sections~~
19 ~~2502.13 and 2502.40.~~

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

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

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

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

30 ~~(3) A poverty supplement calculated for qualifying school~~

1 ~~districts as follows:~~

2 ~~(i) To qualify for the poverty supplement, a school~~
3 ~~district's 2003-2004 market value/income aid ratio shall be~~
4 ~~equal to or greater than 0.6500 and its personal income~~
5 ~~valuation when divided by its 2002-2003 average daily membership~~
6 ~~shall be equal to or less than one hundred three thousand five~~
7 ~~hundred seventy one dollars (\$103,571).~~

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

10 ~~(A) Multiply the school district's 2002-2003 average daily~~
11 ~~membership by thirty million dollars (\$30,000,000).~~

12 ~~(B) Divide the product from clause (A) by the sum of the~~
13 ~~2002-2003 average daily membership for all qualifying school~~
14 ~~districts.~~

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

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

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

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

24 ~~(B) Divide the product from clause (A) by the sum of the~~
25 ~~2002-2003 average daily membership for all qualifying school~~
26 ~~districts.~~

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

29 ~~(i) To qualify for the growth supplement, a school~~
30 ~~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~~

1 ~~Code of 1949 and schools designated as partnership schools~~
2 ~~under the School Reform Commission Resolution Number 10 of~~
3 ~~April 17, 2002, to the Department of Education and to the~~
4 ~~chairman and minority chairman of the Education Committee of~~
5 ~~the Senate and to the chairman and minority chairman of the~~
6 ~~Education Committee of the House of Representatives. If the~~
7 ~~Department of Education determines that the report is not~~
8 ~~being submitted in accordance with the requirements of this~~
9 ~~paragraph, the Department of Education shall withhold from~~
10 ~~any and all payments to which that school district of the~~
11 ~~first class may be entitled under the act an amount equal to~~
12 ~~the funds received from this appropriation.~~

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

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

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

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

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

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

30 ~~Section 20. The following acts and parts of acts are~~

1 ~~repealed to the extent specified:~~

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

4 ~~As much as relates to the State appropriations in the amount~~
5 ~~of \$55,378,000 for vocational education and in the amount of~~
6 ~~\$874,319,000 for payments on account of special education of~~
7 ~~exceptional children, and in the amount of \$71,976,000 for~~
8 ~~services to nonpublic schools in section 212 of the act of March~~
9 ~~20, 2003 (P.L. —, No.1A), known as the General Appropriation~~
10 ~~Act of 2003.~~

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

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

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

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

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

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

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

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

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

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

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

29 "ADEQUATE YEARLY PROGRESS" OR "AYP." ADEQUATE YEARLY
30 PROGRESS AS DEFINED BY SECTION 1111(B)(2)(C) OF THE NO CHILD

1 LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) AND
2 IN 22 PA. CODE §§ 403.2 (RELATING TO DEFINITIONS) AND 403.3
3 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

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

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

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

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

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

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

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

1 CLASS OR CLASSES.

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

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

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

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

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

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

30 (C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING

1 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
2 SUBSECTION:

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

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

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

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

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

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

29 (2) A SCHOOL DISTRICT THAT DELAYS THE ADOPTION OF ITS ANNUAL
30 BUDGET UNDER PARAGRAPH (1) SHALL ADOPT AN ANNUAL BUDGET NO LATER

1 THAN FIFTEEN DAYS SUBSEQUENT TO THE ENACTMENT OF LEGISLATION
2 PROVIDING THE APPROPRIATION FOR BASIC EDUCATION FUNDING TO BE
3 PAID AS A REIMBURSEMENT FOR THE PRECEDING YEAR.

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

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

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

28 * * *

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

1 SECTION 679. PER CAPITA TAXES.--EACH RESIDENT OR INHABITANT,
2 OVER EIGHTEEN YEARS OF AGE, IN EVERY SCHOOL DISTRICT OF THE
3 SECOND, THIRD, AND FOURTH CLASS, WHICH SHALL LEVY SUCH TAX,
4 SHALL ANNUALLY PAY, FOR THE USE OF THE SCHOOL DISTRICT IN WHICH
5 HE OR SHE IS A RESIDENT OR INHABITANT, A PER CAPITA TAX OF NOT
6 LESS THAN ONE DOLLAR NOR MORE THAN FIVE DOLLARS, AS MAY BE
7 ASSESSED BY THE LOCAL SCHOOL DISTRICT. THE TAX COLLECTOR SHALL
8 NOT PROCEED AGAINST A SPOUSE OR HIS EMPLOYER UNTIL HE HAS
9 PURSUED REMEDIES AGAINST THE DELINQUENT TAXPAYER AND THE
10 TAXPAYER'S EMPLOYER UNDER THIS SECTION.

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

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

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

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

25 SECTION 7. SECTION 696(H)(1) OF THE ACT, AMENDED JUNE 29,
26 2002 (P.L.524, NO.88), IS AMENDED TO READ:

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

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

THE FIRST CLASS AND:

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

* * *

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

ARTICLE VI-A

TAXATION BY SCHOOL DISTRICTS

(A) GENERAL PROVISIONS

SECTION 601-A. SHORT TITLE OF ARTICLE.

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

SECTION 602-A. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE

1 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
2 CONTEXT CLEARLY INDICATES OTHERWISE:

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

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

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

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

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

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

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

21 "EMPLOYER." AS DEFINED IN SECTION 301 OF THE ACT OF MARCH 4,
22 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 "RESIDENT INDIVIDUAL." AN INDIVIDUAL WHO IS DOMICILED IN A
2 SCHOOL DISTRICT.

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

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

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

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

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

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

16 (A) INTENT.--

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

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

28 (B) GENERAL RULE.--

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

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

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

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

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

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

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

28 SECTION 604-A. (RESERVED).

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

30 IF A MUNICIPALITY AND SCHOOL DISTRICT BOTH IMPOSE AN EARNED

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

10 (B) TAX AUTHORIZATION

11 SECTION 611-A. GENERAL TAX AUTHORIZATION.

12 (A) MINIMUM LOCAL CONTRIBUTION.--

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

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

29 (I) SIXTY DAYS AFTER THE EFFECTIVE DATE OF THIS
30 ARTICLE, THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE

1 COUNTY BOARD OF ELECTIONS OF EACH COUNTY OF THE SCHOOL
2 DISTRICTS IN THAT COUNTY WHICH HAVE FAILED TO TAKE THE
3 ACTION REQUIRED UNDER THIS PARAGRAPH.

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

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

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

19 (B) SUPPLEMENTAL TAX RELIEF.--

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

23 (I) AN ADDITIONAL TAX ON EARNED INCOME AND NET
24 PROFITS UP TO THE MAXIMUM RATE AUTHORIZED UNDER SECTION
25 621-A(B); OR

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

1 EXISTING INCOME TAX TO A PERSONAL INCOME TAX PURSUANT TO
2 THE REQUIREMENTS OF SECTION 621-A(C)(2).

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

11 SECTION 612-A. CONTINUITY OF TAX.

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

17 SECTION 613-A. ADOPTION OF REFERENDUM.

18 (A) GENERAL RULE.--

19 (1) THE FOLLOWING APPLY:

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

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

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

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

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

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

29 (1) A BOARD OF SCHOOL DIRECTORS MAY, IN ADDITION TO THE
30 TAX IMPOSED UNDER SECTION 611-A(A)(1), LEVY THE EARNED INCOME

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

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

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

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

28 (B) DO YOU FAVOR IMPOSITION AND COLLECTION OF AN
29 EARNED INCOME AND NET PROFITS TAX OF ONE TENTH OF ONE
30 PERCENT (.1%) IN ORDER TO OBTAIN STATE MATCHING FUNDS

1 IN A MULTIPLE DETERMINED BY THE LEVEL OF PROCEEDS IN
2 THE PROPERTY TAX RELIEF FUND TO PROVIDE FOR
3 RESIDENTIAL PROPERTY TAX RELIEF?

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

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

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

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

23 (C) SEGREGATED AMOUNTS.--WHEN THE REFERENDUM UNDER
24 SUBSECTION (B)(2)(I) HAS BEEN APPROVED, THE NEW TAX RATE SHALL
25 BE SELF-EXECUTING AND SHALL BE EFFECTIVE THE FIRST DAY OF JULY
26 AFTER THE CERTIFICATION UNDER SECTION 603-B IS MADE IN AN AMOUNT
27 GREATER THAN ZERO, AND EACH SCHOOL YEAR THEREAFTER. COLLECTIONS
28 OF THE NEW TAX SHALL BE HELD IN A SEGREGATED ACCOUNT OF THE
29 SCHOOL DISTRICT AND USED IN CONJUNCTION WITH ITS PROPERTY TAX
30 REDUCTION ALLOCATION FROM THE COMMONWEALTH ONLY FOR HOMESTEAD

1 AND FARMSTEAD PROPERTY TAX RELIEF. NO PROPERTY TAX REDUCTION
2 ALLOCATION SHALL BE PAID TO THE SCHOOL DISTRICT UNTIL IT
3 RATIFIES THE REFERENDUM BY RESOLUTION AND PASSES THE RESOLUTION
4 REQUIRED UNDER SUBSECTION (D).

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

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

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

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

27 (2) EXCEPT FOR SUBSECTIONS (B)(2)(I), (G) AND (H), THIS
28 SECTION SHALL NOT APPLY TO A SCHOOL DISTRICT IN WHICH A
29 REFERENDUM QUESTION UNDER 53 PA.C.S. § 8703 (RELATING TO
30 ADOPTION OF REFERENDUM) HAS BEEN APPROVED AND IMPLEMENTED.

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

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

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

22 SECTION 614-A. PUBLIC REFERENDUM REQUIREMENTS FOR INCREASING
23 CERTAIN TAXES.

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

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

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

30 (B) PROHIBITIONS.--EXCEPT AS SET FORTH IN SUBSECTION (E) OR

1 (F), UNLESS THERE IS COMPLIANCE WITH SUBSECTION (C), A BOARD OF
2 SCHOOL DIRECTORS MAY NOT DO ANY OF THE FOLLOWING:

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

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

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

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

23 (C) REFERENDUM.--

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

30 (2) IN ORDER TO TAKE AN ACTION UNDER SUBSECTION (B)(2),

1 AT THE ELECTION IMMEDIATELY PRECEDING THE START OF THE SCHOOL
2 DISTRICT FISCAL YEAR IN WHICH THE PROPOSED TAX WOULD TAKE
3 EFFECT, A REFERENDUM STATING THE SPECIFIC TAX AND RATE TO BE
4 LEVIED MUST BE SUBMITTED TO THE ELECTORS RESIDING IN THE
5 SCHOOL DISTRICT.

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

9 (D) FAILURE TO APPROVE REFERENDUM.--

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

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

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

28 (F) REFERENDUM EXCEPTIONS.--THE PROVISIONS OF SUBSECTION
29 (B)(1) SHALL NOT APPLY TO AN INCREASE IN THE RATE OF ANY TAX
30 LEVIED FOR THE SUPPORT OF THE PUBLIC SCHOOLS WHERE THE INCREASE

AUTHORIZED UNDER SUBSECTION (E) IS INSUFFICIENT TO RESPOND TO
ONE OR MORE OF THE FOLLOWING CONDITIONS:

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

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

(3) AS FOLLOWS:

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

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

(III) TO PAY INTEREST AND PRINCIPAL ON ANY
INDEBTEDNESS INCURRED FOR SCHOOL CONSTRUCTION PROJECTS
UNDER 22 PA. CODE CH. 21 (RELATING TO SCHOOL BUILDINGS),
WHETHER SUCH INDEBTEDNESS IS INCURRED BEFORE OR AFTER THE

1 ENACTMENT OF THIS ARTICLE, WHEN THE PROJECT HAS RECEIVED
2 PLAN CON A APPROVAL BY THE DEPARTMENT OF EDUCATION PRIOR
3 TO THE EFFECTIVE DATE OF THIS SECTION AND TO ESTABLISH
4 AND FUND APPROPRIATE DEBT SERVICE RESERVED, PROVIDED THAT
5 THE INCREASE IS RESCINDED FOLLOWING FINAL PAYMENT OF
6 INTEREST AND PRINCIPAL.

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

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

16 (5) SPECIAL PURPOSE TAX LEVIES APPROVED BY THE
17 ELECTORATE.

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

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

25 (A) NEW, UNFUNDED FEDERAL MANDATED EDUCATIONAL
26 PROGRAMS;

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

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

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

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

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

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

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

30 (II) THIS PARAGRAPH SHALL APPLY ONLY IF THE

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

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

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

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

26 (I) COURT ACTION.--PRIOR TO THE IMPOSITION OF THE TAX
27 INCREASE UNDER SUBSECTION (F)(1), (2), (4), (6), (7) OR (8),
28 APPROVAL BY THE COURT OF COMMON PLEAS IN THE JUDICIAL DISTRICT
29 IN WHICH THE ADMINISTRATIVE OFFICE OF THE SCHOOL DISTRICT IS
30 LOCATED MUST BE OBTAINED. THE BOARD OF SCHOOL DIRECTORS SHALL

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

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

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

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

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

26 (J) STANDING.--A PERSON SHALL HAVE STANDING AS A PARTY TO A
27 PROCEEDING UNDER THIS SECTION AS LONG AS THE PERSON RESIDES
28 WITHIN OR PAYS REAL PROPERTY TAXES TO THE TAXING JURISDICTION OF
29 THE BOARD OF SCHOOL DIRECTORS INSTITUTING THE ACTION.

30 (K) AVERAGED INDEX CALCULATION.--ON OR ABOUT JANUARY 15 OF

1 EACH YEAR, THE DEPARTMENT OF EDUCATION SHALL CALCULATE THE
2 AVERAGE OF THE PERCENTAGE INCREASES IN THE STATEWIDE AVERAGE
3 WEEKLY WAGE AND THE PERCENTAGE INCREASE IN THE EMPLOYMENT COST
4 INDEX FOR THE PREVIOUS 12-MONTH PERIOD. THE DEPARTMENT OF
5 EDUCATION SHALL PUBLISH NOTICE OF THIS CALCULATED AVERAGE BY
6 FEBRUARY 1 OF EACH YEAR IN THE PENNSYLVANIA BULLETIN.
7 SECTION 615-A. PROPERTY TAX LIMITS ON REASSESSMENT.

8 AFTER ANY COUNTY MAKES A COUNTYWIDE REVISION OF ASSESSMENT OF
9 REAL PROPERTY AT VALUES BASED UPON AN ESTABLISHED PREDETERMINED
10 RATIO AS REQUIRED BY LAW OR AFTER ANY COUNTY CHANGES ITS
11 ESTABLISHED PREDETERMINED RATIO, A BOARD OF SCHOOL DIRECTORS IN
12 A SCHOOL DISTRICT WHICH HAS ADOPTED A RESOLUTION IMPOSING THE
13 TAX UNDER SECTION 611-A(A)(1) OR IN WHICH A REFERENDUM UNDER
14 SECTION 613-A HAS BEEN APPROVED, WHICH AFTER THE EFFECTIVE DATE
15 OF THIS SECTION FOR THE FIRST TIME LEVIES ITS REAL ESTATE TAXES
16 ON THAT REVISED ASSESSMENT OR VALUATION, SHALL FOR THE FIRST
17 YEAR REDUCE ITS TAX RATE, IF NECESSARY, FOR THE PURPOSE OF
18 HAVING THE PERCENTAGE INCREASE IN TAXES LEVIED FOR THAT YEAR
19 AGAINST THE REAL PROPERTIES CONTAINED IN THE DUPLICATE FOR THE
20 PRECEDING YEAR BE LESS THAN OR EQUAL TO THE PERCENTAGE INCREASE
21 IN THE AVERAGE INDEX FOR THE PRECEDING YEAR NOTWITHSTANDING THE
22 INCREASED VALUATIONS OF SUCH PROPERTIES UNDER THE REVISED
23 ASSESSMENT. FOR THE PURPOSE OF DETERMINING THE TOTAL AMOUNT OF
24 TAXES TO BE LEVIED FOR THE FIRST YEAR, THE AMOUNT TO BE LEVIED
25 ON NEWLY CONSTRUCTED BUILDINGS OR STRUCTURES OR ON INCREASED
26 VALUATIONS BASED ON NEW IMPROVEMENTS MADE TO EXISTING HOUSES
27 NEED NOT BE CONSIDERED. THE TAX RATE SHALL BE FIXED FOR THAT
28 YEAR AT A FIGURE WHICH WILL ACCOMPLISH THIS PURPOSE. THE
29 PROVISIONS OF SECTION 614-A SHALL APPLY TO INCREASES IN THE TAX
30 RATE ABOVE THE LIMITS PROVIDED IN THIS SECTION.

1 (C) EARNED INCOME AND NET PROFITS TAX

2 OR PERSONAL INCOME TAX

3 SECTION 621-A. AUTHORIZATION.

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

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

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

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

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

27 (C) PERSONAL INCOME TAX.--

28 (1) A BOARD OF SCHOOL DIRECTORS MAY LEVY, ASSESS AND
29 COLLECT A TAX ON THE PERSONAL INCOME OF RESIDENT INDIVIDUALS
30 OF THE SCHOOL DISTRICT AT A RATE DETERMINED BY THE BOARD OF

1 SCHOOL DIRECTORS.

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

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

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

27 (I) NOTWITHSTANDING THE PROVISIONS OF SECTION 353(F)
28 OF THE TAX REFORM CODE, THE DEPARTMENT OF REVENUE MAY
29 PERMIT THE PROPER OFFICER OF A SCHOOL DISTRICT IMPOSING A
30 TAX PURSUANT TO THIS ARTICLE TO INSPECT THE TAX RETURNS

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

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

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

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

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

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

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

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

3 (II) SHALL BE DISMISSED FROM OFFICE OR
4 DISCHARGED FROM EMPLOYMENT.

5 (D) PROHIBITIONS.--

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

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

16 SECTION 622-A. COLLECTIONS.

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

27 SECTION 623-A. CREDITS AND REIMBURSEMENT.

28 (A) CREDIT.--THE PROVISIONS OF SECTION 14 OF THE LOCAL TAX
29 ENABLING ACT SHALL BE APPLIED BY A BOARD OF SCHOOL DIRECTORS TO
30 DETERMINE ANY CREDITS UNDER THE PROVISIONS OF THIS SUBDIVISION

1 FOR A TAX IMPOSED UNDER SECTION 621-A.

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

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

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

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

28 SECTION 624-A. EXEMPTION AND SPECIAL PROVISIONS.

29 (A) GENERAL RULE.--A SCHOOL DISTRICT THAT IMPOSES AN EARNED
30 INCOME AND NET PROFITS TAX UNDER SECTION 621-A MAY EXEMPT FROM

1 THE PAYMENT OF THAT TAX ANY PERSON WHOSE TOTAL INCOME FROM ALL
2 SOURCES IS LESS THAN \$10,000.

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

7 SECTION 625-A. RULES AND REGULATIONS.

8 A SCHOOL DISTRICT THAT IMPOSES:

9 (1) AN EARNED INCOME AND NET PROFITS TAX UNDER SECTION
10 621-A SHALL BE SUBJECT TO ALL REGULATIONS ADOPTED UNDER
11 SECTION 13 OF THE LOCAL TAX ENABLING ACT AND MAY ADOPT
12 REGULATIONS FOR THE PROCESSING OF CLAIMS FOR CREDITS OR
13 EXEMPTIONS UNDER SECTIONS 623-A AND 624-A; OR

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

18 SECTION 626-A. PROCEDURE AND ADMINISTRATION.

19 (A) LEVY.--IN ORDER TO LEVY OR INCREASE A TAX UNDER SECTION
20 621-A, THE BOARD OF SCHOOL DIRECTORS MUST ADOPT A RESOLUTION
21 REFERRING TO THIS SUBDIVISION PRIOR TO PLACING A REFERENDUM
22 QUESTION ON THE BALLOT UNDER SECTION 613-A. PRIOR TO ADOPTING A
23 RESOLUTION IMPOSING A TAX UNDER SECTION 621-A(B)(2) OR (C), THE
24 BOARD OF SCHOOL DIRECTORS MUST GIVE PUBLIC NOTICE OF ITS INTENT
25 TO ADOPT THE RESOLUTION IN THE MANNER PROVIDED BY SECTION 4 OF
26 THE LOCAL TAX ENABLING ACT AND MUST CONDUCT AT LEAST ONE PUBLIC
27 HEARING REGARDING THE PROPOSED ADOPTION OF THE RESOLUTION.

28 (B) CALCULATION.--FOR THE PURPOSES OF PROPOSING A REFERENDUM
29 UNDER SECTION 613-A, THE BOARD OF SCHOOL DIRECTORS SHALL
30 ESTIMATE THE MAXIMUM HOMESTEAD EXCLUSION PERMITTED UNDER 53

1 PA.C.S. § 8586 (RELATING TO LIMITATIONS), THE PROPOSED HOMESTEAD
2 EXCLUSION FOR THE SCHOOL DISTRICT AND THE PERCENTAGE REDUCTION
3 IN RESIDENTIAL REAL PROPERTY TAXES.

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

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

10 (A) FISCAL YEAR OF IMPLEMENTATION.--

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

19 (I) IMPLEMENTATION OF A NEW TAX ON EARNED INCOME AND
20 NET PROFITS.

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

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

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

26 (2) IN THE SECOND FISCAL YEAR AND EACH FISCAL YEAR
27 THEREAFTER, THE FUNDS DERIVED FROM THE SOURCES DELINEATED IN
28 PARAGRAPH (1) SHALL BE USED TO THE EXTENT NECESSARY TO
29 CONTINUE TO PROVIDE FOR A REDUCTION IN SCHOOL DISTRICT
30 PROPERTY TAXES AT THE LEVEL ESTABLISHED IN THE IMMEDIATELY

PRIOR FISCAL YEAR.

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

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

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

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

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

(E) EXCEPTION.--ANY SCHOOL DISTRICT WHOSE FISCAL YEAR BEGINS ON JANUARY 1, SHALL, IN LIEU OF REDUCING REAL PROPERTY TAXES BY MEANS OF AN EXCLUSION FROM FARMSTEAD PROPERTY AND HOMESTEAD

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

7 (D) HOMESTEAD EXCLUSION

8 SECTION 691-A. CHANGES TO THE AMOUNT OF THE HOMESTEAD
9 EXCLUSION.

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

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

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

25 (D) EXCESS FUNDING.--A SCHOOL DISTRICT WHICH COLLECTS OR
26 ANTICIPATES COLLECTING REVENUE FROM TAXES AUTHORIZED UNDER THIS
27 ARTICLE, TOGETHER WITH STATE FUNDS RECEIVED PURSUANT TO ARTICLE
28 VI-B, IN AN AMOUNT GREATER THAN THAT NECESSARY TO PROVIDE FOR
29 HOMESTEAD EXCLUSIONS EQUAL TO 100% OF THE AMOUNT AUTHORIZED
30 PURSUANT TO THE CONSTITUTION OF PENNSYLVANIA SHALL USE SUCH

1 EXCESS TO EITHER:

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

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

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

17 SECTION 692-A. HOMESTEAD EXCLUSION PROCESS.

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

22 (1) THE RATE OF ADDITIONAL EARNED INCOME AND NET PROFITS
23 TAX OR PERSONAL INCOME TAX AUTHORIZED PURSUANT TO SECTION
24 611-A.

25 (2) THE ESTIMATED DOLLAR AMOUNT OF PROPERTY TAX RELIEF
26 FOR EACH QUALIFYING HOMESTEAD AND FARMSTEAD PROPERTY. THIS
27 INFORMATION SHALL BE ACCOMPANIED BY A STATEMENT THAT THE
28 ACTUAL DOLLAR PROPERTY TAX RELIEF MAY BE AFFECTED BY THE
29 TOTAL NUMBER OF APPLICATIONS RECEIVED AND APPROVED.

30 (3) THE REQUIREMENT TO SUBMIT A COMPLETED APPLICATION AS

1 REQUIRED UNDER 53 PA.C.S. CH. 85 SUBCH. F (RELATING TO
2 HOMESTEAD PROPERTY EXCLUSION) IN ORDER TO QUALIFY FOR THE
3 PROPERTY TAX REDUCTIONS ESTIMATED IN PARAGRAPH (2).
4 THE NOTICE REQUIRED BY THIS SECTION SHALL INCLUDE A COPY OF THE
5 APPLICATION REQUIRED BY THE ASSESSOR OF THE COUNTY WHERE THE
6 PROPERTY IS LOCATED AND THE INSTRUCTIONS FOR COMPLETING AND
7 RETURNING THE APPLICATION. THE NOTICE REQUIRED BY THIS
8 SUBSECTION SHALL BE MADE BY DECEMBER 15, 2003, AND AGAIN BY
9 JANUARY 31, 2004.

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

24 (C) APPEALS.--REAL PROPERTY FOR WHICH AN APPLICATION UNDER
25 53 PA.C.S. § 8584 (RELATING TO ADMINISTRATION AND PROCEDURE) HAS
26 BEEN FILED BY MARCH 1, 2004, SHALL BE DEEMED TO BE A HOMESTEAD
27 PROPERTY OR FARMSTEAD PROPERTY, AS THE CASE MAY BE, FOR THE
28 PURPOSES OF IMPLEMENTING A HOMESTEAD OR FARMSTEAD EXCLUSION
29 UNDER 53 PA.C.S. § 8717 (RELATING TO DISPOSITION OF EARNED
30 INCOME AND NET PROFITS TAX REVENUE) IN THE SCHOOL DISTRICT

1 FISCAL YEAR BEGINNING JULY 1, 2004, UNLESS THE ASSESSOR DENIES
2 THE APPLICATION WITHIN THE TIME PROVIDED BY LAW AND THE DENIAL
3 IS UNAPPEALED OR UNAPPEALABLE. THE SCHOOL DISTRICT IS AUTHORIZED
4 TO COLLECT TAXES, INTEREST AND PENALTIES RELATING TO A HOMESTEAD
5 OR FARMSTEAD EXCLUSION THAT IS DENIED AFTER THE DENIAL IS
6 UNAPPEALED OR UNAPPEALABLE.

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

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

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

27 (G) APPLICABILITY.--WITH THE EXCEPTION OF SUBSECTIONS (A),
28 (E) AND (F), THIS SECTION SHALL APPLY ONLY TO SCHOOL DISTRICTS
29 IN WHICH THE BOARD OF SCHOOL DIRECTORS IMPOSES A TAX UNDER
30 SECTION 611-A(A)(1).

1 (E) REGISTER

2 SECTION 693-A. REGISTER FOR TAXES.

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

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

8 (1) THE SCHOOL DISTRICTS LEVYING THE TAX.

9 (2) THE RATE OF TAX AS STATED IN THE RESOLUTION LEVYING
10 THE TAX.

11 (3) THE RATE ON TAXPAYERS.

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

15 SECTION 694-A. INFORMATION FOR REGISTER.

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

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

27 THE REGISTER, WITH SUCH ANNUAL SUPPLEMENTS AS MAY BE REQUIRED
28 BY NEW TAX ENACTMENTS, REPEALS OR CHANGES, SHALL BE AVAILABLE
29 UPON REQUEST NO LATER THAN AUGUST 15 OF EACH YEAR. THE EFFECTIVE
30 PERIOD FOR EACH REGISTER SHALL BE FROM JULY 1 OF THE YEAR IN

1 WHICH IT IS ISSUED TO JUNE 30 OF THE FOLLOWING YEAR.

2 SECTION 696-A. EFFECT OF NONFILING.

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

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

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

15 ARTICLE VI-B

16 STATE MATCHING FUNDS FORMULA

17 SECTION 601-B. SCOPE.

18 THIS ARTICLE RELATES TO THE STATE MATCHING FUNDS FORMULA.

19 SECTION 602-B. DEFINITIONS.

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

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

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

29 "FUND." THE PROPERTY TAX RELIEF FUND ESTABLISHED IN THE
30 STATE TREASURY WHICH INCLUDES REVENUES FROM GAMING AS PROVIDED

1 BY LAW.

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

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

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

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

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

23 SECTION 603-B. CERTIFICATION; CALCULATION OF MINIMUM AND MAXIMUM
24 MODIFIERS.

25 (A) SECRETARY OF THE BUDGET CERTIFICATION.--THE FOLLOWING
26 SHALL APPLY:

27 (1) NO LATER THAN MARCH 1, 2004, AND EACH MARCH 1
28 THEREAFTER, THE SECRETARY OF THE BUDGET SHALL CERTIFY THE
29 AMOUNT OF MONEY THAT WILL BE AVAILABLE FOR DISTRIBUTION TO
30 SCHOOL DISTRICTS UNDER THIS ARTICLE DURING THE FISCAL YEAR

1 BEGINNING THE FOLLOWING JULY 1. THE SECRETARY OF THE BUDGET,
2 IN MAKING HIS CERTIFICATION, MAY TAKE INTO ACCOUNT MONEYS
3 THAT ARE THEN IN THE FUND AND MONEYS THAT HE DETERMINES ON A
4 SUSTAINABLE BASIS ARE REASONABLY EXPECTED TO BE DEPOSITED
5 INTO THE FUND IN THE NEXT FOLLOWING FISCAL YEAR.

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

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

16 (B) SCHOOL DISTRICT CERTIFICATION.--THE FOLLOWING SHALL
17 APPLY:

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

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

1 ESTIMATES MADE PURSUANT TO THIS SUBSECTION WITH ACTUAL
2 COLLECTIONS IN THE SUBSEQUENT YEAR.

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

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

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

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

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

23 (A) ADMINISTRATION.--THE DEPARTMENT OF EDUCATION SHALL DO
24 ALL OF THE FOLLOWING:

25 (1) ARRAY THE 2001 PERSONAL INCOME VALUATION DIVIDED BY
26 THE 2001-2002 AVERAGE DAILY MEMBERSHIP, THE 2003-2004 MARKET-
27 VALUE/INCOME-AID RATIO, THE 2001-2002 EQUALIZED MILLAGE AND
28 THE 2001-2002 SCHOOL TAX RATIO OF EACH SCHOOL DISTRICT IN
29 RANK ORDER AND ASSIGN EACH SCHOOL DISTRICT A DISCREET
30 NUMERICAL RANK FOR ITS PERSONAL INCOME VALUATION PER AVERAGE

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

17 (2) ASSIGN EACH SCHOOL DISTRICT A PROPERTY TAX REDUCTION
18 INDEX.

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

26 (I) A SCHOOL DISTRICT FOR WHICH THE ALLOCATION UNDER
27 THIS PARAGRAPH IS LESS THAN THE PRODUCT OF THE 2001-2002
28 RESIDENTIAL PROPERTY TAX OF THE SCHOOL DISTRICT AND THE
29 ALLOCATION MINIMUM SHALL RECEIVE AN ADDITIONAL AMOUNT SO
30 THAT THE SUM OF THE TOTAL ALLOCATION UNDER THIS PARAGRAPH

1 AND THE MINIMUM LOCAL CONTRIBUTION IS EQUAL TO THE
2 PRODUCT OF THE RESIDENTIAL PROPERTY TAX OF THE SCHOOL
3 DISTRICT AND THE ALLOCATION MINIMUM.

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

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

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

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

27 (D) FIRST CLASS SCHOOL DISTRICTS.--THE LIMITATION IN
28 SUBSECTION (A)(3)(II) SHALL NOT APPLY TO THE CALCULATION OF THE
29 PROPERTY TAX REDUCTION ALLOCATION FOR A SCHOOL DISTRICT OF THE
30 FIRST CLASS.

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

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

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

17 ARTICLE VI-C

18 WAGE AND NET PROFITS TAX RELIEF IN CITIES

19 OF THE FIRST CLASS

20 SECTION 601-C. SCOPE.

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

23 SECTION 602-C. DEFINITIONS.

24 (RESERVED)

25 SECTION 603-C. TAX RELIEF.

26 (A) TAX REDUCTION.--A CITY OF THE FIRST CLASS MAY REDUCE THE
27 RATE OF WAGE AND NET PROFITS TAX TO OBTAIN THE COMMONWEALTH
28 FUNDING UNDER THIS ARTICLE. IF THE CITY ELECTS TO REDUCE TAXES
29 PURSUANT TO THIS ARTICLE, FUNDS RECEIVED BY A CITY OF THE FIRST
30 CLASS UNDER THIS ARTICLE FROM THE FUND SHALL BE USED TO OFFSET A

1 REDUCTION BY THE CITY IN FISCAL YEAR 2004-2005 AND EACH FISCAL
2 YEAR THEREAFTER IN THE RATE OF TAX ON WAGES AND NET PROFITS FOR
3 BOTH RESIDENTS AND NONRESIDENTS AS PROVIDED FOR IN SUBSECTION
4 (B) WHICH REDUCTIONS SHALL REMAIN IN EFFECT FOR SO LONG AS SUCH
5 FUNDS ARE PAID TO THE CITY IN AN AMOUNT EQUAL TO THE COST OF
6 SUCH REDUCTIONS.

7 (B) CALCULATION OF REDUCTION.--

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

28 (2) THE TAX RATE REDUCTIONS IMPLEMENTED BY A CITY OF THE
29 FIRST CLASS PURSUANT TO THIS PARAGRAPH SHALL BE IN ADDITION
30 TO THE FOLLOWING SCHEDULE OF PERCENTAGES OF WAGE AND NET

1 PROFITS TAX RATE REDUCTIONS ALREADY SCHEDULED TO OCCUR:

2 (I) IN 2005, 2.0728% FOR RESIDENTS AND 0.8402% FOR
3 NONRESIDENTS.

4 (II) IN 2006, 0.8581% FOR RESIDENTS AND 0.8473% FOR
5 NONRESIDENTS.

6 (III) IN 2007, 0.8656% FOR RESIDENTS AND 0.8545% FOR
7 NONRESIDENTS.

8 (IV) IN 2008, 0.8731% FOR RESIDENTS AND 0.8619% FOR
9 NONRESIDENTS.

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

13 (1) A FISCAL THREAT OR CONDITION, AS CERTIFIED BY THE
14 CITY'S DIRECTOR OF FINANCE AND APPROVED BY THE PENNSYLVANIA
15 INTERGOVERNMENTAL COOPERATION AUTHORITY, THAT OCCURS TO THE
16 CITY AS SET FORTH IN SECTION 614-A(F) OR AN EQUIVALENT FISCAL
17 THREAT THAT AFFECTS THE CITIZENS OF THE CITY. IT SHALL BE THE
18 RESPONSIBILITY OF THE CITY'S DIRECTOR OF FINANCE WITH THE
19 APPROVAL OF THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION
20 AUTHORITY TO INSURE THAT THE ADDITIONAL TAX REVENUE RAISED IS
21 EQUAL TO THE AMOUNT EXPENDED TO RESPOND TO THE FISCAL THREAT
22 OR CONDITION. IF THE AMOUNT OF REVENUE RAISED THROUGH RATE
23 ADJUSTMENT EXCEEDS THE AMOUNT NECESSARY TO RESPOND, OVER THE
24 COURSE OF THE CITY'S APPROVED FINANCIAL PLAN, TO THE FISCAL
25 THREAT, ALL OF THE EXCESS AMOUNT SHALL BE USED FOR WAGE TAX
26 AND NET PROFITS TAX REDUCTION IN THE IMMEDIATELY SUCCEEDING
27 APPROVED FINANCIAL PLAN, BUT ONLY IF THE RATE REDUCTION
28 (EXPRESSED AS THE DIFFERENCE BETWEEN THE TWO RATES) WOULD
29 EXCEED .0002.

30 (2) A DECREASE OF MORE THAN 2% IN THE AMOUNT OF TOTAL

1 TAX COLLECTIONS PLUS ANY FUNDS PROVIDED UNDER THIS ARTICLE
2 FROM THE PRECEDING YEAR'S COLLECTIONS. SUCH A DETERMINATION
3 OF A DECREASE MUST BE ATTESTED TO BY THE CITY'S DIRECTOR OF
4 FINANCE AND AGREED TO BY THE PENNSYLVANIA INTERGOVERNMENTAL
5 COOPERATION AUTHORITY.

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

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

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

20 (6) EXISTING FEDERAL OR STATE FUNDING IS DECREASED BY
21 1.5% OF THE CITY'S TOTAL GENERAL FUND EXPENDITURES IN ANY
22 FISCAL YEAR.

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

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

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

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

28 SECTION 922.1-A. AUXILIARY SERVICES.--(A) LEGISLATIVE
29 FINDING; DECLARATION OF POLICY. THE WELFARE OF THE COMMONWEALTH
30 REQUIRES THAT THE PRESENT AND FUTURE GENERATION OF SCHOOL AGE

1 CHILDREN BE ASSURED AMPLE OPPORTUNITY TO DEVELOP TO THE FULLEST,
2 THEIR INTELLECTUAL CAPACITIES. IT IS THE INTENT OF THE GENERAL
3 ASSEMBLY BY THIS ENACTMENT TO ENSURE THAT THE INTERMEDIATE UNITS
4 IN THE COMMONWEALTH SHALL FURNISH ON AN EQUAL BASIS AUXILIARY
5 SERVICES TO ALL PUPILS IN THE COMMONWEALTH IN BOTH PUBLIC AND
6 NONPROFIT NONPUBLIC SCHOOLS.

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

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

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

26 (C) PROGRAM OF AUXILIARY SERVICES. STUDENTS ATTENDING
27 NONPUBLIC SCHOOLS SHALL BE FURNISHED A PROGRAM OF AUXILIARY
28 SERVICES WHICH ARE PROVIDED TO PUBLIC SCHOOL STUDENTS IN THE
29 SCHOOL DISTRICT IN WHICH THEIR NONPUBLIC SCHOOL IS LOCATED. THE
30 PROGRAM OF AUXILIARY SERVICES SHALL BE PROVIDED BY THE

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

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

26 (D) ALLOCATIONS. IN JULY OF 1977 AND ANNUALLY THEREAFTER IN
27 JULY, THE SECRETARY OF EDUCATION SHALL ALLOCATE TO EACH
28 INTERMEDIATE UNIT AN AMOUNT EQUAL TO THE NUMBER OF NONPUBLIC
29 SCHOOL STUDENTS AS OF OCTOBER 1 OF THE PRECEDING SCHOOL YEAR WHO
30 ARE ENROLLED IN NONPUBLIC SCHOOLS WITHIN THE INTERMEDIATE UNIT

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

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

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

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

28 SECTION 10. SECTION 923-A OF THE ACT, AMENDED OR ADDED JULY
29 12, 1972 (P.L.863, NO.195), JULY 18, 1974 (P.L.475, NO.169),
30 AUGUST 1, 1975 (P.L.183, NO.90) AND JUNE 22, 2001 (P.L.530,

1 NO.35), IS REENACTED TO READ:

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

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

24 "INSTRUCTIONAL EQUIPMENT" MEANS INSTRUCTIONAL EQUIPMENT,
25 OTHER THAN FIXTURES ANNEXED TO AND FORMING PART OF THE REAL
26 ESTATE, WHICH IS SUITABLE FOR AND TO BE USED BY CHILDREN AND/OR
27 TEACHERS. THE TERM INCLUDES BUT IS NOT LIMITED TO PROJECTION
28 EQUIPMENT, RECORDING EQUIPMENT, LABORATORY EQUIPMENT, AND ANY
29 OTHER EDUCATIONAL SECULAR, NEUTRAL, NON-IDEOLOGICAL EQUIPMENT AS
30 MAY BE OF BENEFIT TO THE INSTRUCTION OF NONPUBLIC SCHOOL

1 CHILDREN AND ARE PRESENTLY OR HEREAFTER PROVIDED FOR PUBLIC
2 SCHOOL CHILDREN OF THE COMMONWEALTH.

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

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

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

26 "TEXTBOOKS" MEANS BOOKS, WORKBOOKS, INCLUDING REUSABLE AND
27 NON-REUSABLE WORKBOOKS, AND MANUALS, WHETHER BOUND OR IN
28 LOOSELEAF FORM, INTENDED FOR USE AS A PRINCIPAL SOURCE OF STUDY
29 MATERIAL FOR A GIVEN CLASS OR GROUP OF STUDENTS, A COPY OF WHICH
30 IS EXPECTED TO BE AVAILABLE FOR THE INDIVIDUAL USE OF EACH PUPIL

1 IN SUCH CLASS OR GROUP. SUCH TEXTBOOKS SHALL BE TEXTBOOKS WHICH
2 ARE ACCEPTABLE FOR USE IN ANY PUBLIC, ELEMENTARY, OR SECONDARY
3 SCHOOL OF THE COMMONWEALTH.

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

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

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

SECTION 12. 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

GROUND. SUPERVISION OF TRAINING SHALL BE CONDUCTED AS A

COOPERATIVE EDUCATION PROGRAM IN ACCORDANCE WITH THE PROVISIONS

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

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

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

ARTICLE XV-C.

EDUCATION SUPPORT SERVICES [PROGRAM.] AND EDUCATIONAL

ASSISTANCE PROGRAMS.

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

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

SECTION 1501-C. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE

SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

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

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

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

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

18 "GRANT." A GRANT AWARDED TO A GRANT RECIPIENT UNDER THIS
19 ARTICLE.

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

23 ["PROGRAM." THE EDUCATION SUPPORT SERVICES PROGRAM
24 ESTABLISHED IN SECTION 1502-C.]

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

30 ["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.]

"SCHOOL ENTITY." SHALL MEAN:

(1) FOR PURPOSES OF THE EDUCATIONAL SUPPORT SERVICES PROGRAM, 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.

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

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

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

(A) ESTABLISHMENT.--THE EDUCATION SUPPORT SERVICES PROGRAM [IS] AND EDUCATIONAL ASSISTANCE PROGRAM ARE ESTABLISHED WITHIN THE DEPARTMENT TO PROVIDE INDIVIDUAL OR SMALL GROUP INSTRUCTION IN [READING AND MATHEMATICS] SUBJECT AREAS ASSESSED THROUGH THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT TESTS REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001 TO STRENGTHEN THE SKILLS THAT AN ELIGIBLE STUDENT NEEDS TO ACHIEVE THE STANDARDS IN 22

1 PA. CODE CH. 4 (RELATING TO ACADEMIC STANDARDS AND ASSESSMENT),
2 WHICH SHALL BE PROVIDED AT A TIME OTHER THAN THE REGULARLY
3 SCHEDULED SCHOOL HOURS.

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

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

12 SECTION 1503-C. [APPLICATION] EDUCATION SUPPORT SERVICES GRANT
13 APPLICATION AND APPROVAL.

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

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

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

23 THE DEPARTMENT SHALL:

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

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

28 (3) ADOPT STANDARDS, PROCEDURES AND GUIDELINES TO BE
29 USED TO APPROVE PROVIDERS [OF EDUCATION SUPPORT SERVICES
30 UNDER THIS ARTICLE].

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

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

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

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

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

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

15 SECTION 1505-C. PROVIDERS.

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

28 (B) REVOCATION OF APPROVAL.--THE DEPARTMENT SHALL REVOKE THE
29 APPROVAL OF ANY PROVIDER FOR WHICH THE ANNUAL ASSESSMENTS
30 REQUIRED UNDER SECTION 1504-C(7) DEMONSTRATE THAT 20% OR MORE OF

1 THE STUDENTS FOR WHOM THE PROVIDER HAS PROVIDED EDUCATION
2 SUPPORT SERVICES UNDER SECTION 1507-C OR TUTORING SERVICES UNDER
3 SECTION 1512-C FAILED TO MAKE ACADEMIC PROGRESS FOR TWO
4 CONSECUTIVE YEARS.

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

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

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

14 * * *

15 SECTION 1508-C. LIMITATIONS.

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

26 * * *

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

29 (A) PURPOSE.--THE EDUCATIONAL ASSISTANCE PROGRAM SHALL
30 PROVIDE TARGETED SUPPORT TO ELIGIBLE SCHOOL ENTITIES. FUNDS

1 PROVIDED TO ELIGIBLE SCHOOL ENTITIES THROUGH THE EDUCATIONAL
2 ASSISTANCE PROGRAM SHALL BE USED TO SUPPORT TUTORING SERVICES TO
3 ELIGIBLE STUDENTS.

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

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

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

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

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

17 (2) A SCHOOL ENTITY.

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

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

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

28 (3) UPON REQUEST, TO ASSIST THE PARENTS OR GUARDIAN OF
29 ANY STUDENT ELIGIBLE FOR TUTORING SERVICES UNDER SUBSECTION
30 (B) IN SELECTING AN APPROVED PROVIDER.

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

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

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

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

20 (F) DUTIES OF DEPARTMENT.--THE DEPARTMENT SHALL HAVE THE
21 FOLLOWING DUTIES:

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

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

29 (G) EDUCATIONAL ASSISTANCE FUNDING.--

30 (1) DURING THE 2003-2004 SCHOOL YEAR, THE DEPARTMENT

1 SHALL PROVIDE EACH ELIGIBLE SCHOOL ENTITY WITH EDUCATIONAL
2 ASSISTANCE FUNDING. THE AMOUNT OF THE FUNDING SHALL BE
3 CALCULATED BY:

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

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

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

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

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

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

29 (1) ENTER INTO CONTRACTS WITH APPROVED PROVIDERS.

30 (2) OFFER TUTORING SERVICES AS SUBMITTED PURSUANT TO

1 SECTION 1505-C.

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

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

6 ARTICLE XV-D

7 HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM

8 SECTION 1501-D. DEFINITIONS.

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

12 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
13 COMMONWEALTH.

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

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

25 "PROGRAM." THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM
26 ESTABLISHED IN SECTION 1502-D.

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

28 (A) ESTABLISHMENT.--THE HEAD START SUPPLEMENTAL ASSISTANCE
29 PROGRAM IS HEREBY ESTABLISHED TO PROVIDE HEAD START SERVICES TO
30 ADDITIONAL ELIGIBLE CHILDREN AND TO PROVIDE EXTENDED DAY

1 SERVICES THROUGH EXISTING HEAD START PROVIDERS.

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

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

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

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

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

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

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

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

3 (I) WITHIN THE HEAD START PROGRAM; OR

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

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

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

16 SECTION 1503-D. PRIORITY IN FUNDING.

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

20 SECTION 1504-D. ANNUAL REPORT.

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

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

29 (2) THE NUMBER OF ELIGIBLE CHILDREN SERVED BY THE
30 PROGRAM DURING THE SCHOOL YEAR THAT BEGINS ONE YEAR AFTER THE

1 EFFECTIVE DATE OF THIS ARTICLE AND EACH YEAR THEREAFTER.

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

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

9 (5) A SUMMARY OF THE TYPES OF ACTIVITIES FUNDED UNDER
10 THE PROGRAM.

11 SECTION 1505-D. HEAD START EXPANSION.

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

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

26 SECTION 1506-D. STANDARDS.

27 THE DEPARTMENT MAY PROMULGATE ANY STANDARDS NECESSARY TO
28 ADMINISTER AND ENFORCE THIS ARTICLE.

29 ARTICLE XV-E

30 CHILD DAY CARE AND EARLY CHILDHOOD

1 DEVELOPMENT STUDY

2 SECTION 1501-E. DEFINITIONS.

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

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

10 "DEPARTMENT." THE DEPARTMENT OF PUBLIC WELFARE OF THE
11 COMMONWEALTH.

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

18 SECTION 1502-E. COMPREHENSIVE STUDY.

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

1 CULTURAL CIRCUMSTANCES AND THE NEEDS OF CHILDREN OF DIFFERENT
2 AGES AND STAGES OF DEVELOPMENT AND OF CHILDREN WITH SPECIAL
3 NEEDS.

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

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

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

29 (E) CONTENTS OF STUDY.--THE STUDY SHALL INCLUDE THE
30 FOLLOWING INFORMATION:

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

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

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

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

27 (5) INCOME ELIGIBILITY GUIDELINES FOR FEDERALLY FUNDED
28 AND STATE-FUNDED CHILD DAY-CARE AND EARLY CHILDHOOD
29 DEVELOPMENT SERVICES, SLIDING FEE SCALES AND THE EXTENT TO
30 WHICH THE INCOME GUIDELINES AND FEE SCALES ARE ADJUSTED TO

1 REFLECT THE MOST RECENT AVAILABLE STATE INCOME DATA.

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

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

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

26 (9) A SUMMARY OF ANY RECENT REPORTS, DATA OR SURVEYS
27 CONCERNING THE COMPENSATION OF CHILD DAY-CARE AND EARLY
28 CHILDHOOD DEVELOPMENT PROFESSIONALS, LOAN FORGIVENESS
29 PROGRAMS, THE STATE'S REIMBURSEMENT RATES AND ANY CHANGES IN
30 RATES RECOMMENDED BY THE DEPARTMENT.

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

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

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

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

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

28 (15) STATUTORY AND REGULATORY CHANGES RECOMMENDED BY THE
29 DEPARTMENT TO ADDRESS THE QUALITY, AFFORDABILITY AND
30 AVAILABILITY OF CHILD DAY-CARE AND EARLY CHILDHOOD

1 DEVELOPMENT SERVICES.

2 SECTION 20. SECTION 1725-A(A)(2) OF THE ACT, AMENDED JUNE
3 29, 2002 (P.L.524, NO.88), IS AMENDED TO READ:

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

6 * * *

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

22 * * *

23 SECTION 21. SECTION 1729-A(A) OF THE ACT, ADDED JUNE 19,
24 1997 (P.L.225, NO.22), IS AMENDED TO READ:

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

30 (1) ONE OR MORE MATERIAL VIOLATIONS OF ANY OF THE

1 CONDITIONS, STANDARDS OR PROCEDURES CONTAINED IN THE WRITTEN
2 CHARTER SIGNED PURSUANT TO SECTION 1720-A.

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

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

10 (4) VIOLATION OF PROVISIONS OF THIS ARTICLE.

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

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

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

20 * * *

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

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

24 (H) * * *

25 (4) THE DEPARTMENT MAY UTILIZE UP TO \$2,000,000 OF
26 UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR COMMITTED FROM
27 APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT
28 TO ASSIST SCHOOL DISTRICTS CERTIFIED AS AN EDUCATION EMPOWERMENT
29 DISTRICT UNDER PARAGRAPH (3). THERE IS HEREBY ESTABLISHED A
30 RESTRICTED ACCOUNT FROM WHICH PAYMENTS UNDER THIS PARAGRAPH

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

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

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

18 (B) GRANTS SHALL BE LIMITED TO THE AMOUNT APPROPRIATED FOR
19 THAT PURPOSE.

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

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

28 (2) TO REDUCE CLASS SIZE IN KINDERGARTEN THROUGH GRADE
29 THREE.

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

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

(5) TO FUND CURRICULUM DEVELOPMENT.

(6) TO FUND ENHANCED STAFF PROFESSIONAL DEVELOPMENT.

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

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

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

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

(G) 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 AND CONDITIONS SET FORTH BY THE DEPARTMENT.

SECTION 24. 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, 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, VI-A, VI-B, VI-C, XI, XI-A, XII, XIII-A, XIV AND XVII-A AND THIS ARTICLE.

* * *

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

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

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

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

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

SECTION 27. THE DEFINITIONS 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

1 THE NONPROFIT ENTITY.

2 * * *

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

5 SECTION 2005-B. TAX CREDIT.

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

17 * * *

18 SECTION 2006-B. LIMITATIONS.

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

27 * * *

28 SECTION 29. SECTION 2502.8 OF THE ACT, AMENDED JUNE 22, 2001
29 (P.L.530, NO.35), IS REENACTED TO READ:

30 SECTION 2502.8. PAYMENTS ON ACCOUNT OF PUPILS ENROLLED IN

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

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

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

27 (2) MULTIPLY THE LESSER OF THE DISTRICT'S ACTUAL INSTRUCTION
28 EXPENSE PER WEIGHTED AVERAGE DAILY MEMBERSHIP OR THE BASE EARNED
29 FOR REIMBURSEMENT BY THE MARKET VALUE/INCOME AID RATIO OR BY
30 THREE HUNDRED SEVENTY-FIVE THOUSANDTHS (.375), WHICHEVER IS

1 GREATER.

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

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

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

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

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

25 (E) FOR THE SCHOOL YEAR 2000-2001 AND EACH SCHOOL YEAR
26 THEREAFTER, ANY ADDITIONAL FUNDING PROVIDED BY THE COMMONWEALTH
27 OVER THE AMOUNT PROVIDED FOR THE SCHOOL YEAR 1998-1999 WILL BE
28 DISTRIBUTED TO AREA VOCATIONAL-TECHNICAL SCHOOLS, TO SCHOOL
29 DISTRICTS AND CHARTER SCHOOLS WITH EIGHT (8) OR MORE VOCATIONAL
30 PROGRAMS AND TO SCHOOL DISTRICTS AND CHARTER SCHOOLS OFFERING A

1 VOCATIONAL AGRICULTURAL EDUCATION PROGRAM BASED ON SUBSECTION
2 (B).

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

5 SECTION 2502.13. SMALL DISTRICT ASSISTANCE.--FOR THE 1984-
6 1985 AND 1985-1986 SCHOOL YEARS, 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 HAS A MARKET
9 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)
10 OR GREATER, AN AMOUNT EQUAL TO FIFTY DOLLARS (\$50) MULTIPLIED BY
11 THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE 1985-1986
12 SCHOOL YEAR, NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF
13 THIS SECTION THAN IT DID FOR THE 1984-1985 SCHOOL YEAR. FOR THE
14 SCHOOL YEAR 1986-1987, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL
15 DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND
16 FIVE HUNDRED (1,500) OR LESS AND HAS A MARKET VALUE/INCOME AID
17 RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR
18 RECEIVED PAYMENTS UNDER THIS SECTION FOR THE 1985-1986 SCHOOL
19 YEAR, AN AMOUNT EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED
20 BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR
21 1987-1988, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT
22 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE
23 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF
24 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED
25 PAYMENTS UNDER THIS SECTION FOR THE 1986-1987 SCHOOL YEAR, AN
26 AMOUNT EQUAL TO EIGHTY-FIVE DOLLARS (\$85) MULTIPLIED BY THAT
27 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEAR 1988-
28 1989, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT WHICH
29 HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED
30 (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF FIVE

1 THOUSAND TEN THOUSANDTHS (0.5000) OR GREATER, OR RECEIVED
2 PAYMENTS UNDER THIS SECTION FOR THE 1987-1988 OR 1988-1989
3 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIVE DOLLARS (\$105).
4 FOR THE SCHOOL YEAR 1989-1990, THE COMMONWEALTH SHALL PAY TO
5 EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF
6 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A MARKET
7 VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS (0.5000)
8 OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR THE
9 1987-1988 SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED FIFTEEN
10 DOLLARS (\$115) MULTIPLIED BY THE DISTRICT'S AVERAGE DAILY
11 MEMBERSHIP AS PROVIDED FOR IN SECTION 212 OF THE ACT OF JULY 1,
12 1990 (P.L.1591, NO.7A), KNOWN AS THE "GENERAL APPROPRIATION ACT
13 OF 1990." FOR THE SCHOOL YEAR 1990-1991, THE COMMONWEALTH SHALL
14 PAY TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY
15 MEMBERSHIP OF ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AND A
16 MARKET VALUE/INCOME AID RATIO OF FIVE THOUSAND TEN-THOUSANDTHS
17 (0.5000) OR GREATER, OR RECEIVED PAYMENTS UNDER THIS SECTION FOR
18 THE PRIOR SCHOOL YEAR, AN AMOUNT EQUAL TO ONE HUNDRED SEVENTY
19 DOLLARS (\$170) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY
20 MEMBERSHIP. FOR THE SCHOOL YEAR 1990-1991, EACH SCHOOL DISTRICT
21 WITH A POPULATION PER SQUARE MILE OF LESS THAN NINETY (90),
22 WHICH OTHERWISE MEETS THE AVERAGE DAILY MEMBERSHIP AND MARKET
23 VALUE/INCOME AID RATIO REQUIREMENTS OF THIS SECTION, OR RECEIVED
24 PAYMENTS UNDER THIS SECTION FOR THE PRIOR SCHOOL YEAR, SHALL
25 INSTEAD RECEIVE AN AMOUNT EQUAL TO ONE HUNDRED NINETY DOLLARS
26 (\$190) MULTIPLIED BY THAT DISTRICT'S AVERAGE DAILY MEMBERSHIP.
27 FOR THE 1987-1988 SCHOOL YEAR THROUGH THE 1990-1991 SCHOOL YEAR,
28 NO SCHOOL DISTRICT SHALL RECEIVE LESS ON ACCOUNT OF THIS SECTION
29 THAN IT DID FOR THE PRIOR SCHOOL YEAR. FOR THE SCHOOL YEAR 1994-
30 1995, 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, AN AMOUNT EQUAL TO
4 NINETY FIVE DOLLARS (\$95) MULTIPLIED BY THAT DISTRICT'S AVERAGE
5 DAILY MEMBERSHIP. FOR EACH OF THE SCHOOL YEARS 1997-1998 THROUGH
6 1999-2000, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT
7 WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF ONE THOUSAND FIVE
8 HUNDRED (1,500) OR LESS AND A MARKET VALUE/INCOME AID RATIO OF
9 FIVE THOUSAND TEN-THOUSANDTHS (0.5000) OR GREATER AN AMOUNT
10 EQUAL TO SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED BY THAT
11 DISTRICT'S AVERAGE DAILY MEMBERSHIP. FOR THE SCHOOL YEARS 2000-
12 2001 [AND], 2001-2002 AND 2002-2003, THE COMMONWEALTH SHALL PAY
13 TO EACH SCHOOL DISTRICT WHICH HAS AN AVERAGE DAILY MEMBERSHIP OF
14 ONE THOUSAND FIVE HUNDRED (1,500) OR LESS AN AMOUNT EQUAL TO
15 SEVENTY-FIVE DOLLARS (\$75) MULTIPLIED BY THAT DISTRICT'S AVERAGE
16 DAILY MEMBERSHIP.

17 SECTION 2502.30. TEMPORARY SPECIAL AID TO SCHOOL DISTRICTS
18 SUFFERING LOSS OF TAX REVENUE DUE TO REDUCTION IN ASSESSED
19 VALUATION OF TAXABLE PROPERTY.--(A) TEMPORARY SPECIAL AID SHALL
20 BE PAID IN FISCAL YEARS 1994-1995, 1995-1996, 1996-1997, 1997-
21 1998, 1998-1999, 1999-2000, 2001-2002 [AND], 2002-2003 AND 2003-
22 2004 TO SCHOOL DISTRICTS EXPERIENCING A SEVERE REDUCTION IN
23 LOCAL REVENUE DUE TO A DECLINE IN THE ASSESSED VALUE OF TAXABLE
24 PROPERTIES. THE ALLOCATION TO THESE DISTRICTS SHALL BE
25 DETERMINED BY MULTIPLYING THE REDUCTION IN ASSESSED VALUE
26 BETWEEN 1985-1986 AND 1992-1993 BY THE 1992-1993 REAL ESTATE
27 MILLAGE RATE. THIS AID SHALL BE PAID FROM UNDISTRIBUTED FUNDS
28 NOT EXPENDED, ENCUMBERED OR COMMITTED FROM APPROPRIATIONS FOR
29 GRANTS AND SUBSIDIES MADE TO THE DEPARTMENT OF EDUCATION. NO
30 OTHER FUNDS SHALL BE USED FOR ASSISTANCE UNDER THIS SECTION.

1 THESE FUNDS SHALL BE SUFFICIENT TO PROVIDE TEMPORARY RELIEF TO
2 SEVEN SCHOOL DISTRICTS IN FISCAL YEAR 1995-1996 AT SEVENTY-FIVE
3 PER CENTUM (75%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995,
4 IN FISCAL YEAR 1996-1997 AT FIFTY PER CENTUM (50%) OF THE FUNDS
5 RECEIVED IN FISCAL YEAR 1994-1995, IN FISCAL YEAR 1997-1998,
6 1998-1999 AND IN FISCAL YEAR 1999-2000 AT TWENTY-FIVE PER CENTUM
7 (25%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995. FOR FISCAL
8 YEARS 2001-2002 [AND], 2002-2003[,] AND 2003-2004 TO THE EXTENT
9 FUNDS ARE AVAILABLE AS DETERMINED BY THE SECRETARY OF THE
10 BUDGET, QUALIFYING SCHOOL DISTRICTS SHALL RECEIVE TWENTY-FIVE
11 PER CENTUM (25%) OF THE FUNDS RECEIVED IN FISCAL YEAR 1994-1995.

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

19 (C) THIS SECTION SHALL EXPIRE [OCTOBER 1, 2003] OCTOBER 1,
20 2004.

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

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

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

29 (2) A BASE SUPPLEMENT CALCULATED AS FOLLOWS:

30 (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
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 AND MULTIPLY THE DIFFERENCE BY ITS 2003-2004 MARKET VALUE/INCOME AID RATIO.

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

(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 PER CENTUM (2%) OF THE AMOUNT IN PARAGRAPH (1).

SECTION 32. 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

1 (\$9,500,000) MAY BE UTILIZED FOR PROGRAMS ADMINISTERED AND
2 OPERATED BY INTERMEDIATE UNITS DURING THE 2003-2004 SCHOOL YEAR
3 FOR INSTITUTIONALIZED CHILDREN AS ESTABLISHED IN SUBSECTION
4 (B.1).

5 * * *

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

8 (LL) DURING THE 2003-2004 SCHOOL YEAR, EACH SCHOOL DISTRICT
9 SHALL BE PAID THE AMOUNT IT RECEIVED DURING THE 2002-2003 SCHOOL
10 YEAR UNDER SUBSECTION (KK).

11 (MM) DURING THE 2003-2004 SCHOOL YEAR, THIRTY-SIX MILLION
12 ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-SEVEN
13 DOLLARS (\$36,149,587) OF THE FUNDS APPROPRIATED TO THE
14 DEPARTMENT OF EDUCATION FOR SPECIAL EDUCATION SHALL BE USED TO
15 PROVIDE SUPPLEMENTAL FUNDING FOR SPECIAL EDUCATION TO ALL SCHOOL
16 DISTRICTS. THE SUPPLEMENTAL FUNDING SHALL BE CALCULATED AS
17 FOLLOWS:

18 (1) MULTIPLY EACH SCHOOL DISTRICT'S 2003-2004 MARKET
19 VALUE/INCOME AID RATIO BY SIXTEEN PER CENTUM (16%) OF ITS 2002-
20 2003 AVERAGE DAILY MEMBERSHIP;

21 (2) MULTIPLY THE PRODUCT FROM PARAGRAPH (1) BY THIRTY-SIX
22 MILLION ONE HUNDRED FORTY-NINE THOUSAND FIVE HUNDRED EIGHTY-
23 SEVEN DOLLARS (\$36,149,587); AND

24 (3) DIVIDE THE RESULTANT PRODUCT FROM PARAGRAPH (2) BY THE
25 SUM OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID
26 RATIO MULTIPLIED BY SIXTEEN PER CENTUM (16%) OF THE 2002-2003
27 AVERAGE DAILY MEMBERSHIP FOR ALL SCHOOL DISTRICTS.

28 SECTION 33. SECTION 2509.8(D) OF THE ACT, ADDED MAY 10, 2000
29 (P.L.44, NO.16), IS AMENDED AND THE SECTION IS AMENDED BY ADDING
30 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.

(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).

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

SECTION 35. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

SECTION 2599.2. PENNSYLVANIA ACCOUNTABILITY GRANTS.--(A)
DURING THE 2003-2004 FISCAL YEAR, THE COMMONWEALTH SHALL PAY TO
EACH SCHOOL DISTRICT A GRANT EQUAL TO THE AMOUNT DETERMINED
UNDER SUBSECTION (C).

(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 (1) ESTABLISHING, MAINTAINING OR EXPANDING A QUALITY
2 PREKINDERGARTEN PROGRAM ALIGNED WITH THE CURRENT ACADEMIC
3 STANDARDS CONTAINED IN 22 PA. CODE CH. 4 (RELATING TO ACADEMIC
4 STANDARDS AND ASSESSMENT).

5 (2) ESTABLISHING, MAINTAINING OR EXPANDING A QUALITY FULL-
6 DAY KINDERGARTEN PROGRAM ALIGNED WITH THE CURRENT ACADEMIC
7 STANDARDS CONTAINED IN 22 PA. CODE CH. 4. SUCH PROGRAMS SHALL BE
8 KEPT OPEN FOR FIVE HOURS EACH DAY FOR THE FULL SCHOOL TERM AS
9 PROVIDED IN SECTION 1501. THE BOARD OF SCHOOL DIRECTORS OF A
10 SCHOOL DISTRICT MAY OFFER A FULL-DAY KINDERGARTEN PROGRAM TO
11 CHILDREN WHO ARE BETWEEN FOUR AND SIX YEARS OLD.

12 (3) ESTABLISHING, MAINTAINING OR EXPANDING A CLASS SIZE
13 REDUCTION PROGRAM. SUCH CLASS SIZE REDUCTION PROGRAM SHALL
14 APPOINT AND ASSIGN A MINIMUM OF ONE TEACHER FOR EVERY 17
15 STUDENTS OR TWO TEACHERS FOR EVERY 35 STUDENTS ENROLLED IN A
16 KINDERGARTEN, FIRST, SECOND OR THIRD GRADE CLASSROOM. ALL
17 TEACHERS APPOINTED AND ASSIGNED TO TEACH KINDERGARTEN AND FIRST,
18 SECOND AND THIRD GRADES SHALL BE CERTIFIED IN ACCORDANCE WITH 22
19 PA. CODE CH. 49 (RELATING TO CERTIFICATION OF PROFESSIONAL
20 PERSONNEL) OR ITS SUCCESSORS. THE DEPARTMENT SHALL ESTABLISH
21 GUIDELINES TO ASSURE THAT NO SCHOOL DISTRICT SATISFIES THIS
22 LEVEL BY MAKING A REDUCTION IN, AND SUBSEQUENT INCREASE TO,
23 CURRENT TEACHER COMPLEMENT. FOR PURPOSES OF THIS PARAGRAPH, THE
24 PHRASE "ONE TEACHER FOR EVERY 17 STUDENTS OR TWO TEACHERS FOR
25 EVERY 35 STUDENTS IN A KINDERGARTEN, FIRST, SECOND AND THIRD
26 GRADE CLASSROOM" SHALL REFER TO THE NUMBER OF TEACHERS
27 CONDUCTING A CLASS AT ANY ONE TIME IN A CLASSROOM CONTAINING THE
28 APPLICABLE NUMBER OF STUDENTS.

29 (4) ESTABLISHING, EXPANDING OR MAINTAINING PROGRAMS THAT
30 PROMOTE THE AVAILABILITY, COORDINATION, INTEGRATION AND

1 UTILIZATION OF SOCIAL AND HEALTH SERVICES, ASSOCIATED RESOURCES
2 AND ANCILLARY RESOURCES TO MEET THE NEEDS OF CHILDREN AND
3 FAMILIES IN ADDRESSING ISSUES THAT MAY SERVE TO LIMIT STUDENT
4 ACADEMIC ACHIEVEMENT.

5 (5) NOTWITHSTANDING THE PROVISIONS OF ARTICLE XV-C,
6 PROVIDING TUTORING ASSISTANCE.

7 (6) IMPROVING THE ACADEMIC PERFORMANCE OF SUBGROUPS
8 IDENTIFIED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001.

9 (7) ESTABLISHING, EXPANDING OR MAINTAINING PROGRAMS TO
10 ASSIST IN THE BUILDING OF STRONG SCIENCE AND APPLIED-KNOWLEDGE
11 SKILLS IN STUDENTS OF THIS COMMONWEALTH.

12 (8) PROVIDING ADDITIONAL PROGRAMS FOR PROFESSIONAL
13 DEVELOPMENT TRAINING, WHICH INCLUDE TRAINING IN MATHEMATICS,
14 SCIENCE AND LITERACY-SPECIFIC CURRICULUM AND INSTRUCTIONAL
15 STRATEGIES; TRAINING IN SCHOOL-WIDE IMPROVEMENT PLANNING;
16 ANALYSIS OF STUDENT ACHIEVEMENT DATA, INCLUDING STUDENT WORK AND
17 THE IMPLICATIONS FOR CLASSROOM PRACTICE; OBSERVING AND STUDYING
18 EXEMPLARY SCHOOL AND CLASSROOM PRACTICES; IMPLEMENTING SCHOOL-
19 WIDE PROGRAMS AND CLASSROOM MANAGEMENT STRATEGIES DESIGNED TO
20 IMPROVE STUDENT CONDUCT; USING TECHNOLOGY TO BOOST STUDENT
21 ACHIEVEMENT; CONDUCTING TRANSITION PLANNING AND CURRICULUM
22 ALIGNMENT ACROSS SCHOOLS AND GRADE LEVELS, AND IMPLEMENTING
23 SECONDARY STRATEGIES TO INCREASE STUDENT ENGAGEMENT AND
24 PERSONALIZE LEARNING.

25 (9) ESTABLISHING, EXPANDING OR MAINTAINING MATH AND LITERACY
26 COACHING PROGRAMS WITHIN SCHOOLS TO IMPROVE MATH AND READING
27 INSTRUCTION.

28 (10) PROVIDING FINANCIAL INCENTIVES TO HIGHLY QUALIFIED,
29 TENURED TEACHERS TO WORK IN THE MOST ACADEMICALLY CHALLENGED
30 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

1 DETERMINED BY:

2 (I) DIVIDING THE SCHOOL DISTRICT'S NUMBER OF PSSA TESTS
3 SCORED BELOW BASIC AND BASIC IN MATHEMATICS AND READING BY THE
4 SCHOOL DISTRICT'S NUMBER OF PSSA TESTS SCORED IN MATHEMATICS AND
5 READING TO DETERMINE THE SCHOOL DISTRICT'S AVERAGE PERCENTAGE OF
6 STUDENTS WHO SCORE BELOW PROFICIENT.

7 (II) MULTIPLYING THE SCHOOL DISTRICT'S 2002-2003 AVERAGE
8 DAILY MEMBERSHIP BY ITS AVERAGE PERCENTAGE OF STUDENTS WHO
9 SCORED BELOW PROFICIENT TO DETERMINE THE SCHOOL DISTRICT'S
10 AVERAGE DAILY MEMBERSHIP BELOW PROFICIENT.

11 (III) MULTIPLYING THE SCHOOL DISTRICT'S 2003-2004 MARKET
12 VALUE/INCOME AID RATIO BY ITS AVERAGE DAILY MEMBERSHIP BELOW
13 PROFICIENT.

14 (IV) MULTIPLYING THE PRODUCT FROM SUBPARAGRAPH (III) BY ONE
15 HUNDRED FIFTY MILLION DOLLARS (\$150,000,000).

16 (V) DIVIDING THE PRODUCT FROM SUBPARAGRAPH (IV) BY THE SUM
17 OF THE PRODUCTS OF THE 2003-2004 MARKET VALUE/INCOME AID RATIO
18 MULTIPLIED BY THE AVERAGE DAILY MEMBERSHIP BELOW PROFICIENT FOR
19 ALL SCHOOL DISTRICTS.

20 (2) THE DEPARTMENT SHALL AWARD A GRANT SUPPLEMENT FOR SCHOOL
21 DISTRICTS TO HELP MAINTAIN AND REWARD PROFICIENCY. THE GRANT
22 SUPPLEMENT UNDER THIS PARAGRAPH SHALL BE DETERMINED BY:

23 (I) DIVIDING THE SCHOOL DISTRICT'S NUMBER OF PSSA TESTS
24 SCORED PROFICIENT AND ADVANCED IN MATHEMATICS AND READING BY THE
25 SCHOOL DISTRICT'S NUMBER OF PSSA TESTS SCORED IN MATHEMATICS AND
26 READING TO DETERMINE THE SCHOOL DISTRICT'S AVERAGE PERCENTAGE OF
27 STUDENTS WHO SCORE PROFICIENT.

28 (II) MULTIPLYING THE SCHOOL DISTRICT'S 2002-2003 AVERAGE
29 DAILY MEMBERSHIP BY ITS AVERAGE PERCENTAGE OF STUDENTS WHO
30 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

1 THIS SECTION IN A RESERVE ACCOUNT.

2 (D) (1) EACH SCHOOL DISTRICT THAT RECEIVES A GRANT PURSUANT
3 TO THIS SECTION SHALL WITHIN SIXTY (60) DAYS OF RECEIPT OF THE
4 GRANT, SUBMIT TO THE DEPARTMENT AN ACCOUNTABILITY GRANT PLAN.

5 (2) THE PLAN SHALL IDENTIFY THE PROGRAMS AND SERVICES THE
6 SCHOOL DISTRICT WILL UNDERTAKE UTILIZING THE GRANT FUNDS TO
7 ATTAIN OR MAINTAIN ACADEMIC PERFORMANCE TARGETS FOR SPECIFIC
8 BUILDINGS AND THE SCHOOL DISTRICT.

9 (3) THE PLAN SHALL CONTAIN A DESCRIPTION OF THE ANTICIPATED
10 IMPACT THESE PROGRAMS AND SERVICES WILL HAVE ON ATTAINING OR
11 MAINTAINING ACADEMIC PERFORMANCE TARGETS.

12 (4) THE SECRETARY OF EDUCATION, UPON REVIEW OF A SCHOOL
13 DISTRICT PLAN, MAY MAKE RECOMMENDATIONS FOR ALTERNATIVE
14 UTILIZATION OF GRANT FUNDS THAT MAY INCREASE THE ABILITY OF THE
15 SCHOOL DISTRICT TO ATTAIN OR MAINTAIN ADEQUATE YEARLY PROGRESS.

16 (E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES
17 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION:

18 "APPLIED KNOWLEDGE." INFORMATION TECHNOLOGY, COMPUTER
19 EQUIPMENT, EDUCATION SOFTWARE AND RELATED ADVANCED TECHNOLOGIES
20 NECESSARY TO INCREASE STUDENTS' ACCESS TO WORLDWIDE INFORMATION
21 AND THEIR EXPERTISE IN THIS REGARD.

22 "GRANT." A PENNSYLVANIA ACCOUNTABILITY GRANT AWARDED UNDER
23 THIS SECTION.

24 "HIGHLY QUALIFIED." A HIGHLY QUALIFIED ELEMENTARY TEACHER OR
25 A HIGHLY QUALIFIED MIDDLE OR SECONDARY TEACHER AS DEFINED IN 22
26 PA. CODE, § 403.2 (RELATING TO DEFINITIONS).

27 "SCIENCE." A CURRICULAR OFFERING IN SUPPORT OF THE SCIENCE
28 AND TECHNOLOGY CONTENT AREA AS DEFINED IN 22 PA. CODE § 4.12
29 (RELATING TO ACADEMIC STANDARDS).

30 SECTION 36. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

1 ARTICLE XXV-A

2 KEYSTONE EDUCATIONAL ACCOUNTABILITY

3 SECTION 2501-A. SCOPE.

4 THIS ARTICLE DEALS WITH EDUCATIONAL ACCOUNTABILITY.

5 SECTION 2502-A. PURPOSE.

6 THE PURPOSE OF THIS ARTICLE IS TO PUT IN PLACE AN ASSESSMENT
7 SYSTEM AIMED AT IMPROVING SCHOOL DISTRICT MANAGEMENT PRACTICES
8 AND USE OF RESOURCES, AS WELL AS TO IDENTIFY POTENTIAL COST
9 SAVINGS, BY PROVIDING FOR THE ESTABLISHMENT OF A SERIES OF BEST
10 PRACTICES COVERING A BROAD RANGE OF SCHOOL DISTRICT EDUCATIONAL
11 AND OPERATIONAL PROGRAMS AND SERVICES AS STANDARDS FOR A
12 PERIODIC FINANCIAL MANAGEMENT PRACTICES REVIEW OF SCHOOL
13 DISTRICTS IN THIS COMMONWEALTH. THE REVIEWS ARE INTENDED TO:

14 (1) INCREASE PUBLIC CONFIDENCE IN AND SUPPORT FOR SCHOOL
15 DISTRICTS THAT DEMONSTRATE EFFICIENT USE OF TAXPAYER
16 RESOURCES.

17 (2) ENCOURAGE COST SAVINGS.

18 (3) LINK FINANCIAL PLANNING AND BUDGETING TO DISTRICT
19 PRIORITIES, INCLUDING STUDENT PERFORMANCE.

20 (4) IMPROVE SCHOOL DISTRICT MANAGEMENT AND USE OF
21 RESOURCES.

22 SECTION 2503-A. DEFINITIONS.

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

26 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
27 COMMONWEALTH.

28 "REVIEW." THE BEST FINANCIAL MANAGEMENT PRACTICES REVIEW
29 ESTABLISHED BY THIS ARTICLE.

30 "SCHOOL BOARD." A BOARD OF SCHOOL DIRECTORS OF A SCHOOL

DISTRICT.

"SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.

"STANDARDS." THE BEST FINANCIAL MANAGEMENT PRACTICES
STANDARDS ESTABLISHED BY THE SECRETARY OF EDUCATION AND
PROMULGATED BY THE STATE BOARD OF EDUCATION PURSUANT TO THIS
ARTICLE.

"STATE BOARD." THE STATE BOARD OF EDUCATION.

"TEAM." THE LOCAL FINANCIAL MANAGEMENT ADVISORY TEAM
ESTABLISHED PURSUANT TO SECTION 2508-A.

SECTION 2504-A. ESTABLISHMENT.

(A) REVIEW SYSTEM.--THE DEPARTMENT, IN CONSULTATION WITH
STAKEHOLDERS AS SET FORTH IN SUBSECTION (D), SHALL DEVELOP A
SYSTEM FOR REVIEWING THE FINANCIAL MANAGEMENT PRACTICES OF
SCHOOL DISTRICTS IN THIS COMMONWEALTH BASED ON A SERIES OF BEST
FINANCIAL MANAGEMENT PRACTICES STANDARDS ADOPTED FOR SPECIFIC
AREAS OF DISTRICT PROGRAMS AND OPERATIONS.

(B) RESOURCES.--IN DEVELOPING THIS SYSTEM, THE DEPARTMENT
SHALL DRAW ON INFORMATION GARNERED THROUGH THE EXISTING SCHOOL
EVALUATION SERVICES REPORTS.

(C) ADVISORY COMMITTEE.--

(1) THERE IS HEREBY ESTABLISHED IN THE DEPARTMENT OF
EDUCATION AN ADVISORY COMMITTEE CONSISTING OF NINE MEMBERS TO
ASSIST THE SECRETARY IN CARRYING OUT THE SECRETARY'S DUTIES
UNDER THIS ARTICLE.

(2) MEMBERSHIP ON THE COMMITTEE SHALL INCLUDE:

(I) A REPRESENTATIVE NAMED BY AN ESTABLISHED
RECOGNIZED ASSOCIATION REPRESENTING SCHOOL
ADMINISTRATORS.

(II) A REPRESENTATIVE NAMED BY AN ESTABLISHED
RECOGNIZED ASSOCIATION REPRESENTING SCHOOL BUSINESS

1 OFFICIALS.

2 (III) ONE REPRESENTATIVE NAMED BY EACH OF THE
3 ESTABLISHED RECOGNIZED ORGANIZATIONS REPRESENTING THE
4 STATE'S PUBLIC SCHOOL EMPLOYEES.

5 (IV) A REPRESENTATIVE NAMED BY AN ESTABLISHED
6 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S BOARDS
7 OF SCHOOL DIRECTORS.

8 (V) A REPRESENTATIVE NAMED BY AN ESTABLISHED
9 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S COLLEGES
10 AND UNIVERSITIES.

11 (VI) THREE MEMBERS NAMED BY THE SECRETARY TO
12 INCLUDE: ONE REPRESENTATIVE FROM AN ESTABLISHED
13 RECOGNIZED ORGANIZATION REPRESENTING THE STATE'S BUSINESS
14 COMMUNITY; ONE REPRESENTATIVE OF AN ESTABLISHED
15 RECOGNIZED TAXPAYER ORGANIZATION AND ONE MEMBER FROM THE
16 GENERAL PUBLIC.

17 (3) THE COMMITTEE SHALL:

18 (I) CONSULT WITH THE SECRETARY CONCERNING ANY MATTER
19 ARISING UNDER THE ADMINISTRATION OF THIS ARTICLE.

20 (II) ASSIST THE SECRETARY IN COMPLYING WITH THE
21 PROVISIONS OF SECTION 2504-A(D) TO INCLUDE PROVIDING
22 LISTS OF EXPERTS IN VARIOUS AREAS ON WHICH STANDARDS AND
23 INDICATORS ARE BEING DEVELOPED PURSUANT TO SECTION 2505-
24 A.

25 (D) CONSULTATION.--IN ARRIVING AT ITS BEST PRACTICES AND
26 THEIR INDICATORS, THE DEPARTMENT SHALL CONSULT WITH A WIDE
27 VARIETY OF EDUCATIONAL STAKEHOLDERS, INCLUDING SCHOOL DISTRICT
28 ADMINISTRATORS, SCHOOL BUSINESS OFFICIALS, SCHOOL BOARD MEMBERS,
29 PROFESSIONAL EDUCATION ORGANIZATIONS, TAXPAYER ORGANIZATIONS,
30 LEGISLATORS AND LEGISLATIVE STAFF AND THE OFFICE OF THE BUDGET.

1 ADDITIONALLY, THE DEPARTMENT IS TO SEEK ADVICE FROM CORPORATE
2 AND GOVERNMENTAL EXPERTS IN FINANCIAL BEST MANAGEMENT PRACTICES
3 AND OTHER STATES WITH SIMILAR PROGRAMS.

4 (E) REGULATIONS.--NO LATER THAN ONE YEAR FROM THE EFFECTIVE
5 DATE OF THIS ARTICLE, THE SECRETARY SHALL PROMULGATE THE BEST
6 MANAGEMENT PRACTICES STANDARDS AS REGULATIONS. DUE TO THE URGENT
7 NEED FOR AN EXPEDITED BUT PUBLIC REGULATORY PROCESS, THE STATE
8 BOARD, IN ADOPTING THESE REGULATIONS, SHALL FOLLOW THE
9 PROCEDURES SET FORTH IN THE ACT OF JULY 31, 1968 (P.L.769,
10 NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS LAW, AND THE
11 ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE REGULATORY
12 REVIEW ACT, FOR THE PROMULGATION AND REVIEW OF FINAL-OMITTED
13 REGULATIONS.

14 SECTION 2505-A. BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS.

15 (A) GENERAL.--THE BEST FINANCIAL MANAGEMENT PRACTICES
16 STANDARDS MUST, AT A MINIMUM, INSTILL PUBLIC CONFIDENCE BY
17 ADDRESSING SCHOOL DISTRICTS' USE OF RESOURCES, IDENTIFYING WAYS
18 THAT THE DISTRICT MAY SAVE FUNDS AND IMPROVING THE DISTRICTS'
19 PERFORMANCE AND ACCOUNTABILITY SYSTEMS, INCLUDING PUBLIC
20 ACCOUNTABILITY.

21 (B) INITIAL DEVELOPMENT.--TO ASSURE THESE GOALS ARE MET,
22 BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS SHALL INITIALLY BE
23 DEVELOPED FOR THE FOLLOWING AREAS:

24 (1) MANAGEMENT STRUCTURES.

25 (2) PERFORMANCE ACCOUNTABILITY.

26 (3) EDUCATIONAL SERVICE DELIVERY.

27 (4) ADMINISTRATIVE AND INSTRUCTIONAL TECHNOLOGY.

28 (5) PERSONNEL SYSTEMS AND BENEFITS.

29 (6) FACILITIES CONSTRUCTION.

30 (7) FACILITIES MAINTENANCE.

1 (8) TRANSPORTATION.

2 (9) FOOD SERVICE OPERATIONS.

3 (10) COST CONTROL SYSTEMS.

4 (C) INDICATORS.--TO HELP ASSESS WHETHER A DISTRICT IS
5 MEETING THESE STANDARDS, THE DEPARTMENT SHALL ALSO DEVELOP
6 SPECIFIC INDICATORS FOR EACH BEST PRACTICE. INDICATORS WILL
7 REPRESENT THE KINDS OF ACTIVITIES A DISTRICT WOULD UNDERTAKE IF
8 THE DISTRICT WERE USING A PARTICULAR BEST PRACTICE.

9 SECTION 2506-A. REVIEW PROCESS.

10 (A) REVIEW CYCLE.--EVERY SCHOOL DISTRICT SHALL BE SUBJECT TO
11 A BEST FINANCIAL MANAGEMENT PRACTICES REVIEW ON A CONTINUING
12 SIX-YEAR CYCLE. ONCE THE SIX-YEAR CYCLE HAS BEEN COMPLETED,
13 REVIEWS SHALL CONTINUE, BEGINNING AGAIN WITH THOSE DISTRICTS
14 INCLUDED IN THE FIRST YEAR OF THE CYCLE UNLESS THE DISTRICT HAS
15 BEEN DEEMED ENTITLED TO A WAIVER PURSUANT TO SECTION 2507-A(D).

16 (B) STRATEGIC PLAN.--EACH DISTRICT'S REVIEW SHALL BE
17 SCHEDULED ONE YEAR PRIOR TO THE DATE REQUIRED FOR FILING OF THE
18 DISTRICT'S STRATEGIC PLAN UNDER 22 PA. CODE § 4.13 (RELATING TO
19 STRATEGIC PLANS) OR ITS SUCCESSOR REGULATIONS, EXCEPT THAT ALL
20 DISTRICTS PLACED ON THE EDUCATION EMPOWERMENT LIST PURSUANT TO
21 SECTION 1703-B OR DETERMINED TO BE DISTRESSED PURSUANT TO
22 SECTION 691 AS OF THE EFFECTIVE DATE OF THIS ARTICLE SHALL BE
23 INCLUDED IN THE INITIAL CYCLE OF SCHOOL DISTRICTS SUBJECT TO A
24 REVIEW.

25 (C) PRIVATE FIRMS.--THE DEPARTMENT IS AUTHORIZED TO CONTRACT
26 WITH A PRIVATE FIRM OR FIRMS, SELECTED THROUGH A FORMAL REQUEST
27 FOR PROPOSAL PROCESS TO PERFORM EACH REVIEW, TO THE EXTENT THAT
28 FUNDS ARE PROVIDED FOR THIS PURPOSE IN THE GENERAL APPROPRIATION
29 ACT EACH YEAR. ANY PRIVATE FIRM AWARDED A CONTRACT PURSUANT TO
30 THIS SUBSECTION SHALL HAVE EXPERTISE IN SCHOOL DISTRICT FINANCE.

1 (D) SELF-ASSESSMENT.--DISTRICTS SCHEDULED FOR REVIEW SHALL
2 INITIALLY COMPLETE A SELF-ASSESSMENT INSTRUMENT DEVELOPED BY THE
3 DEPARTMENT WHICH INDICATES THE SCHOOL DISTRICT'S OWN EVALUATION
4 OF ITS PERFORMANCE ON EACH BEST PRACTICE. THE SELF-ASSESSMENT
5 SHALL BEGIN NO LATER THAN 60 DAYS PRIOR TO THE COMMENCEMENT OF
6 THE REVIEW, WITH THE COMPLETED ASSESSMENT INSTRUMENT AND
7 SUPPORTING DOCUMENTATION SUBMITTED TO THE DEPARTMENT NO LATER
8 THAN THE DATE SCHEDULED FOR COMMENCEMENT OF THE REVIEW OF THE
9 DISTRICT.

10 (E) PUBLIC MEETINGS DURING REVIEW.--DURING THE REVIEW THE
11 DEPARTMENT AND THE FIRM CONDUCTING THE REVIEW SHALL HOLD AT
12 LEAST ONE ADVERTISED PUBLIC MEETING IN ORDER TO EXPLAIN THE BEST
13 FINANCIAL MANAGEMENT PRACTICES REVIEW PROCESS AND OBTAIN INPUT
14 FROM STUDENTS, PARENTS, THE BUSINESS COMMUNITY AND OTHER
15 DISTRICT RESIDENTS REGARDING THEIR OBSERVATIONS AND
16 RECOMMENDATIONS ABOUT THE OPERATIONS AND MANAGEMENT OF THE
17 DISTRICT.

18 (F) INFORMATION USED IN REVIEW PROCESS.--IN COMPLETING ITS
19 REVIEW AND DEVELOPING THE FINAL REPORT, THE REVIEW TEAM SHALL
20 USE INFORMATION AVAILABLE THROUGH THE EXISTING SCHOOL EVALUATION
21 SERVICES REPORTS.

22 (G) COMPLETION OF REVIEW.--REVIEWS ARE TO BE COMPLETED
23 WITHIN SIX MONTHS AFTER COMMENCEMENT. A FINAL REPORT OF THE
24 REVIEW TEAM IS TO BE ISSUED TO THE SECRETARY, THE GOVERNOR, THE
25 DISTRICT AND ITS SCHOOL BOARD, AND THE CHAIRMAN AND MINORITY
26 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
27 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
28 OF THE HOUSE OF REPRESENTATIVES, THE CHAIRMAN AND MINORITY
29 CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SENATE AND THE
30 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE

1 HOUSE OF REPRESENTATIVES WITHIN 60 DAYS OF COMPLETION OF THE
2 REVIEW.

3 (H) PUBLIC MEETING AFTER REVIEW.--WITHIN 30 DAYS OF RECEIPT
4 OF THE FINAL REPORT OF THE REVIEW, THE SCHOOL BOARD SHALL HOLD A
5 PUBLIC MEETING TO SHARE THE RESULTS WITH RESIDENTS OF THE
6 DISTRICT. SUCH MEETING SHALL COMPLY WITH THE PROVISIONS OF 65
7 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

8 (I) PUBLICATION ON WORLD WIDE WEB.--NO LATER THAN 15 DAYS
9 AFTER THE ISSUANCE OF THE FINAL REPORT BY THE REVIEW TEAM, THE
10 DEPARTMENT SHALL PUBLISH THE DISTRICTS' REVIEW ON ITS WORLD WIDE
11 WEB SITE. PRIOR TO PUBLICATION, THE DEPARTMENT SHALL ISSUE A
12 PRESS RELEASE INFORMING THE PUBLIC OF THE AVAILABILITY OF THIS
13 INFORMATION.

14 (J) FINDINGS IN FINAL REPORT.--THE FINAL REPORT SHALL
15 INCLUDE FINDINGS RELATED TO COMPLIANCE WITH THE STANDARDS BASED
16 ON THEIR ESTABLISHED INDICATORS; POTENTIAL COST SAVINGS;
17 SUGGESTED RECOMMENDATIONS FOR IMPROVEMENT; AND, FOR THOSE
18 DISTRICTS FOUND NOT TO BE IN COMPLIANCE WITH THE STANDARDS, A
19 THREE-YEAR ACTION PLAN FOR ACHIEVING COMPLIANCE. THIS ACTION
20 PLAN IS TO BE DEVELOPED IN CONJUNCTION WITH OFFICIALS FROM THE
21 SCHOOL DISTRICT.

22 SECTION 2507-A. STATE CERTIFICATION AS A KEYSTONE DISTRICT.

23 (A) GENERAL RULE.--A DISTRICT THAT HAS BEEN DETERMINED BY
24 THE REVIEW TO BE USING THE BEST PRACTICES SHALL BE CERTIFIED BY
25 THE SECRETARY AS A KEYSTONE DISTRICT. SUCH DESIGNATION IS
26 EFFECTIVE FOR SIX YEARS FROM THE CERTIFICATION DATE OR UNTIL THE
27 NEXT REVIEW IS COMPLETED, WHICHEVER IS LATER.

28 (B) PUBLICATION OF STATUS.--A DISTRICT SO DESIGNATED IS
29 AUTHORIZED TO PUBLICIZE ITS STATUS AS A KEYSTONE DISTRICT ON ITS
30 BUILDINGS AND IN ANY PUBLICATIONS OR CORRESPONDENCE IT DEEMS

1 APPROPRIATE.

2 (C) ANNUAL VERIFICATION.--EXCEPT AS PROVIDED IN SECTION
3 2510-A, A DISTRICT THAT HAS BEEN CERTIFIED PURSUANT TO THIS
4 SECTION SHALL ANNUALLY VERIFY TO THE SECRETARY THAT IT HAS MADE
5 NO CHANGES IN ANY OF ITS PRACTICES AND CONTINUES TO CONFORM TO
6 THE BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS.

7 (D) WAIVER.--A SCHOOL DISTRICT THAT HAS BEEN AWARDED A
8 CERTIFICATION AS A KEYSTONE DISTRICT AND WHICH HAS MADE ANNUAL
9 REPORTS PURSUANT TO SUBSECTION (C) SHALL BE GRANTED A WAIVER
10 FROM THE REQUIREMENT OF UNDERGOING ITS NEXT SCHEDULED REVIEW.
11 DISTRICTS GRANTED A WAIVER UNDER THIS SUBSECTION ARE NOT
12 ELIGIBLE FOR WAIVER OF THE REVIEW TO BE CONDUCTED AFTER THE ONE
13 WHICH WAS WAIVED.

14 SECTION 2508-A. FAILURE TO MEET BEST FINANCIAL MANAGEMENT
15 PRACTICES STANDARDS.

16 (A) ACTION PLAN.--IF THE REPORT PROVIDED FOR IN SECTION
17 2506-A FINDS THAT THE DISTRICT DOES NOT CONFORM TO THE
18 STANDARDS, THE REPORT MUST CONTAIN AN ACTION PLAN DETAILING HOW
19 THE DISTRICT MAY MEET THE STANDARDS WITHIN THREE YEARS.

20 (B) FINANCIAL MANAGEMENT ADVISORY TEAM.--NO LESS THAN 60
21 DAYS FOLLOWING RECEIPT OF THE REPORT, THE SCHOOL BOARD SHALL
22 ESTABLISH A LOCAL FINANCIAL MANAGEMENT ADVISORY TEAM. THE TEAM
23 SHALL CONSIST OF 11 MEMBERS AS FOLLOWS:

24 (1) ONE MEMBER OF THE SCHOOL BOARD WHO MAY BE THE
25 PRESIDENT OR A DESIGNATED BOARD MEMBER.

26 (2) THE SUPERINTENDENT OF THE DISTRICT.

27 (3) THE SCHOOL BUSINESS MANAGER OR THE INDIVIDUAL
28 RESPONSIBLE FOR THE FISCAL MANAGEMENT OF THE DISTRICT.

29 (4) A PRINCIPAL SELECTED BY ALL THE PRINCIPALS IN THE
30 DISTRICT.

1 (5) A TEACHER SELECTED BY ALL THE TEACHERS IN THE
2 DISTRICT.

3 (6) TWO MEMBERS OF THE GENERAL PUBLIC, ONE OF WHOM SHALL
4 BE A REPRESENTATIVE OF A LOCAL TAXPAYER ORGANIZATION IF ONE
5 EXISTS IN THE DISTRICT.

6 (7) ONE PARENT OF A STUDENT FROM THE DISTRICT.

7 (8) TWO LOCAL REPRESENTATIVES OF BUSINESS, AT LEAST ONE
8 OF WHOM MUST HAVE EXPERIENCE IN BANKING OR FINANCE.

9 (9) A LOCAL COMMUNITY LEADER.

10 (C) PROCEDURE.--THE SCHOOL BOARD SHALL ESTABLISH PROCEDURES
11 FOR SELECTING THE PARENT, THE BUSINESS AND COMMUNITY LEADERS AND
12 MEMBERS OF THE GENERAL PUBLIC IN ORDER TO ENSURE PUBLIC
13 AWARENESS OF THESE OPENINGS AND SOLICIT INPUT FROM THE
14 COMMUNITY.

15 (D) CHAIRPERSON.--THE TEAM SHALL ELECT A CHAIRPERSON FROM
16 AMONG ITS MEMBERSHIP AT ITS FIRST MEETING.

17 (E) TIME PERIOD.--THE TEAM SHALL BE RESPONSIBLE FOR
18 IMPLEMENTATION OF THE ACTION PLAN CONTAINED IN THE DISTRICT'S
19 REPORT WITHIN A THREE-YEAR TIME PERIOD.

20 (F) TECHNICAL ADVISORS.--UPON REQUEST, THE DEPARTMENT SHALL
21 PROVIDE, FROM A LIST ESTABLISHED PURSUANT TO SECTION 2509-A,
22 SUCH TECHNICAL ADVISORS AS MAY BE NECESSARY TO ASSIST THE TEAM
23 IN IMPLEMENTING THE ACTION PLAN.

24 (G) SECOND REVIEW.--NO LATER THAN THREE YEARS AFTER RECEIPT
25 OF A REPORT INDICATING THE DISTRICT IS NOT IN COMPLIANCE WITH
26 THE BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS, OR EARLIER
27 UPON REQUEST OF THE SCHOOL BOARD, THE DEPARTMENT SHALL CONDUCT A
28 SECOND REVIEW TO DETERMINE IF THE DISTRICT IS NOW IN COMPLIANCE.
29 IF THIS SECOND REPORT INDICATES THAT THE DISTRICT IS NOW IN
30 COMPLIANCE, IT SHALL BE CERTIFIED AS A KEYSTONE DISTRICT

1 PURSUANT TO SECTION 2507-A AND SHALL FALL UNDER ALL PROVISIONS
2 OF THAT SECTION WITH THE NEXT REVIEW OF THE DISTRICT TO TAKE
3 PLACE SIX YEARS FROM THE DATE OF CERTIFICATION.

4 SECTION 2509-A. DUTIES OF DEPARTMENT.

5 (A) LIST OF EXPERTS.--IN ORDER TO ASSIST THOSE DISTRICTS
6 THAT DO NOT INITIALLY MEET THE BEST FINANCIAL MANAGEMENT
7 PRACTICES STANDARDS, THE DEPARTMENT SHALL ESTABLISH A LIST OF
8 EXPERTS WHO POSSESS KNOWLEDGE AND EXPERIENCE IN SUCH AREAS AS
9 SCHOOL OR BUSINESS ADMINISTRATION, PUPIL TRANSPORTATION, FOOD
10 SERVICES MANAGEMENT, BUDGET DEVELOPMENT, FISCAL MANAGEMENT,
11 HUMAN RESOURCES MANAGEMENT, EDUCATIONAL TECHNOLOGY AND LABOR
12 RELATIONS.

13 (B) TECHNICAL ADVISORS.--UPON REQUEST FROM A SCHOOL BOARD,
14 THE DEPARTMENT SHALL SEND INTO THE DISTRICT TECHNICAL ADVISORS,
15 CHOSEN FROM THE LIST ESTABLISHED IN SUBSECTION (A) WITH
16 EXPERTISE IN THOSE AREAS IDENTIFIED IN THE REPORT AS NOT MEETING
17 BEST FINANCIAL MANAGEMENT PRACTICES STANDARDS, TO WORK WITH THE
18 TEAM IN IMPLEMENTING THE DISTRICT'S ACTION PLAN.

19 SECTION 2510-A. REVOCATION OF CERTIFICATION.

20 (A) GENERAL RULE.--THE SECRETARY MAY REVOKE THE KEYSTONE
21 DISTRICT CERTIFICATION IF AT ANY TIME IT DETERMINES THAT A
22 DISTRICT IS NO LONGER COMPLYING WITH THE COMMONWEALTH'S BEST
23 FINANCIAL MANAGEMENT PRACTICES STANDARDS.

24 (B) IMMEDIATE REVOCATION.--ANY DISTRICT CERTIFIED AS A
25 KEYSTONE DISTRICT WHICH, BEFORE ITS NEXT SCHEDULED REVIEW, IS
26 DEEMED TO BE DISTRESSED BY THE SECRETARY UNDER SECTION 691 OR IS
27 PLACED ON THE EDUCATION EMPOWERMENT LIST PROVIDED PURSUANT TO
28 SECTION 1703-B SHALL IMMEDIATELY HAVE ITS CERTIFICATION REVOKED.

29 SECTION 2511-A. COST SAVINGS.

30 COST SAVINGS RESULTING FROM IMPLEMENTATION OF THE BEST

FINANCIAL PRACTICES MUST BE SPENT AT THE SCHOOL AND CLASSROOM
LEVELS FOR TEACHER PROFESSIONAL DEVELOPMENT, IMPROVING CLASSROOM
FACILITIES, STUDENT SUPPLIES, TEXTBOOKS, CLASSROOM TECHNOLOGY,
SCHOOL SAFETY OR ANY OTHER INSTRUCTIONAL ACTIVITY DIRECTLY
AFFECTING STUDENT PERFORMANCE AND THE LEARNING ENVIRONMENT.

SECTION 37. SECTION 2603-B(D) OF THE ACT, AMENDED OR ADDED
MARCH 30, 1988 (P.L.321, NO.43) AND JUNE 29, 2002 (P.L.524,
NO.88), IS AMENDED TO READ:

SECTION 2603-B. POWERS AND DUTIES OF THE BOARD.--* * *

(D) THE BOARD SHALL ALSO HAVE THE AUTHORITY AND DUTY TO:

(1) APPROVE OR DISAPPROVE AN APPLICATION FOR THE CREATION OF
A NEW SCHOOL DISTRICT, OR CHANGE IN THE BOUNDARIES OF AN
EXISTING SCHOOL DISTRICT;

(2) ESTABLISH, WHENEVER DEEMED ADVISABLE, COMMITTEES OF
PROFESSIONAL AND TECHNICAL ADVISORS TO ASSIST THE COUNCILS IN
PERFORMING RESEARCH STUDIES UNDERTAKEN BY THEM;

(3) MANAGE AND HAVE CUSTODY OF THE STATE SCHOOL FUND;

(4) (I) APPLY FOR, RECEIVE AND ADMINISTER, SUBJECT TO ANY
APPLICABLE REGULATIONS OR LAWS OF THE FEDERAL GOVERNMENT OR ANY
AGENCY THEREOF, ANY FEDERAL GRANTS, APPROPRIATIONS, ALLOCATIONS
AND PROGRAMS FOR THE DEVELOPMENT OF ACADEMIC FACILITIES ON
BEHALF OF THE COMMONWEALTH, ANY OF ITS SCHOOL DISTRICTS OR ANY
INSTITUTION OF HIGHER EDUCATION, PUBLIC OR PRIVATE, WITHIN THIS
COMMONWEALTH;

(II) SUBJECT TO CRITERIA DEVELOPED BY THE SECRETARY OF
EDUCATION AND SUBJECT TO ANY APPLICABLE REGULATIONS OR LAWS OF
THE FEDERAL GOVERNMENT OR ANY AGENCY THEREOF, TO DEVELOP, ALTER,
AMEND AND SUBMIT TO THE FEDERAL GOVERNMENT STATE PLANS FOR
PARTICIPATION IN FEDERAL GRANTS, APPROPRIATIONS, ALLOCATIONS AND
PROGRAMS FOR THE DEVELOPMENT OF ACADEMIC FACILITIES AND TO MAKE

1 REGULATIONS, CRITERIA, METHODS, FORMS, PROCEDURES AND TO DO ALL
2 OTHER THINGS WHICH MAY BE NECESSARY TO MAKE POSSIBLE THE
3 PARTICIPATION OF THE COMMONWEALTH IN SUCH FEDERAL GRANTS,
4 APPROPRIATIONS, ALLOCATIONS AND PROGRAMS FOR THE DEVELOPMENT OF
5 ACADEMIC FACILITIES;

6 (III) HOLD HEARINGS, ISSUE SUBPOENAS AND RENDER DECISIONS AS
7 TO THE PRIORITY ASSIGNED TO ANY PROJECT, OR AS TO ANY OTHER
8 MATTER OR DETERMINATION AFFECTING ANY APPLICANT FOR FEDERAL
9 GRANTS, APPROPRIATIONS, ALLOCATIONS AND PROGRAMS FOR THE
10 DEVELOPMENT OF ACADEMIC FACILITIES;

11 (IV) ADOPT RULES OR PROCEDURES AND PRESCRIBE REGULATIONS FOR
12 THE SUBMISSION TO IT OF ALL MATTERS WITHIN ITS JURISDICTION; AND

13 (V) SUBMIT, ANNUALLY, TO THE GOVERNOR, ON OR BEFORE THE
14 FIRST MONDAY OF DECEMBER, A REPORT OF ITS PROCEEDINGS DURING
15 THAT YEAR, TOGETHER WITH SUCH RECOMMENDATIONS AS THE BOARD SHALL
16 DEEM NECESSARY;

17 (5) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
18 SHALL APPROVE OR DISAPPROVE ANY ACTION OF A STATE-OWNED
19 UNIVERSITY, COMMUNITY COLLEGE OR STATE-RELATED OR STATE-AIDED
20 COLLEGE OR UNIVERSITY IN ESTABLISHING ADDITIONAL BRANCHES OR
21 CAMPUSES, OR IN DISCONTINUING BRANCHES OR CAMPUSES;

22 (6) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
23 SHALL APPROVE OR DISAPPROVE ANY ACTION OF A STATE-OWNED
24 UNIVERSITY, COMMUNITY COLLEGE OR STATE-RELATED OR STATE-AIDED
25 COLLEGE OR UNIVERSITY IN ESTABLISHING NEW PROFESSIONAL SCHOOLS
26 OR UPPER DIVISION PROGRAMS BY TWO (2) YEAR INSTITUTIONS;

27 (7) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION
28 SHALL APPROVE OR DISAPPROVE APPLICATIONS BY TWO (2) YEAR
29 INSTITUTIONS TO BECOME FOUR (4) YEAR INSTITUTIONS;

30 (8) ADOPT POLICIES UNDER WHICH THE SECRETARY OF EDUCATION

1 SHALL APPROVE OR DISAPPROVE THE REQUEST OF ANY PRIVATE
2 INSTITUTION OF HIGHER EDUCATION FOR ADMISSION TO STATE-RELATED
3 OR STATE-AIDED STATUS, OR FOR ELIGIBILITY FOR OTHER STATE
4 FINANCIAL SUPPORT; AND

5 (9) REQUIRE THE SUBMISSION OF LONG-RANGE PLANS FROM ALL
6 PUBLIC AND PRIVATE INSTITUTIONS OF HIGHER EDUCATION AT THE TIMES
7 AND IN THE FORM REQUESTED BY THE BOARD. SUCH DOCUMENTS SHALL BE
8 REVIEWED BY THE COUNCIL OF HIGHER EDUCATION AND THE BOARD IN THE
9 DEVELOPMENT OF A MASTER PLAN FOR HIGHER EDUCATION AS PROVIDED IN
10 SUBSECTION (H) AND SECTION 2604-B(C)(1).

11 (10) (I) APPROVE OR DISAPPROVE STANDARDS PROPOSED BY THE
12 DEPARTMENT IN ORDER TO COMPLY WITH THE PROVISIONS OF THE NO
13 CHILD LEFT BEHIND ACT OF 2001 [(PUBLIC LAW 107-110, 115 STAT.
14 1425)] TO MAINTAIN THE ELIGIBILITY OF THIS COMMONWEALTH TO
15 RECEIVE FEDERAL FUNDING FOR EDUCATION PROGRAMS. THE BOARD SHALL
16 APPROVE OR DISAPPROVE THE STANDARDS WITHIN 30 DAYS OF SUBMISSION
17 TO THE BOARD'S OFFICE OR AT ITS NEXT SCHEDULED MEETING,
18 WHICHEVER IS SOONER. FAILURE OF THE BOARD TO APPROVE OR
19 DISAPPROVE THE STANDARDS WITHIN THE TIME ESTABLISHED UNDER THIS
20 SECTION SHALL BE DEEMED AN APPROVAL OF THE STANDARDS.

21 (II) STANDARDS PROMULGATED UNDER THIS SECTION SHALL BE
22 DEPOSITED WITH THE PENNSYLVANIA BULLETIN FOR PUBLICATION.

23 (III) THESE STANDARDS SHALL BE EXEMPT FROM:

24 (A) SECTIONS 201 THROUGH 205 OF THE ACT OF JULY 31, 1968
25 (P.L.769, NO.240), REFERRED TO AS THE COMMONWEALTH DOCUMENTS
26 LAW.

27 (B) SECTION 204(B) OF THE ACT OF OCTOBER 15, 1980 (P.L.950,
28 NO.164), KNOWN AS THE "COMMONWEALTH ATTORNEYS ACT."

29 (C) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE
30 "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

(4) HAS BEEN PLACED ON AN EDUCATION EMPOWERMENT LIST
UNDER SECTION 1703-B.

1 "ELIGIBLE RURAL PUBLIC SCHOOL DISTRICT." A PUBLIC SCHOOL
2 DISTRICT THAT HAS A POPULATION OF LESS THAN 300 PER SQUARE MILE
3 AND EITHER:

4 (1) MORE THAN 8% OF THE PUPILS IN AVERAGE DAILY
5 MEMBERSHIP ARE LOW-INCOME PUPILS AS DEFINED IN SECTION
6 2502.11; OR

7 (2) THE MARKET VALUE/INCOME AID RATIO AS DEFINED IN
8 SECTION 2501 IS GREATER THAN SEVEN-TENTHS.

9 "FUND." THE TEACHER RECRUITMENT ASSISTANCE FUND ESTABLISHED
10 UNDER SECTION 2602-I.

11 "QUALIFIED APPLICANT." A PERSON WHO MEETS ALL OF THE
12 FOLLOWING CRITERIA:

13 (1) IS CERTIFIED BY THE DEPARTMENT OF EDUCATION TO
14 TEACH.

15 (2) IS IN THE FIRST YEAR OF FULL-TIME TEACHING.

16 (3) IS TEACHING IN A DESIGNATED COMMONWEALTH RURAL OR
17 ACADEMIC IMPROVEMENT PUBLIC SCHOOL DISTRICT.

18 (4) HAS BORROWED THROUGH THE AGENCY-ADMINISTERED
19 GUARANTEED STUDENT LOAN PROGRAMS.

20 "SECRETARY." THE SECRETARY OF EDUCATION OF THE COMMONWEALTH.
21 SECTION 2602-I. TEACHER RECRUITMENT ASSISTANCE FUND.

22 (A) ESTABLISHMENT.--IN ADDITION TO ANY OTHER POWERS AND
23 DUTIES UNDER THE ACT OF AUGUST 7, 1963 (P.L.549, NO.290),
24 REFERRED TO AS THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE
25 AGENCY ACT, THE TEACHER RECRUITMENT ASSISTANCE FUND IS
26 ESTABLISHED IN THE STATE TREASURY.

27 (B) PURPOSE.--THE FUND SHALL PROVIDE ASSISTANCE TO
28 DESIGNATED COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT PUBLIC
29 SCHOOL DISTRICTS IN RECRUITING TEACHERS THROUGH A PROGRAM OF
30 TEACHER LOAN FORGIVENESS AS PROVIDED FOR IN THIS ARTICLE.

1 (C) ADMINISTRATION.--THE AGENCY SHALL ADMINISTER THE FUND
2 AND ADOPT SUCH REGULATIONS, POLICIES, PROCEDURES AND FORMS AS
3 ARE NECESSARY AND NOT INCONSISTENT WITH THE PROVISIONS OF THIS
4 ARTICLE.

5 SECTION 2603-I. TEACHER RECRUITMENT ASSISTANCE.

6 (A) GENERAL RULE.--A QUALIFIED APPLICANT WHO IS SELECTED IN
7 ACCORDANCE WITH THIS ARTICLE SHALL BE ELIGIBLE FOR AN AWARD BY
8 THE AGENCY FROM THE FUND OF A PORTION OF THE DEBT INCURRED BY
9 THE APPLICANT THROUGH THE AGENCY-ADMINISTERED GUARANTEED STUDENT
10 LOAN PROGRAMS FOR THE EDUCATION NECESSARY TO BE CERTIFIED TO
11 TEACH IN THIS COMMONWEALTH.

12 (B) FORGIVENESS OF LOAN.--FOR EACH ACADEMIC YEAR THAT THE
13 ELIGIBLE APPLICANT IS A FULL-TIME TEACHER IN A DESIGNATED
14 COMMONWEALTH RURAL OR ACADEMIC IMPROVEMENT PUBLIC SCHOOL
15 DISTRICT, THE AGENCY MAY FORGIVE A PROPORTIONAL PART OF THE
16 APPLICANT'S LOAN OVER FOUR YEARS OF FULL-TIME TEACHING. NO MORE
17 THAN \$2,500 SHALL BE FORGIVEN IN ANY YEAR AND NO MORE THAN
18 \$10,000 SHALL BE FORGIVEN FOR ANY ELIGIBLE APPLICANT.

19 (C) PAYMENTS.--SHALL BE MADE IN ACCORDANCE WITH PROCEDURES
20 ESTABLISHED BY THE AGENCY.

21 SECTION 2604-I. LOAN FORGIVENESS AWARDS.

22 RECIPIENTS OF TEACHER RECRUITMENT ASSISTANCE AWARDS SHALL BE
23 THOSE TEACHERS WHO ARE CERTIFIED BY THE DEPARTMENT AND WHO HAVE
24 RECEIVED A SATISFACTORY RATING BY THE DISTRICT FOR THE ACADEMIC
25 YEAR. EACH TEACHER SHALL BE REQUIRED TO SUBMIT SUCH
26 DOCUMENTATION OF CONTINUED ELIGIBILITY AS THE AGENCY MAY
27 REQUIRE.

28 SECTION 2605-I. FUNDING.

29 (A) GENERAL RULE.--LOAN FORGIVENESS AWARDS MAY BE MADE TO
30 THE EXTENT THAT FUNDS ARE APPROPRIATED BY THE GENERAL ASSEMBLY

1 TO THE FUND.

2 (B) OTHER SOURCES.--IN ADDITION TO APPROPRIATIONS FROM THE
3 GENERAL ASSEMBLY, THE FUND MAY ACCEPT DONATIONS AND
4 CONTRIBUTIONS FROM ALL PUBLIC AND PRIVATE SOURCES, INCLUDING THE
5 FEDERAL GOVERNMENT.

6 (C) INSUFFICIENT FUNDING.--IF IN ANY FISCAL YEAR, THE SUM OF
7 THE AMOUNT OF FUNDS APPROPRIATED TO THE FUND BY THE GENERAL
8 ASSEMBLY, AMOUNTS CONTRIBUTED TO THE FUND FROM OTHER SOURCES AND
9 THE AVAILABLE FUND BALANCE ARE INSUFFICIENT TO PAY THE TOTAL
10 AMOUNT OF LOAN FORGIVENESS AWARDS DUE TO BE PAID IN THAT FISCAL
11 YEAR, THEN SUCH PAYMENTS SHALL BE MADE ON A PRO RATA BASIS.

12 (D) EXHAUSTION OF FUNDING.--IF IN ANY FISCAL YEAR THE FUND
13 BALANCE IS EXHAUSTED BECAUSE PRO RATA PAYMENTS HAVE BEEN MADE
14 UNDER SUBSECTION (C), AND IN THE NEXT SUCCEEDING FISCAL YEAR THE
15 GENERAL ASSEMBLY DOES NOT APPROPRIATE FUNDS FOR TEACHER
16 RECRUITMENT ASSISTANCE, THEN THE ELIGIBILITY OF QUALIFIED
17 APPLICANTS FOR LOAN FORGIVENESS AWARDS UNDER THIS ARTICLE SHALL
18 BE EXTINGUISHED.

19 SECTION 39. SECTION 614-A(F)(6) AND (8) OF THE ACT SHALL
20 APPLY TO SCHOOL DISTRICTS IN WHICH A REFERENDUM QUESTION UNDER
21 53 PA.C.S. § 8703 IS APPROVED AND IMPLEMENTED.

22 SECTION 40. NO SCHOOL DISTRICT WHICH HAS NOT ALREADY MADE AN
23 ELECTION TO ADOPT THE PROVISIONS OF 53 PA.C.S. CH. 87 MAY MAKE
24 AN ELECTION TO DO SO AFTER THE EFFECTIVE DATE OF THIS SECTION.

25 SECTION 41. THE FOLLOWING SHALL APPLY:

26 (1) NO LATER THAN JANUARY 1, 2004, THE DEPARTMENT OF
27 EDUCATION SHALL DO ALL OF THE FOLLOWING:

28 (I) IDENTIFY THOSE SCHOOL DISTRICTS WHICH BORROWED
29 MONEY DIRECTLY AS A RESULT OF ANY DELAYED PAYMENTS FOR
30 ALLOCATION DURING THE 2003-2004 SCHOOL YEAR FOR BASIC

1 EDUCATION FUNDING, AS REQUIRED BY SECTION 2517 OF THE ACT
2 OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC
3 SCHOOL CODE OF 1949.

4 (II) ASCERTAIN FOR EACH AFFECTED DISTRICT THE DATE
5 OF INCEPTION OF EACH LOAN TAKEN AND THE DATE ON WHICH
6 EACH LOAN WAS REPAID.

7 (III) DETERMINE THE DOLLAR AMOUNT OF INTEREST PAID
8 BY EACH AFFECTED DISTRICT ON EACH LOAN FROM THE PERIOD OF
9 INCEPTION OF THE LOAN THROUGH THE DATE OF REPAYMENT.

10 (IV) UTILIZING THE DATA COLLECTED PURSUANT TO
11 SUBPARAGRAPHS (I), (II) AND (III), DETERMINE THE TOTAL
12 STATEWIDE COST OF THE INTEREST PAYMENTS.

13 (2) THE SECRETARY OF THE BUDGET SHALL, NO LATER THAN
14 JANUARY 1, 2004, VERIFY THE AMOUNT OF INTEREST ACCRUED BY THE
15 COMMONWEALTH ON FUNDS NOT ALLOCATED TO SCHOOL DISTRICTS AS A
16 RESULT OF THE DELAYED PAYMENT OF BASIC EDUCATION FUNDING FOR
17 THE 2003-2004 SCHOOL YEAR AS PROVIDED FOR IN SECTION 2517 OF
18 THE PUBLIC SCHOOL CODE OF 1949.

19 (3) THE INFORMATION COLLECTED PURSUANT TO PARAGRAPHS (1)
20 AND (2) SHALL BE USED BY THE GOVERNOR TO SUBMIT A PROPOSAL TO
21 THE GENERAL ASSEMBLY NO LATER THAN FEBRUARY 1, 2004, TO
22 PROVIDE FOR REIMBURSEMENT TO SCHOOL DISTRICTS FOR PAYMENT OF
23 INTEREST ON BORROWING NECESSITATED DIRECTLY AS A RESULT OF
24 ANY DELAYED PAYMENTS FOR ALLOCATION OF BASIC EDUCATION
25 FUNDING DURING THE 2003-2004 SCHOOL YEAR.

26 SECTION 42. THE FOLLOWING AMOUNTS ARE HEREBY APPROPRIATED
27 FROM THE GENERAL FUND TO THE DEPARTMENT OF EDUCATION FOR THE
28 FISCAL PERIOD JULY 1, 2003, TO JUNE 30, 2004, AS FOLLOWS:

29 (1) THE SUM OF \$74,135,000 IS HEREBY APPROPRIATED FOR
30 SERVICES TO NONPUBLIC SCHOOLS AS PROVIDED UNDER SECTION

1 922.1-A OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN
2 AS THE PUBLIC SCHOOL CODE OF 1949, PROVIDED THAT ANY AMOUNTS
3 EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT TO THE
4 FORMER STATE APPROPRIATION IN THE AMOUNT OF \$71,976,000 FOR
5 SERVICES TO NONPUBLIC SCHOOLS UNDER SECTION 212 OF THE
6 GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM THE
7 SUM APPROPRIATED IN THIS PARAGRAPH.

8 (2) THE SUM OF \$22,691,000 IS HEREBY APPROPRIATED FOR
9 TEXTBOOKS, INSTRUCTIONAL MATERIAL AND INSTRUCTIONAL EQUIPMENT
10 FOR NONPUBLIC SCHOOLS AS PROVIDED FOR UNDER SECTION 923-A OF
11 THE PUBLIC SCHOOL CODE OF 1949, PROVIDED THAT ANY AMOUNTS
12 EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT TO THE
13 FORMER STATE APPROPRIATION IN THE AMOUNT OF \$22,030,000 FOR
14 TEXTBOOKS, INSTRUCTIONAL MATERIAL AND INSTRUCTIONAL EQUIPMENT
15 FOR NONPUBLIC SCHOOLS UNDER SECTION 212 OF THE GENERAL
16 APPROPRIATION ACT OF 2003 SHALL BE DEDUCTED FROM THE SUM
17 APPROPRIATED IN THIS PARAGRAPH.

18 (3) THE SUM OF \$34,000,000 IS HEREBY APPROPRIATED FOR
19 THE EDUCATION SUPPORT SERVICES PROGRAM AND EDUCATIONAL
20 ASSISTANCE PROGRAM ESTABLISHED UNDER ARTICLE XV-C OF THE
21 PUBLIC SCHOOL CODE OF 1949. OF THIS AMOUNT \$9,000,000 SHALL
22 BE USED TO PROVIDE GRANTS UNDER THE EDUCATION SUPPORT
23 SERVICES PROGRAM AND \$25,000,000 SHALL BE USED FOR THE
24 EDUCATIONAL ASSISTANCE PROGRAM.

25 (4) THE SUM OF \$15,000,000 IS HEREBY APPROPRIATED FOR
26 THE HEAD START SUPPLEMENTAL ASSISTANCE PROGRAM ESTABLISHED
27 UNDER ARTICLE XV-D OF THE PUBLIC SCHOOL CODE OF 1949.

28 (5) THE SUM OF \$25,380,000 IS HEREBY APPROPRIATED FOR
29 SCHOOL IMPROVEMENT GRANTS AS PROVIDED FOR UNDER SECTION 1709-
30 B OF THE PUBLIC SCHOOL CODE OF 1949. FUNDS APPROPRIATED UNDER

1 THIS PARAGRAPH THAT ARE NOT ALLOCATED DURING THE 2003-2004
2 FISCAL YEAR SHALL BE CONSIDERED UNDISTRIBUTED FUNDS NOT
3 EXPENDED, ENCUMBERED OR COMMITTED FOR DISTRIBUTION UNDER
4 SECTIONS 1705-B AND 2502.30 OF THE PUBLIC SCHOOL CODE OF
5 1949.

6 (6) THE SUM OF \$56,762,000 IS HEREBY APPROPRIATED FOR
7 PAYMENTS ON ACCOUNT OF VOCATIONAL EDUCATION AS PROVIDED FOR
8 UNDER SECTION 2502.8 OF THE PUBLIC SCHOOL CODE OF 1949,
9 PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF
10 EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN THE
11 AMOUNT OF \$55,378,000 FOR VOCATIONAL EDUCATION UNDER SECTION
12 212 OF THE ACT OF MARCH 20, 2003 (P.L. , NO.1A), KNOWN AS
13 THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM
14 THE SUM APPROPRIATED IN THIS PARAGRAPH.

15 (7) THE SUM OF \$4,209,152,000 IS HEREBY APPROPRIATED FOR
16 BASIC EDUCATION FUNDING TO SCHOOL DISTRICTS, PROVIDED THAT
17 THE SECRETARY OF EDUCATION, WITH THE APPROVAL OF THE
18 GOVERNOR, MAY MAKE PAYMENTS FROM THIS APPROPRIATION IN
19 ADVANCE OF THE DUE DATE PRESCRIBED BY LAW TO SCHOOL DISTRICTS
20 WHICH ARE FINANCIALLY HANDICAPPED WHENEVER THE SECRETARY OF
21 EDUCATION SHALL DEEM IT NECESSARY TO MAKE SUCH ADVANCE
22 PAYMENTS TO ENABLE THE SCHOOL DISTRICTS TO KEEP THEIR SCHOOLS
23 OPEN.

24 (8) THE SUM OF \$904,606,000 IS HEREBY APPROPRIATED FOR
25 PAYMENTS ON ACCOUNT OF SPECIAL EDUCATION OF EXCEPTIONAL
26 CHILDREN, PROVIDED THAT THIS AMOUNT INCLUDES \$563,000 FOR
27 COMMUNITY SUPPORT SERVICES WHICH IS NOT TO BE INCLUDED IN THE
28 BASE CALCULATIONS OF THE SPECIAL EDUCATION PROGRAM
29 COMPONENTS, AND PROVIDED FURTHER THAT ANY AMOUNTS EXPENDED BY
30 THE DEPARTMENT OF EDUCATION PURSUANT TO THE FORMER STATE

1 APPROPRIATION IN THE AMOUNT OF \$874,319,000 FOR PAYMENTS ON
2 ACCOUNT OF SPECIAL EDUCATION OF EXCEPTIONAL CHILDREN UNDER
3 SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003 SHALL BE
4 DEDUCTED FROM THE SUM APPROPRIATED IN THIS PARAGRAPH.

5 (9) THE SUM OF \$26,749,000 IS HEREBY APPROPRIATED FOR
6 PAYMENTS TO PENNSYLVANIA CHARTER SCHOOLS FOR THE DEAF AND
7 BLIND, PROVIDED THAT ANY AMOUNTS EXPENDED BY THE DEPARTMENT
8 OF EDUCATION PURSUANT TO THE FORMER STATE APPROPRIATION IN
9 THE AMOUNT OF \$25,749,000 FOR PAYMENTS TO PENNSYLVANIA
10 CHARTER SCHOOLS FOR THE DEAF AND BLIND UNDER SECTION 212 OF
11 THE GENERAL APPROPRIATION ACT OF 2003, SHALL BE DEDUCTED FROM
12 THE SUM APPROPRIATED IN THIS PARAGRAPH.

13 (10) THE SUM OF \$67,450,000 IS HEREBY APPROPRIATED FOR
14 SPECIAL EDUCATION - APPROVED PRIVATE SCHOOLS, PROVIDED THAT
15 ANY AMOUNTS EXPENDED BY THE DEPARTMENT OF EDUCATION PURSUANT
16 TO THE FORMER STATE APPROPRIATION IN THE AMOUNT OF
17 \$63,450,000 FOR SPECIAL EDUCATION - APPROVED PRIVATE SCHOOLS
18 UNDER SECTION 212 OF THE GENERAL APPROPRIATION ACT OF 2003,
19 SHALL BE DEDUCTED FROM THE SUM APPROPRIATED IN THIS
20 PARAGRAPH.

21 (11) THE SUM OF \$200,000,000 IS HEREBY APPROPRIATED FOR
22 PENNSYLVANIA ACCOUNTABILITY GRANTS UNDER SECTION 2599.2 OF
23 THE PUBLIC SCHOOL CODE OF 1949.

24 (12) THE SUM OF \$2,000,000 IS HEREBY APPROPRIATED FOR
25 TRANSFER TO THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE
26 AGENCY FOR THE TEACHER RECRUITMENT ASSISTANCE FUND AS
27 PROVIDED FOR UNDER ARTICLE XXVI-I OF THE PUBLIC SCHOOL CODE
28 OF 1949.

29 (13) THE SUM OF \$25,000,000 IS HEREBY APPROPRIATED FOR
30 PAYMENTS TO ANY SCHOOL DISTRICT OF THE FIRST CLASS WHICH HAS

1 BEEN DECLARED DISTRESSED UNDER SECTION 691(C) OF THE PUBLIC
2 SCHOOL CODE OF 1949, PROVIDED THAT SUCH SCHOOL DISTRICT
3 SUBMITS A QUARTERLY ITEMIZATION OF ALL FEDERAL, STATE AND
4 LOCAL FUNDS DISTRIBUTED TO EACH SCHOOL IN THE SCHOOL
5 DISTRICT, INCLUDING SCHOOLS GOVERNED BY AGREEMENTS CURRENTLY
6 IN EFFECT UNDER SECTION 696(1)(2) OF THE PUBLIC SCHOOL CODE
7 OF 1949 AND SCHOOLS DESIGNATED AS PARTNERSHIP SCHOOLS UNDER
8 THE SCHOOL REFORM COMMISSION RESOLUTION NUMBER 10 OF APRIL
9 17, 2002, TO THE DEPARTMENT OF EDUCATION AND TO THE CHAIRMAN
10 AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE
11 SENATE AND TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
12 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES. IF THE
13 DEPARTMENT OF EDUCATION DETERMINES THAT THE REPORT IS NOT
14 BEING SUBMITTED IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
15 PARAGRAPH, THE DEPARTMENT OF EDUCATION SHALL WITHHOLD FROM
16 ANY AND ALL PAYMENTS TO WHICH THAT SCHOOL DISTRICT OF THE
17 FIRST CLASS MAY BE ENTITLED UNDER THE ACT AN AMOUNT EQUAL TO
18 THE FUNDS RECEIVED FROM THIS APPROPRIATION.

19 (14) THE SUM OF \$2,000,000 IS HEREBY APPROPRIATED FOR A
20 SCIENCE EDUCATION PROGRAM DELIVERING SCIENCE CURRICULUM AND
21 INSTRUCTION, EQUIPMENT AND SUPPLIES TO PARTICIPATING
22 CLASSROOMS IN THIS COMMONWEALTH THROUGH THE BASIC ED/HIGHER
23 ED SCIENCE AND TECHNOLOGY PARTNERSHIP.

24 SECTION 43. THE FOLLOWING ACTS AND PARTS OF ACTS ARE
25 REPEALED TO THE EXTENT SPECIFIED:

26 SECTION 2509.8 OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14),
27 KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.

28 AS MUCH AS RELATES TO THE STATE APPROPRIATIONS IN THE AMOUNT
29 OF \$55,378,000 FOR VOCATIONAL EDUCATION AND IN THE AMOUNT OF
30 \$874,319,000 FOR PAYMENTS ON ACCOUNT OF SPECIAL EDUCATION OF

1 EXCEPTIONAL CHILDREN, IN THE AMOUNT OF \$71,976,000 FOR SERVICES
2 TO NONPUBLIC SCHOOLS AND IN THE AMOUNT OF \$22,030,000 FOR
3 TEXTBOOKS, INSTRUCTIONAL MATERIAL AND INSTRUCTIONAL EQUIPMENT
4 FOR NONPUBLIC SCHOOLS IN SECTION 212 OF THE ACT OF MARCH 20,
5 2003 (P.L. , NO.1A), KNOWN AS THE GENERAL APPROPRIATION ACT OF
6 2003.

7 SECTION 44. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

8 (1) THE AMENDMENT OF SECTION 672(A) OF THE ACT SHALL
9 TAKE EFFECT JULY 1, 2004.

10 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
11 IMMEDIATELY.