
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 991 Session of
2003

INTRODUCED BY STAIRS, THOMAS, BROWNE, FLEAGLE, FLICK, HERMAN,
McILHATTAN, R. MILLER, O'NEILL, CURRY, GRUCELA, SHANER,
STURLA, SURRA, YUDICHAK, ADOLPH, ARGALL, BARD, BELARDI,
BELFANTI, CAWLEY, COSTA, DeWEESE, FAIRCHILD, GEIST, GEORGE,
HARHAI, HESS, LAUGHLIN, MELIO, S. MILLER, PISTELLA, PRESTON,
READSHAW, RUBLEY, SATHER, SAYLOR, SCHRODER, SEMMEL, B. SMITH,
SOLOBAY, E. Z. TAYLOR, TIGUE, WOJNAROSKI AND YOUNGBLOOD,
MARCH 26, 2003

REFERRED TO COMMITTEE ON EDUCATION, MARCH 26, 2003

AN ACT

1 Establishing the Keystone Education Foundation; conferring
2 powers and duties; and providing for an educational
3 improvement tax credit and for expiration of act.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Keystone
8 Education Foundation Act.

9 Section 2. Legislative intent.

10 It is the intent of the General Assembly to:

11 (1) Increase the direct participation of the business
12 community in elementary and secondary public schools to
13 improve student achievement.

14 (2) Promote excellence in Pennsylvania's elementary and
15 secondary public schools by fostering the development of

1 community and private sector resources.

2 (3) Provide additional sources of funding for innovative
3 educational programs in elementary and secondary public
4 schools.

5 (4) Provide opportunities for students to participate in
6 innovative educational programs for the purpose of improving
7 their level of academic achievement.

8 (5) Encourage sound educational policy decisions at the
9 State and local levels based on proven research and the best
10 educational practices.

11 Section 3. Definitions.

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

15 "Board." The board of directors of the Keystone Education
16 Foundation.

17 "Chairperson." The chairperson of the board of directors of
18 the Keystone Education Foundation.

19 "Contribution." A donation of cash, personal property or
20 services, the value of which is the net cost of the donation to
21 the donor or the pro rata hourly wage or salary, including
22 benefits, of the individual performing the services.

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

25 "Educational improvement tax credit." The tax credit
26 provided under Article XX-B of the act of March 10, 1949
27 (P.L.30, No.14), known as the Public School Code of 1949.

28 "Foundation." The Keystone Education Foundation established
29 under section 4.

30 "Innovative educational program." A program designed to

1 enrich and supplement existing academic programs in the public
2 schools.

3 "Not-for-profit corporation." A corporation not incorporated
4 for purposes involving pecuniary profit, incidental or
5 otherwise.

6 "Public school." A public kindergarten, elementary school,
7 secondary school or vocational-technical school established
8 under the act of March 10, 1949 (P.L.30, No.14), known as the
9 Public School Code of 1949, at which the compulsory attendance
10 requirements of this Commonwealth may be met and which meets the
11 applicable requirements of Title VI of the Civil Rights Act of
12 1964 (Public Law 88-352, 78 Stat. 241).

13 Section 4. Keystone Education Foundation.

14 (a) Establishment.--The Keystone Education Foundation is
15 established as a public not-for-profit corporation under the
16 direction of an appointed board of directors to solicit and
17 utilize public and private contributions to create and support
18 innovative educational programs in the public schools of this
19 Commonwealth.

20 (b) Status.--For purposes of the Educational Improvement Tax
21 Credit, the Keystone Education Foundation shall be considered an
22 educational improvement organization.

23 (c) Powers and duties of foundation.--The foundation shall
24 have the following powers and duties, including, but not limited
25 to, the power to:

26 (1) Receive and disburse funds provided through public
27 and/or private contributions.

28 (2) Make expenditures to or for the benefit of
29 elementary and secondary public schools.

30 (3) Create and support innovative educational programs

1 for the purpose of improving student academic achievement.

2 (4) Develop incentives for the private sector to be
3 involved with the foundation and local education foundations.

4 (5) Have the authority to establish or partner with
5 existing local education foundations.

6 (6) Make provisions for an annual audit of its financial
7 accounts to be conducted by an independent certified public
8 accountant in accordance with generally accepted accounting
9 principles. The identity of donors and all information
10 identifying donors and prospective donors shall be
11 confidential.

12 (7) Take all actions necessary to implement and carry
13 out the responsibilities vested in the foundation under the
14 provisions of this act.

15 Section 5. Board of directors.

16 (a) Appointment.--The Governor shall appoint a 25-member
17 board of directors to control and operate the foundation. The
18 board shall consist of 13 members appointed from the business
19 community with at least five of those members being
20 representatives of existing business-education partnership
21 programs. The remaining 12 members of the board shall include
22 representatives of organized labor, elementary, secondary and
23 postsecondary education, non-profit organizations and local
24 education foundations.

25 (b) Terms of office.--

26 (1) Except as provided in paragraph (2), the term of
27 office for members appointed to the board shall be four
28 years.

29 (2) The initial terms of appointee to the board shall be
30 staggered and designated by the Governor as follows:

1 (i) Nine members shall be initially appointed for a
2 term of two years.

3 (ii) Nine members shall be initially appointed for a
4 term of three years.

5 (iii) Seven members shall be initially appointed for
6 a term of four years.

7 Thereafter, all members shall be appointed as provided for in
8 paragraph (1). All appointees are eligible for reappointment.

9 (c) Vacancies.--Any vacancy on the board shall be filled by
10 the Governor for the remainder of the term of office.

11 (d) Chairperson.--The Governor shall appoint a chairperson
12 from among the members of the board.

13 (e) Powers and duties.--The board shall have the following
14 powers and duties:

15 (1) Adopt bylaws to govern the operation of the board.

16 (2) Adopt, implement and administer policies and
17 procedures to:

18 (i) Receive and disburse moneys of the foundation.

19 (ii) Evaluate and award grants to fund the
20 establishment and continuation of innovative educational
21 programs.

22 (iii) Solicit funds or in-kind services from the
23 private sector business community to improve public
24 education.

25 (iv) Enhance the opportunities for the private
26 sector business community to participate in the public
27 education process.

28 (v) Cooperate with the department and local public
29 school districts to foster and support the development of
30 innovative educational programs.

1 Section 6. Foundation moneys.

2 (a) State Treasury.--All moneys of the foundation shall be
3 deposited in and disbursed from the Keystone Education
4 Foundation Account which is established as a restricted receipt
5 account in the State Treasury. All interest earnings of the
6 account shall be credited to the account.

7 (b) Limitations on disbursements.--

8 (1) An amount of not more than 90% of the account may be
9 disbursed in any fiscal year by the board in the form of
10 grants to public school districts and educational
11 partnerships of public school districts to initiate, support
12 or foster the development and implementation of innovative
13 education programs.

14 (2) An amount of not more than 10% of the account may be
15 disbursed in any fiscal year by the board for the
16 administrative support of the board as specified in section
17 8.

18 Section 7. Contributions eligible for certain tax credits.

19 Business contributions of cash or in-kind services to the
20 foundation shall be deemed to be contributions in support of an
21 educational improvement organization and eligible for a tax
22 credit as an Educational Improvement Tax Credit.

23 Section 8. Administrative support.

24 The board of directors shall have the authority to employ or
25 contract for such administrative support, services and
26 facilities as it deems necessary to implement the provisions of
27 this act.

28 Section 9. Sunset.

29 The provisions of this act shall expire on December 31, 2008,
30 unless extended by an act of the General Assembly.

1 Section 10. Effective date.

2 This act shall take effect in 60 days.