

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1496 Session of  
2007

INTRODUCED BY PETRONE, CALTAGIRONE, FREEMAN, GEIST, GRUCELA,  
HARKINS, KORTZ, KOTIK, MOUL, MYERS, NAILOR, REICHLEY, STERN  
AND THOMAS, JUNE 7, 2007

REFERRED TO COMMITTEE ON EDUCATION, JUNE 7, 2007

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," further providing for contracts with  
6 private residential rehabilitative institutions and certain  
7 criteria in department audits.

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

10 Section 1. Section 914.1-A of the act of March 10, 1949  
11 (P.L.30, No.14), known as the Public School Code of 1949, is  
12 amended by adding a subsection to read:

13 Section 914.1-A. Contracts with Private Residential  
14 Rehabilitative Institutions; Certain Criteria in Department  
15 Audits.--\* \* \*

16 (g) (1) Beginning with the 2005-2006 school year and each  
17 school year thereafter, each private rehabilitative residential  
18 institute shall maintain an accounting and bookkeeping system  
19 and be subject to audit as provided in 22 Pa.Code, Ch. 171,  
20 Subch. C (relating to interim audit standards). The audit shall

1 be conducted in accordance with generally accepted accounting  
2 standards by an independent certified public accountant.

3 (2) Notwithstanding the provisions of 22 Pa.Code §  
4 171.206(b) (relating to administrative costs), for purposes of  
5 an audit conducted under this subsection, administrative  
6 expenses shall not include interest expenses on borrowing  
7 incurred by a private rehabilitative residential institute where  
8 the borrowing is required to provide for the direct operation of  
9 the education program due to any delay in State reimbursement.

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