

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 628** Session of
2005

Report of the Committee of Conference

To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 628, entitled:
"An act amending the act of March 10, 1949 (P.L.30, No.14), entitled 'An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto,' further providing for annual budget; prescribing a penalty; and making an editorial change,"

respectfully submit the following bill as our report:

JESS M. STAIRS

MICHAEL DIVEN

MICHAEL F. GERBER

(Committee on the part of the House of Representatives.)

JAMES J. RHOADES

DAVID J. BRIGHTBILL

RAPHAEL J. MUSTO

(Committee on the part of the Senate.)

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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, in school
6 finances, for annual budget, and in teacher certification,
7 for program of continuing professional development; providing
8 for, in teacher certification, evaluation of applicants;
9 further providing, in pupils and attendance, for fixing the
10 cost of certain tuition, for cost of tuition and maintenance
11 of certain exceptional children in approved institutions and
12 in chartered schools for the education of the deaf and the
13 blind; further providing for educational assistance program
14 and educational support services, for definitions, for
15 notification and for the program; further providing, in Head
16 Start supplemental assistance, for definitions, for the
17 program and for priority in funding; providing for
18 opportunities for educational excellence through concurrent
19 enrollment; further providing, in education empowerment, for
20 education empowerment districts and for mandate waiver
21 program, and, in community colleges, for definitions, for
22 financial program and for payment reimbursement; providing,
23 in community colleges, for establishment of the Community
24 College Capital Fund and for annual reports; further
25 providing, in the State System of Higher Education, for
26 annual audits and, in educational improvement tax credit, for
27 qualification and application and for limitations on amount
28 of tax credits; further providing, in school district
29 reimbursement, for definitions, for small district assistance
30 and for temporary special aid; providing for basic education
31 funding for 2004-2005 school year; further providing for
32 payments on account of limited English proficiency programs,
33 for payments to intermediate units and for special education
34 payments; providing, in school district reimbursement, for
35 effect of failure to file certain reports; further providing,
36 in school district reimbursement, for approved reimbursable
37 rental for leases and sinking fund and for Pennsylvania
38 Accountability Grants; and making an inconsistent repeal
39 relating to the Workforce Development Act.

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

42 Section 1. Section 687(a) and (j) of the act of March 10,
43 1949 (P.L.30, No.14), known as the Public School Code of 1949,
44 amended July 4, 2004 (P.L.536, No.70), are amended to read:

45 Section 687. Annual Budget; Additional or Increased
46 Appropriations; Transfer of Funds.--(a) (1) The board of
47 school directors of each school district of the second, third,
48 or fourth class shall, annually, at least thirty (30) days prior

1 to the adoption of the annual budget, prepare a proposed budget
2 of the amount of funds that will be required by the school
3 district in its several departments for the following fiscal
4 year. Such proposed budget shall be prepared on a uniform form,
5 prepared and furnished by the Department of [Public Instruction,
6 and shall be apportioned to the several classes of expenditures
7 of the district as the board of school directors thereof may
8 determine.] Education. The uniform form shall require
9 identification of specific function, subfunction and major
10 object of expenditure. On the date of adoption of the proposed
11 budget required under this section, the president of the board
12 of school directors shall certify to the Department of Education
13 that the proposed budget has been prepared, presented and will
14 be made available for public inspection using the uniform form
15 prepared and furnished by the Department of Education. The
16 certification shall be in a form and manner as required by the
17 Department of Education. Final action shall not be taken on any
18 proposed budget that has not been prepared, presented and made
19 available for public inspection using the uniform form prepared
20 and furnished by the Department of Education. Final action shall
21 not be taken on any proposed budget[,] in which the estimated
22 expenditures exceed two thousand dollars (\$2000)[,] until after
23 ten (10) days' public notice. Nothing in this act shall be
24 construed to prevent any school district[,] whose total
25 estimated expenditures do not exceed two thousand dollars
26 (\$2000)[,] from holding a public hearing.

27 (2) (i) The proposed budget, on the uniform form required
28 by the Department of Education, shall be printed[,] or otherwise
29 made available for public inspection to all persons [who may
30 interest themselves,] and shall be made available for

1 duplication to any person, on request, at least twenty (20) days
2 prior to the date set for the adoption of the budget.

3 (ii) Fees for duplication under this paragraph by
4 photocopying, printing from electronic media or microfilm,
5 copying onto electronic media, transmission by facsimile or
6 other electronic means and other means of duplication must be
7 reasonable and based on prevailing fees for comparable
8 duplication services provided by local business entities.

9 * * *

10 (j) Notwithstanding any other provisions of this act, the
11 board of school directors of each school district may reopen its
12 2003-2004 budget [or], its 2004-2005 budget or its 2005-2006
13 budget to reflect any State allocations for fiscal year 2003-
14 2004 [or], fiscal year 2004-2005 or fiscal year 2005-2006
15 provided by the General Assembly through this act.

16 Section 2. Section 1205.2(a), (h) and (o) of the act, added
17 November 23, 1999 (P.L.529, No.48), are amended and the section
18 is amended by adding subsections to read:

19 Section 1205.2. Program of Continuing Professional
20 Education.--(a) A continuing professional education program is
21 hereby established for professional educators, the satisfactory
22 completion of which is required to maintain active
23 certification. [The] Except as provided in subsection (j.1), the
24 continuing professional education program shall require the
25 satisfactory completion of continuing professional education
26 every five (5) years, which shall include:

27 (1) six (6) credits of collegiate study;

28 (2) six (6) credits of continuing professional education
29 courses;

30 (3) one hundred eighty (180) hours of continuing

1 professional education programs, activities or learning
2 experiences; or

3 (4) any combination of collegiate studies, continuing
4 professional education courses, or other programs, activities or
5 learning experiences equivalent to one hundred eighty (180)
6 hours.

7 * * *

8 (h) The department shall provide the following information
9 to professional educators and school entities:

10 (1) Notice of the number of credits or hours needed for a
11 professional educator to comply with this section, as of the
12 date on which such notice is given. Such notice shall be
13 provided no later twelve (12) months prior to the end of a
14 professional educator's five-year compliance period. For
15 professional educators who have not completed sufficient credits
16 or hours to comply with this section, such notice shall be
17 provided in writing and mailed to the most recent address on
18 record with the department. For professional educators who have
19 completed sufficient credits or hours to comply with this
20 section, such notice shall be provided by electronic means,
21 which shall include a notation on the electronic system
22 maintained by the department pursuant to subsection (g)
23 affirming that the professional educator has completed
24 sufficient credits or hours to comply with this section.

25 (2) Reasonable access to reports and records relating to a
26 professional educator's continuing professional education.

27 (3) Notice of inactive certification requested by a
28 professional educator.

29 (4) Notice of inactive certification due to failure of the
30 professional educator to meet the requirements of this section,

1 whether or not the individual is employed by a school entity.

2 (5) Notice of reinstatement.

3 (h.1) Whenever a professional educator moves from the
4 address named in the application for State certification or from
5 the professional educator's current address, such professional
6 educator shall notify the department and provide the department
7 with the most current address. Notification shall be made in a
8 form and manner determined by the department.

9 * * *

10 (j.1) (1) The continuing professional education program
11 shall require satisfactory completion of continuing professional
12 education by April 30, 2006, for a professional educator who:

13 (i) was certified prior to May 1, 2001;

14 (ii) was not provided written notice as required under
15 subsection (h)(1); and

16 (iii) has not satisfactorily completed continuing
17 professional education as required under subsection (a).

18 (2) After a professional educator to whom this subsection
19 applies completes the credits or hours needed to satisfy the
20 requirements of the initial compliance period, any record of
21 additional credits or hours shall be credited toward the
22 subsequent compliance period: Provided, That credits or hours
23 credited to a professional educator as a result of the
24 satisfactory completion of an individual course of collegiate
25 studies, an individual continuing professional education course,
26 or an individual program, activity or learning experience shall
27 not be divided between the initial compliance period and the
28 subsequent compliance period but shall be credited toward only
29 one compliance period.

30 (3) Nothing in this subsection shall be construed to delay

1 or extend the initial or subsequent compliance periods for a
2 professional educator to whom this subsection applies.

3 (4) This subsection shall expire May 1, 2006.

4 (j.2) (1) Notwithstanding the provisions of subsection
5 (h)(1), the department shall provide a professional educator to
6 whom subsection (j.1) applies with written notice of the number
7 of credits or hours needed for the professional educator to
8 comply with this section as of the date on which such notice is
9 given. Such notice shall be provided immediately and shall be
10 mailed to the most recent address on record with the department.

11 (2) This subsection shall expire May 1, 2006.

12 * * *

13 (o) Definitions.--As used in this section, the following
14 words and phrases shall have the meanings given to them in this
15 subsection:

16 "Approved provider" is an institution of higher education,
17 school entity, individual, corporation, partnership, limited
18 liability company or association approved by the department to
19 provide continuing professional education credits or hours under
20 this section. Provided, a school entity may approve a provider
21 of continuing professional education credits or hours in
22 accordance with department guidelines.

23 "Area of a professional educator's assignment or
24 certification" shall mean any component of the education
25 profession as it relates to the current job title or description
26 of the professional educator or to any area of certification
27 listed on the professional employe's Pennsylvania certification
28 or to the type of certificate or endorsement held by the
29 professional educator.

30 "Collegiate studies" shall mean a formal program or course of

1 study at an institution of higher education leading to the award
2 of academic credit.

3 "Compliance period" shall mean the period of time in which a
4 professional educator must satisfactorily complete continuing
5 professional education as required under subsection (a) and
6 which concludes every five years beginning:

7 (1) July 1, 2000, for those professional educators who were
8 issued a State certificate prior to July 1, 2000; or

9 (2) on the date on which the professional educator is issued
10 a State certificate for those professional educators who were
11 certified after July 1, 2000.

12 "Continuing professional education courses" shall mean
13 courses for credit, other than collegiate studies, conducted by
14 providers approved by the department.

15 "Professional educator" shall mean an individual who holds a
16 Pennsylvania teacher, educational specialist or administrative
17 certification or letter of eligibility.

18 "School entity" shall mean a school district, an intermediate
19 unit, a joint school district, an area vocational-technical
20 school, a charter school, the Scotland School for Veterans'
21 Children and the Scranton School for the Deaf or any of these
22 acting jointly.

23 Section 3. The act is amended by adding a section to read:

24 Section 1216. Evaluation of Applications for
25 Certification.--(a) All applications for certification shall be
26 evaluated in their entirety. The Department of Education shall
27 notify the applicant if the application is incomplete and
28 include a listing of all materials or information needed to
29 complete the application. The applicant's pending application
30 shall remain open for one year following the date of such

1 notification. No letter of denial of certification shall be
2 issued unless all deficiencies in the application are stated in
3 the letter of denial.

4 (b) The grade point average used by the department in
5 evaluating the grade point average requirements for
6 certification pursuant to 22 Pa.Code § 354.24 (relating to
7 academic performance) shall be as follows:

8 (1) For applicants whose initial preparation culminated in a
9 bachelor's degree or higher prior to October 7, 2000, the grade
10 point average in effect on the date of application for
11 certification.

12 (2) For applicants whose initial preparation culminates in a
13 bachelor's degree or higher on or after October 7, 2000, the
14 grade point average in effect on the date of graduation.

15 Section 4. Section 1309(b) of the act, amended June 30, 1995
16 (P.L.220, No.26), is amended to read:

17 Section 1309. Cost of Tuition; How Fixed.--* * *

18 (b) [The] For students who the Secretary of Education has
19 determined are legal residents of Pennsylvania without fixed
20 districts of residence, the tuition herein provided for shall be
21 paid annually by the Secretary of Education[,]. For all other
22 students, the tuition herein provided shall be paid by the
23 district of residence or the institution as the case may be[.]
24 within thirty (30) days of its receipt of an invoice from the
25 district in which the institution is located.

26 Section 5. Sections 1376(c.2) and 1376.1(f) of the act,
27 amended July 4, 2004 (P.L.536, No.70), are amended and the
28 sections are amended by adding subsections to read:

29 Section 1376. Cost of Tuition and Maintenance of Certain
30 Exceptional Children in Approved Institutions.--* * *

1 (c.2) [Beginning with payments made in the 2004-2005 school
2 year and each school year thereafter, the Department of
3 Education shall establish procedures and audit standards to
4 govern the scope of reportable costs, the format of the audit
5 and the standards and methods used by the Commonwealth to audit
6 attendance. Each approved private school shall submit a cost
7 report of its expenditures for the prior fiscal year to the
8 Department of Education no later than August 1, 2004, and no
9 later than August 1 of each year thereafter. Audit reports of
10 expenditures for the prior fiscal year prepared by an
11 independent certified public accountant shall be prepared in
12 accordance with the established procedures and audit standards
13 and submitted by the approved private school to the Department
14 of Education by November 1, 2005, and no later than November 1
15 of each year thereafter. For payments in the 2004-2005 school
16 year, the Department of Education shall issue guidelines for
17 budget and audit standards no later than October 15, 2004. For
18 payments in the 2005-2006 school year and each school year
19 thereafter, the Department of Education shall annually issue
20 guidelines for budget and audit standards at least three (3)
21 months prior to the date that the approved private schools must
22 submit their budget information pursuant to subsection (c.4).
23 These guidelines shall include provisions for audit methodology
24 and a definition of allowable administrative expenditures.
25 Allowable administrative expenditures shall not exceed ten
26 percent (10%) of each approved private school's budget. Each
27 audit shall identify expenditures and include all spending on
28 students for whom payment is made pursuant to subsection (a) or
29 (b) and shall identify the source and amount of all revenue used
30 to educate students for whom payment is made pursuant to

1 subsection (a) or (b). Work papers pertaining to the audit of an
2 approved private school by an independent certified public
3 accountant shall be made available to the Department of
4 Education upon request. Audits of cost reports submitted for
5 school years prior to the 2004-2005 school year shall be
6 completed in a manner consistent with prior audit practices. An
7 approved private school may submit an audit for the 2003-2004
8 school year prepared by an independent certified public
9 accountant provided the following have occurred:

10 (1) The Department of Education has failed to process and
11 settle the cost reports within twelve (12) months from
12 submission by the approved private school.

13 (2) The Department of Education has failed to settle any
14 appeals or postsettlement resolution within fifteen (15) months
15 from submission by the approved private school.

16 (3) The approved private school has responded to reasonable
17 requests for information and documents by the Department of
18 Education.

19 Upon receipt of the independent audit for the 2003-2004 school
20 year, the Department of Education shall have three (3) months to
21 review the audit and settle any outstanding payments due to or
22 from the approved private school.]

23 (4) Beginning with the 2004-2005 school year and each school
24 year thereafter, each approved private school shall maintain an
25 accounting and bookkeeping system and be subject to audit as
26 provided in standards promulgated by the Department of
27 Education. Such standards shall require that each approved
28 private school submit an audit to the Department of Education by
29 November 1 of each year. Such audit shall be conducted in
30 accordance with generally accepted accounting standards by an

1 independent certified public accountant. Such standards shall
2 include a definition of administrative costs, which costs shall
3 not exceed ten percent (10%) of each approved private school's
4 total costs.

5 (5) (i) Where the amount of an approved private school's
6 reportable costs in the 2004-2005 fiscal year is less than the
7 amount of revenues received by the approved private school for
8 the 2004-2005 fiscal year from the Commonwealth for the
9 provision of educational services to children who have been
10 approved by the Department of Education, the difference may be
11 retained by the approved private school for use in the 2005-2006
12 fiscal year.

13 (ii) Beginning in the 2005-2006 fiscal year, where the
14 amount of reportable costs in a fiscal year is less than the
15 amount of revenues received in that fiscal year by the approved
16 private school from the Commonwealth for the provision of
17 educational services to children who have been approved by the
18 Department of Education, the approved private school shall remit
19 the difference to the Commonwealth. Any such funds shall be
20 deposited in the Audit Resolution Fund for the resolution of
21 previous audits.

22 (6) Audits of cost reports submitted for school years prior
23 to the 2004-2005 school year shall be completed in a manner
24 consistent with prior audit practices. An approved private
25 school may submit an audit for the 2003-2004 school year
26 prepared by an independent certified public accountant provided
27 the following have occurred:

28 (i) The Department of Education has failed to process and
29 settle the cost reports within twelve (12) months from
30 submission by the approved private school.

1 (ii) The Department of Education has failed to settle any
2 appeals or postsettlement resolution within fifteen (15) months
3 from submission by the approved private school.

4 (iii) The approved private school has responded to
5 reasonable requests for information and documents by the
6 Department of Education.

7 Upon receipt of the independent audit for the 2003-2004 school
8 year, the Department of Education shall have three (3) months to
9 review the audit and settle any outstanding payments due to or
10 from the approved private school.

11 * * *

12 (c.8) Within sixty (60) days of the effective date of this
13 subsection, the Department of Education shall promulgate interim
14 standards necessary to implement subsection (c.2) which shall be
15 published in the Pennsylvania Bulletin. The interim standards
16 shall not be subject to review pursuant to the act of June 25,
17 1982 (P.L.633, No.181), known as the "Regulatory Review Act,"
18 and shall not be subject to sections 201 through 205 of the act
19 of July 31, 1968 (P.L.769, No.240), referred to as the
20 Commonwealth Documents Law. The interim standards shall apply to
21 audits conducted after July 1, 2005. Within one year of
22 publication of the interim standards in the Pennsylvania
23 Bulletin, the Department of Education shall deposit proposed
24 standards. The interim standards shall remain in effect until
25 the effective date of the final standards.

26 * * *

27 Section 1376.1. Actual Cost of Tuition and Maintenance of
28 Certain Exceptional Children in the Four Chartered Schools for
29 Education of the Deaf and the Blind.--* * *

30 (f) [Beginning with payments made in the 2004-2005 school

1 year and each school year thereafter, the department shall
2 establish procedures and audit standards to govern the scope of
3 reportable costs, the format of the audit and the standards and
4 methods used by the Commonwealth to audit attendance. Each
5 chartered school shall submit a cost report of its expenditures
6 for the prior fiscal year to the department no later than August
7 1, 2004, and each August 1 thereafter. Audit reports of
8 expenditures for the prior fiscal year prepared by an
9 independent certified public accountant shall be prepared in
10 accordance with established procedures and audit standards and
11 submitted by the chartered school to the department by November
12 1, 2005, and no later than November 1 of each year thereafter.
13 For payments in the 2004-2005 school year, the department shall
14 issue guidelines for budget and audit standards no later than
15 October 15, 2004. For payments in the 2005-2006 school year and
16 each school year thereafter, the department shall annually issue
17 guidelines for budget and audit standards at least three (3)
18 months prior to the date that the chartered schools must submit
19 their budget information pursuant to subsection (f.2). The
20 guidelines shall include provisions for audit methodology and a
21 definition of allowable administrative expenditures. Allowable
22 administrative expenditures shall not exceed ten percent (10%)
23 of each chartered school's budget. Each audit shall identify
24 expenditures, shall include all spending on students for whom
25 payment is made pursuant to subsection (b) or (c) and shall
26 identify the source and amount of all revenue used to educate
27 students for whom payment is made pursuant to subsection (b) or
28 (c). Work papers pertaining to the audit of a chartered school
29 by an independent certified public accountant shall be made
30 available to the department upon request. Audits of cost reports

1 submitted for school years prior to the 2004-2005 school year
2 shall be completed in a manner consistent with prior audit
3 practices. A chartered school may submit an audit for the 2003-
4 2004 school year prepared by an independent certified public
5 accountant provided the following have occurred:

6 (1) The department has failed to process and settle the cost
7 reports within twelve (12) months from submission by the
8 chartered school.

9 (2) The department has failed to settle any appeals or
10 postsettlement resolution within fifteen (15) months from
11 submission by the chartered school.

12 (3) The chartered school has responded to reasonable
13 requests for information and documents by the department.
14 Upon receipt of the independent audit for the 2003-2004 school
15 year, the department shall have three (3) months to review the
16 audit and settle any outstanding payments due to or from the
17 chartered school.]

18 (4) Beginning with the 2004-2005 school year and each school
19 year thereafter, each chartered school shall maintain an
20 accounting and bookkeeping system and be subject to audit as
21 provided in standards promulgated by the Department of
22 Education. Such standards shall require that each chartered
23 school submit an audit to the department by November 1 of each
24 year. Such audit shall be conducted in accordance with generally
25 accepted accounting standards by an independent certified public
26 accountant. Such standards shall include a definition of
27 administrative costs, which costs shall not exceed ten percent
28 (10%) of each approved chartered school's total costs.

29 (5) (i) Where the amount of a chartered school's reportable
30 costs in the 2004-2005 fiscal year is less than the amount of

1 revenues received by the chartered school for the 2004-2005
2 fiscal year from the Commonwealth for the provision of
3 educational services to children who have been approved by the
4 Department of Education, the difference may be retained by the
5 chartered school for use in the 2005-2006 fiscal year.

6 (ii) Beginning in the 2005-2006 fiscal year, where the
7 amount of reportable costs in a fiscal year is less than the
8 amount of revenues received in that fiscal year by the chartered
9 school from the Commonwealth for the provision of educational
10 services to children who have been approved by the Department of
11 Education, the chartered school shall remit the difference to
12 the Commonwealth. Any such funds shall be deposited in the Audit
13 Resolution Fund for the resolution of previous audits.

14 (6) Audits of cost reports submitted for school years prior
15 to the 2004-2005 school year shall be completed in a manner
16 consistent with prior audit practices. A chartered school may
17 submit an audit for the 2003-2004 school year prepared by an
18 independent certified public accountant provided the following
19 have occurred:

20 (i) The Department of Education has failed to process and
21 settle the cost reports within twelve (12) months from
22 submission by the chartered school.

23 (ii) The Department of Education has failed to settle any
24 appeals or postsettlement resolution within fifteen (15) months
25 from submission by the chartered school.

26 (iii) The chartered school has responded to reasonable
27 requests for information and documents by the Department of
28 Education.

29 Upon receipt of the independent audit for the 2003-2004 school
30 year, the Department of Education shall have three (3) months to

1 review the audit and settle any outstanding payments due to or
2 from the chartered school.

3 * * *

4 (f.5) Within sixty (60) days of the effective date of this
5 subsection, the Department of Education shall promulgate interim
6 standards necessary to implement subsection (f) which shall be
7 published in the Pennsylvania Bulletin. The interim standards
8 shall not be subject to review pursuant to the act of June 25,
9 1982 (P.L.633, No.181), known as the "Regulatory Review Act,"
10 and shall not be subject to sections 201 through 205 of the act
11 of July 31, 1968 (P.L.769, No.240), referred to as the
12 Commonwealth Documents Law. The interim standards shall apply to
13 audits conducted after July 1, 2005. Within one year of
14 publication of the interim standards in the Pennsylvania
15 Bulletin, the Department of Education shall deposit proposed
16 standards. The interim standards shall remain in effect until
17 the effective date of the final standards.

18 * * *

19 Section 6. The definition of "eligible student" in section
20 1501-C of the act, amended December 23, 2003 (P.L.304, No.48),
21 is amended and the section is amended by adding definitions to
22 read:

23 Section 1501-C. Definitions.

24 The following words and phrases when used in this article
25 shall have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

27 "2005 mathematics proficiency target." Forty-five percent of
28 students in a school entity scoring at a level equal to or above
29 proficient on the PSSA test in mathematics administered to
30 students in a school with an eleventh grade in the 2003-2004

1 school year.

2 "2005 reading proficiency target." Fifty-four percent of
3 students in a school entity scoring at a level equal to or above
4 proficient on the PSSA test in reading administered to students
5 in a school with an eleventh grade in the 2003-2004 school year.

6 * * *

7 "Eligible student." A resident of this Commonwealth who is
8 enrolled full time in kindergarten through [ninth] twelfth grade
9 in a school entity and is deemed eligible pursuant to section
10 1502-C(b) or section 1512-C(b).

11 * * *

12 Section 7. Section 1506-C of the act, amended December 23,
13 2003 (P.L.304, No.48), is amended to read:

14 Section 1506-C. Notification of program.

15 A school entity in this Commonwealth shall notify parents of
16 the availability of education support services and tutoring
17 under the educational assistance program at such time as the
18 parents receive the results of any eligibility test[.] or
19 whenever the school entity recommends tutoring under the
20 educational assistance program.

21 Section 8. Section 1512-C(b), (e), (g) and (h.1) of the act,
22 amended or added December 23, 2003 (P.L.304, No.48) and July 4,
23 2004 (P.L.536, No.70), are amended to read:

24 Section 1512-C. Educational Assistance Program.

25 * * *

26 (b) Eligibility.--A student shall be eligible for tutoring
27 services under this section where such student is enrolled full
28 time in an eligible school entity and:

29 (1) scored below proficient on a Pennsylvania System of
30 School Assessment test in a subject area required under the

1 No Child Left Behind Act of 2001 [in the immediate preceding
2 school year]; or

3 (2) is enrolled in kindergarten through third grade and
4 scored below the score approved by the department under
5 section 1502-C(b) on any other eligibility test[.]; or

6 (3) has been recommended for tutoring by the school
7 entity.

8 * * *

9 (e) Tutoring services.--Tutoring services provided under
10 this section shall include intensive instruction in those
11 subject areas assessed through a Pennsylvania System of School
12 Assessment test and required under the No Child Left Behind Act
13 of 2001. Such tutoring services may:

14 (1) Notwithstanding the provisions of section 1502, be
15 provided outside of the normal school day and hours of the
16 school entity, including mornings, evenings, weekends and
17 during the summer months.

18 (2) Take place on an individual or small group basis,
19 provided that tutoring services may be provided to no more
20 than ten students in a given class at a given time during the
21 school term and no more than 15 students during the summer
22 months.

23 (3) Be provided during the normal school day and hours
24 of the school entity, provided that the tutoring is in
25 addition to and does not interfere with an eligible student's
26 regularly scheduled classroom instruction times and does not
27 supplant services required in a student's individualized
28 education program.

29 * * *

30 (g) Educational assistance funding.--

1 (1) During the 2003-2004 [and], 2004-2005 and 2005-2006
2 school years, the department shall provide each eligible
3 school entity with educational assistance funding calculated
4 by:

5 (i) Dividing the number of Pennsylvania System of
6 School Assessment tests administered in the eligible
7 school entity on which students scored below proficient
8 in reading or mathematics by the total number of
9 Pennsylvania System of School Assessment tests
10 administered in the eligible school entity in reading and
11 mathematics during the 2002-2003 school year.

12 (ii) Multiplying the quotient from subparagraph (i)
13 by the average daily membership of the eligible school
14 entity during the 2002-2003 school year.

15 (iii) Multiplying the product from subparagraph (ii)
16 by the dollar value of funds appropriated to the
17 Department of Education for the Educational Assistance
18 Program in the 2004-2005 fiscal year.

19 (iv) Dividing the product from subparagraph (iii) by
20 the sum of the products of subparagraph (ii) for all
21 eligible school entities that qualify for grant funds
22 under this [subsection] paragraph.

23 (1.1) During the 2005-2006 school year, the department
24 shall provide each school entity with at least one school
25 that has failed to achieve its 2005 mathematics proficiency
26 target or its 2005 reading proficiency target with
27 educational assistance funding for the support of tutoring
28 services to eligible students enrolled in seventh through
29 twelfth grade. Such funding shall be calculated as follows:

30 (i) Dividing the number of Pennsylvania System of

1 School Assessment tests administered in the eligible
2 school entity to eleventh grade students on which such
3 students scored below the 2005 reading or mathematics
4 proficiency target by the total number of Pennsylvania
5 System of School Assessment tests administered in the
6 eligible school entity to eleventh grade students in
7 reading and mathematics during the 2003-2004 school year.

8 (ii) Multiplying the quotient from subparagraph (i)
9 by the average daily membership of the eligible school
10 entity during the 2004-2005 school year.

11 (iii) Multiplying the product from subparagraph (ii)
12 by the difference between the dollar value of funds
13 appropriated to the department for the educational
14 assistance program in the 2004-2005 fiscal year and the
15 dollar value of funds appropriated to the department for
16 the educational assistance program in the 2005-2006
17 fiscal year.

18 (iv) Dividing the product from subparagraph (iii) by
19 the sum of the products of subparagraph (ii) for all
20 eligible school entities that qualify for grant funds
21 under this paragraph.

22 (2) The amount of educational assistance funding
23 provided under this article shall be limited to funds
24 appropriated for this purpose.

25 * * *

26 (h.1) Redistribution of funds.--For the 2004-2005 school
27 year and each school year thereafter, an eligible school entity
28 that chooses not to receive educational assistance funding under
29 subsection (g) shall forfeit the right to such funds. Such funds
30 shall then be distributed on a pro rata basis among all other

1 eligible school entities choosing to receive educational
2 assistance funding under subsection (g).

3 * * *

4 Section 9. Section 1501-D of the act is amended by adding a
5 definition to read:

6 Section 1501-D. Definitions.

7 The following words and phrases when used in this article
8 shall have the meanings given to them in this section unless the
9 context clearly indicates otherwise:

10 * * *

11 "School entity." A school district, joint school district,
12 independent school or an intermediate unit.

13 Section 10. Sections 1502-D(b) and (d) and 1503-D of the
14 act, added December 23, 2003 (P.L.304, No.48), are amended to
15 read:

16 Section 1502-D. Head Start Supplemental Assistance Program.

17 * * *

18 (b) Administration.--The department shall administer the
19 program, consistent with Federal Head Start guidelines. [During
20 the 2004-2005 fiscal year, the] The department shall provide
21 supplemental financial assistance to existing providers of
22 Federal Head Start services.

23 * * *

24 (d) Criteria for funding.--To implement the program, the
25 department shall request proposals from existing Head Start
26 providers and may award grants or enter into service contracts
27 with existing Head Start providers that meet all of the
28 following criteria:

29 (1) Demonstrate the need for additional Head Start
30 services in the provider's service area, whether the need is

1 determined by the percentage of eligible children who are not
2 served in the provider's service area or by the demand for
3 extended day services.

4 (2) Demonstrate the ability to expand staff, space or
5 services [either] to serve additional children or to provide
6 extended day services:

7 (i) within the Head Start program; [or]

8 (ii) in cooperation with licensed child-care centers
9 or registered family or group day-care homes;
10 [to serve additional children or to provide extended day
11 services.] or

12 (iii) in cooperation with school entities.

13 (3) Demonstrate the ability to comply with Federal and
14 State requirements for child-care service providers if the
15 Head Start provider intends to provide extended day services.

16 (4) Demonstrate the ability to enter into a
17 collaborative agreement with a [child-care service provider
18 if the Head Start provider intends to enter into a
19 collaborative agreement with a licensed child-care center or
20 a registered family or group day-care home to offer extended
21 day services.] school entity, a licensed child-care center or
22 a group day-care home, or a registered family day-care home,
23 if the head start provider intends to enter into a
24 collaborative agreement.

25 Section 1503-D. Priority in funding.

26 [The] (a) General rule.--A Head Start provider that received
27 a grant in the prior fiscal year shall be eligible to receive a
28 grant in an amount equal to the grant received in the
29 immediately preceding fiscal year, less any start-up costs. If
30 by March 1 the Head Start provider did not enroll at least 90%

1 of the number of children it was approved to serve for that
2 year, then the grant shall be reduced proportionally based on
3 the number of children enrolled as of March 1.

4 (b) Priority for remaining funding.--For the remaining
5 funds, the department shall give priority in funding to Head
6 Start providers applying for grants to serve additional eligible
7 children.

8 Section 11. The act of March 10, 1949 (P.L.30, No.14), known
9 as the Public School Code of 1949, is amended by adding an
10 article to read:

11 ARTICLE XVI-B

12 OPPORTUNITIES FOR EDUCATIONAL

13 EXCELLENCE

14 (a) Preliminary Provisions.

15 Section 1601-B. Scope of article.

16 This article deals with concurrent enrollment.

17 Section 1602-B. Definitions.

18 The following words and phrases when used in this article
19 shall have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

21 "Allowable tuition." The portion of tuition charged to a
22 school entity that is eligible for grant funding under this
23 article, which funding does not exceed:

24 (1) for any two-year postsecondary institution or
25 eligible private licensed school, the advertised tuition rate
26 charged by the institution for enrolled postsecondary
27 students;

28 (2) for any four-year public or private postsecondary
29 institution or eligible private licensed school, the tuition
30 rate charged by the State System of Higher Education for

1 enrolled postsecondary students;

2 (3) for any postsecondary institution that offered
3 postsecondary credit to students of the school entity prior
4 to the effective date of this section, the tuition rate
5 charged to those students; or

6 (4) for any early college high school program, middle
7 college high school program or gateway to college program,
8 the tuition charged for the program to a student's school
9 district of residence.

10 "Concurrent course." A postsecondary course that meets the
11 requirements under section 1605-B and that is included in a
12 concurrent enrollment agreement. The term includes an early
13 college high school program, a gateway to college program or a
14 middle college high school program.

15 "Concurrent enrollment agreement." The written agreement
16 between a school entity and each eligible postsecondary
17 institution establishing and detailing a concurrent enrollment
18 program.

19 "Concurrent enrollment committee." A committee comprised of
20 representatives from a school entity and eligible postsecondary
21 institutions with which it offers a concurrent enrollment
22 program.

23 "Concurrent enrollment program." A program administered and
24 developed by a school entity and an eligible postsecondary
25 institution that allows students to concurrently enroll in
26 postsecondary courses and to receive both secondary and
27 postsecondary credit for that coursework. The term includes an
28 early college high school program, a gateway to college program
29 or a middle college high school program.

30 "Concurrent student." A student who is enrolled in a school

1 district, a charter school, an area vocational-technical school,
2 a nonpublic school, a private school or a home education program
3 under section 1327.1 and who takes a concurrent course through a
4 concurrent enrollment program.

5 "Department." The Department of Education of the
6 Commonwealth.

7 "Early college high school program." A concurrent enrollment
8 program established under section 1611-B(a) that consists of a
9 structured sequence of secondary and postsecondary coursework
10 offered over a five-year to six-year period, the successful
11 completion of which yields both a high school diploma and
12 postsecondary credits equivalent to an associate of arts degree
13 or credits sufficient to enter a bachelor of arts program as a
14 junior.

15 "Eligible postsecondary institution." A nonprofit two-year
16 or four-year public or private college or university or an
17 eligible private licensed school approved to operate in this
18 Commonwealth. The term does not include a foreign corporation.

19 "Eligible private licensed school." A private licensed
20 school as defined in the act of December 15, 1986 (P.L.1585,
21 No.174), known as the Private Licensed Schools Act, that is
22 authorized to confer the degree of Associate in Specialized
23 Technology or Associate in Specialized Business.

24 "Gateway to college program." A concurrent enrollment
25 program established under section 1611-B(a) that offers eligible
26 participants the opportunity to enroll in postsecondary
27 coursework that is aligned to State academic standards, the
28 successful completion of which yields both a high school diploma
29 and the accumulation of postsecondary credits.

30 "Household." An individual living alone or with the

1 following: spouse, parent and their unemancipated minor
2 children; other unemancipated minor children who are related by
3 blood or marriage; or other adults or unemancipated minor
4 children living in the household who are dependent upon the
5 individual.

6 "Household income." All money or property received of
7 whatever nature and from whatever source derived. The term does
8 not include the following:

9 (1) Periodic payments for sickness and disability other
10 than regular wages received during a period of sickness or
11 disability.

12 (2) Disability, retirement or other payments arising
13 under workers compensation acts, occupational disease acts
14 and similar legislation by any government.

15 (3) Payments commonly recognized as old-age or
16 retirement benefits paid to persons retired from service
17 after reaching a specific age or after a stated period of
18 employment.

19 (4) Payments commonly known as public assistance or
20 unemployment compensation from a governmental agency.

21 (5) Payments to reimburse actual expenses.

22 (6) Payments made by employers or labor unions for
23 programs covering hospitalization, sickness, disability or
24 death, supplemental unemployment benefits, strike benefits,
25 Social Security and retirement.

26 (7) Compensation received by members of the United
27 States Armed Forces serving in a combat zone.

28 "Low-income concurrent student." A concurrent student who is
29 a member of a household with an annual household income less
30 than or equal to 150% of the Federal income poverty guidelines

1 published by the Department of Health and Human Services.

2 "Middle college high school program." A concurrent
3 enrollment program established under section 1611-B(a) that
4 offers secondary and postsecondary coursework on the campus of
5 an eligible postsecondary institution, the successful completion
6 of which yields both a high school diploma and the accumulation
7 of postsecondary credits.

8 "School entity." A school district or an area vocational-
9 technical school.

10 "Total approved cost." The sum of the costs for allowable
11 tuition, books and fees for any concurrent course and the cost
12 of transportation to and from an eligible postsecondary
13 institution where such transportation is provided by a school
14 entity, as set forth in a concurrent enrollment agreement as
15 required under section 1613-B(b).

16 Section 1603-B. Responsibilities of department and State Board
17 of Education.

18 (a) Rules and regulations.--The State Board of Education
19 shall promulgate any regulations necessary to carry out the
20 provisions of this article, pursuant to the act of June 25, 1982
21 (P.L.633, No.181), known as the Regulatory Review Act.

22 (b) Promotional materials.--The department shall publish
23 promotional materials on its publicly accessible website that
24 may be used by school entities to inform parents and students
25 enrolled in the school entities about the requirements, features
26 and opportunities of concurrent enrollment programs established
27 under this article. To the extent that the department provides
28 school entities with printed promotional materials for
29 dissemination, the department shall make such materials
30 available, upon request, to any charter school, nonpublic

1 school, private school or home education program.

2 (c) Grants.--

3 (1) The department shall provide a grant to any school
4 entity that has applied for grant funds under section 1611-
5 B(c) and has approved a concurrent enrollment program as set
6 forth in this article. The grant amount to each school entity
7 shall be calculated for each concurrent course as follows:

8 (i) Determine the total approved cost for all
9 concurrent students who are residents of the school
10 district or enrolled in the area vocational-technical
11 school.

12 (ii) Multiply the amount from subparagraph (i) by
13 the sum of 0.425 and the market value/income aid ratio of
14 the school entity, provided, that where a concurrent
15 student is enrolled in an area vocational-technical
16 school, the market value/income aid ratio shall be the
17 average of the market value/income aid ratios of the
18 concurrent students' school districts of residence.

19 (2) The total amount of grants provided for concurrent
20 courses classified as early college high school, middle
21 college high school or gateway to college programs shall not
22 exceed 4% of the total amount of funds appropriated for
23 concurrent enrollment programs under this article.

24 (3) The total amount of grants provided on behalf of
25 concurrent students who are enrolled in charter schools,
26 nonpublic schools, private schools or home education programs
27 shall not exceed 4% of the total amount of funds appropriated
28 for concurrent enrollment programs under this article.

29 (4) The grant amount shall not exceed 100% of the total
30 approved cost of a concurrent course. Where funds

1 appropriated for this program are insufficient to fund the
2 full amount of all grants calculated under this subsection,
3 each grant amount shall be reduced on a pro rata basis.

4 (d) Supplemental grants.--

5 (1) The department shall provide a supplemental grant
6 amount to any school entity that has applied for grant funds
7 under section 1611-B(c) and has at least one low-income
8 concurrent student enrolled in a concurrent course. The
9 supplemental grant amount shall equal the cost of tuition,
10 books and fees for which a low-income concurrent student is
11 responsible in order to enroll in a concurrent course.

12 (2) The sum of all supplemental grants provided under
13 this subsection shall not exceed 8% of the total amount of
14 funds appropriated for concurrent enrollment programs under
15 this article. Where funds available for supplemental grants
16 are insufficient to fund the full amount of all supplemental
17 grants under this subsection, supplemental grant amounts
18 shall be reduced on a pro rata basis.

19 (e) Technical assistance.--Upon request of a board of school
20 directors of a school entity, the department shall provide
21 technical assistance in the development of concurrent enrollment
22 agreements and concurrent enrollment programs.

23 (f) Annual report.--The department shall produce an annual
24 report on concurrent enrollment programs using the reporting
25 information submitted by school entities under section 1611-
26 B(b). The annual report shall be provided to the chairman and
27 minority chairman of the Appropriations Committee of the Senate,
28 the chairman and minority chairman of the Appropriations
29 Committee of the House of Representatives, the chairman and
30 minority chairman of the Education Committee of the Senate and

1 the chairman and minority chairman of the Education Committee of
2 the House of Representatives. The report shall be published on
3 the department's publicly accessible website.

4 Section 1604-B. Faculty.

5 (a) General rule.--A member of an eligible postsecondary
6 institution's faculty who teaches a concurrent course under this
7 article shall not be an employee of a school entity, an
8 independent contractor of a school entity or an employee of an
9 independent contractor of a school entity for purposes of
10 sections 111 and 2518 unless the faculty member teaches a course
11 in a school entity's building.

12 (b) Adjunct faculty members.--Nothing in this article shall
13 be construed to prohibit an eligible postsecondary institution
14 from contracting with a professional employee of a school entity
15 for purposes of a concurrent enrollment program if the
16 professional employee meets all qualifications for an adjunct
17 faculty member at the eligible postsecondary institution.

18 (c) Reductions prohibited.--A school entity may not reduce
19 the school entity's complement of professional or
20 paraprofessional employees due to student participation in a
21 program established under this article.

22 (d) Construction.--Nothing contained in this article shall
23 be construed to supersede or preempt any provision of a
24 collective bargaining agreement between a school entity and an
25 employee organization.

26 Section 1605-B. Qualifying courses.

27 A concurrent course offered by an eligible postsecondary
28 institution as part of a concurrent enrollment program
29 established under this article shall meet the following
30 requirements:

1 (1) The concurrent course shall be set forth in the
2 concurrent enrollment agreement and shall either fulfill a
3 graduation requirement or be identified as advanced
4 coursework in a core academic subject as defined by the No
5 Child Left Behind Act of 2001.

6 (2) The concurrent course shall be a course for which
7 the eligible postsecondary institution awards credit.

8 (3) The concurrent course may be conducted during the
9 school entity's regular school hours, notwithstanding any
10 other provision of this act.

11 Section 1606-B. Construction of article.

12 Programs established under this article shall not be
13 construed as extracurricular activities.

14 (b) Concurrent Enrollment.

15 Section 1611-B. Responsibilities of school entities.

16 (a) Concurrent enrollment program.--A school entity seeking
17 a grant under section 1603-B(c) shall do all of the following:

18 (1) Enter into a concurrent enrollment agreement with an
19 eligible postsecondary institution or institutions, as
20 required under section 1613-B.

21 (2) Form a concurrent enrollment committee as required
22 under section 1612-B.

23 (b) Annual reporting information.--A school entity that
24 receives a grant under section 1603-B(c) shall submit an annual
25 report to the department. The report shall include:

26 (1) The eligible postsecondary institution or
27 institutions with which the school entity has established a
28 concurrent enrollment program.

29 (2) The number of concurrent students participating in a
30 concurrent enrollment program.

1 (3) The number of concurrent students participating in a
2 concurrent enrollment program who are enrolled in early
3 college high school, middle college high school or gateway to
4 college programs.

5 (4) The approved courses offered through a concurrent
6 enrollment program.

7 (5) The total approved cost for each concurrent course.

8 (6) The total amount of grant funds received pursuant to
9 section 1603-B(c).

10 (c) Application for grant funds.--A school entity seeking
11 grant funds under section 1603-B(c) shall submit an application
12 to the department no later than September 15, 2005, and August
13 15 of each year thereafter. The application shall include:

14 (1) The total approved cost of each concurrent course
15 included in the concurrent enrollment agreement.

16 (2) The number of concurrent students to be enrolled in
17 each concurrent course pursuant to the concurrent enrollment
18 agreement.

19 (3) The cost of tuition, books and fees for which a
20 student will be responsible in order to enroll in each
21 concurrent course included in the concurrent enrollment
22 agreement.

23 (4) The number of low-income concurrent students to be
24 enrolled in each concurrent course pursuant to the concurrent
25 enrollment agreement.

26 (5) The number of concurrent students to be enrolled in
27 early college high school, middle college high school or
28 gateway to college programs pursuant to the concurrent
29 enrollment agreement.

30 (6) The eligible postsecondary institutions at which

1 concurrent courses will be offered pursuant to the concurrent
2 enrollment agreement.

3 (d) Use of grant funds.--A school entity shall use the
4 grants provided under section 1603-B(c) and (d) to pay the
5 portion of total approved costs for which it is provided grants.

6 (e) Limitation.--A school entity shall not be responsible
7 for the payment of any portion of the total approved costs for
8 any concurrent student enrolled in a charter school, nonpublic
9 school, private school or home education program in excess of
10 the grants provided under section 1603-B(c) and (d).

11 (f) Construction.--Nothing in this article shall be
12 construed to preclude a school entity that does not receive a
13 grant under section 1603-B(c) from continuing or entering into
14 an agreement with an institution of higher education under the
15 provisions of section 1525.

16 Section 1612-B. Concurrent enrollment committees.

17 (a) Composition.--

18 (1) (i) Subject to the provisions of subparagraph (ii),
19 in order to be eligible for grant funds under section
20 1603-B(c), a school entity shall form a concurrent
21 enrollment committee, which shall include no fewer than
22 six members.

23 (ii) The number of committee members appointed under
24 paragraph (3) or (4) shall not exceed the number of
25 committee members appointed under paragraph (2).

26 (2) At least four members shall be appointed by the
27 board of school directors of the school entity. At a minimum,
28 the members shall include:

29 (i) A parent of a high school student enrolled in
30 the school entity.

1 (ii) A teacher employed by the school entity and
2 selected by the teachers of the school entity.

3 (iii) An administrator employed by the school entity
4 and selected by the superintendent of the school entity.

5 (iv) A member of the board of school directors of
6 the school entity, who shall be the chairman.

7 (3) At least two members shall be appointed by each
8 eligible postsecondary institution participating in the
9 concurrent enrollment program, of which at least one shall be
10 a faculty member representing a department with
11 administrative authority over one or more approved concurrent
12 courses.

13 (4) Where more than three eligible postsecondary
14 institutions participate in the concurrent enrollment
15 program, one member shall be appointed by each eligible
16 postsecondary institution.

17 (b) Duties.--The concurrent enrollment committee shall do
18 all of the following:

19 (1) Develop a proposed concurrent enrollment agreement,
20 which may include separate, individual agreements with each
21 eligible postsecondary institution with members appointed to
22 the concurrent enrollment committee.

23 (2) Present the proposed concurrent enrollment agreement
24 to the board of school directors of the school entity for
25 approval.

26 (3) Meet no less than quarterly to review the concurrent
27 enrollment program.

28 (4) Recommend any changes to the concurrent enrollment
29 program to the board of school directors of the school
30 entity.

1 (5) Develop criteria to permit students who are not
2 qualified under section 1614-B(a) to enroll in the concurrent
3 enrollment program.

4 Section 1613-B. Concurrent enrollment agreements.

5 (a) Deadline.--In order to be eligible for funding under
6 section 1603-B(c), a concurrent enrollment committee shall
7 develop a concurrent enrollment agreement and present it to the
8 board of school directors of the school entity and to each
9 eligible postsecondary institution with members appointed to the
10 concurrent enrollment committee for approval prior to the
11 submission of a grant application pursuant to section 1611-B(c).

12 (b) Required provisions.--The concurrent enrollment
13 agreement shall at a minimum include all of the following
14 provisions:

15 (1) A ratification or modification of all existing
16 concurrent enrollment agreements to meet the requirements of
17 this article.

18 (2) An explanation of the criteria used to determine
19 student qualification for concurrent enrollment, which shall
20 include all of the following:

21 (i) Postsecondary placement test scores.

22 (ii) The results of nationally available achievement
23 tests or other standardized tests included in the
24 participating school entity's local assessment system.

25 (iii) Satisfactory progress toward fulfilling
26 applicable secondary school graduation requirements, as
27 determined by the school entity.

28 (iv) Demonstrated readiness for college-level
29 coursework, as determined by the eligible postsecondary
30 institution.

1 (v) Status as a high school junior or senior.

2 (3) A description and an explanation of the criteria
3 used to determine concurrent courses offered by the eligible
4 postsecondary institution, which shall include all of the
5 following:

6 (i) The course must be nonremedial.

7 (ii) The course must be offered in a core academic
8 subject as defined by the No Child Left Behind Act of
9 2001.

10 (iii) The course, as offered to concurrent students,
11 must be identical to that offered when concurrent
12 students are not enrolled, including the use of an
13 identical curriculum, assessments and instructional
14 materials.

15 (iv) The course must enforce prerequisite coursework
16 requirements identical to those enforced for the course
17 when concurrent students are not enrolled.

18 (4) A description of minimum performance criteria, in
19 courses offered by the school entity and in concurrent
20 courses, required for students to remain in the concurrent
21 enrollment program.

22 (5) An explanation of student transportation
23 responsibilities, if applicable.

24 (6) A list of all concurrent courses offered under a
25 concurrent enrollment agreement.

26 (7) The total approved cost of each concurrent course.

27 (8) Any additional provisions deemed appropriate by the
28 school entity and eligible postsecondary institution.

29 Section 1614-B. Enrollment in concurrent courses.

30 (a) Requirements for enrollment.--

1 (1) A student enrolled in a school entity in this
2 Commonwealth who meets the student qualifications set forth
3 in the concurrent enrollment agreement may enroll in
4 concurrent courses that are part of the concurrent enrollment
5 agreement.

6 (2) A student enrolled in a charter school, a nonpublic
7 school, a private school or a home education program in this
8 Commonwealth shall be permitted to enroll in concurrent
9 courses that are part of the concurrent enrollment agreement
10 approved by the student's school district of residence,
11 provided that:

12 (i) The student meets the qualifications set forth
13 in the concurrent enrollment agreement.

14 (ii) The charter school, nonpublic school, private
15 school or home education program awards secondary credit
16 for a successfully completed concurrent course.

17 The student shall notify the school district of residence of the
18 intent to enroll in the program. The student shall be included
19 in the number of students reported to the department under
20 section 1611-B(b) and (c).

21 (b) Optional enrollment.--A student enrolled in a school
22 district, charter school, area vocational-technical school,
23 nonpublic school, private school or home education program who
24 does not qualify under subsection (a) may enroll in concurrent
25 courses that are part of a concurrent enrollment program
26 approved by the student's school district of residence or the
27 area vocational-technical school in which the student is
28 enrolled by meeting alternate criteria established by the
29 concurrent enrollment committee, provided, that the charter
30 school, nonpublic school, private school or home education

1 program awards secondary credit for a successfully completed
2 concurrent course. The student shall be included in the number
3 of students reported to the department under section 1611-B(b)
4 and (c).

5 Section 1615-B. Credit for concurrent courses.

6 (a) Award.--A school district, charter school, area
7 vocational-technical school, nonpublic school, private school or
8 home education program shall award secondary credit for a
9 successfully completed concurrent course, with success being
10 determined by the eligible postsecondary institution and set
11 forth in the concurrent enrollment agreement under section 1613-
12 B(b)(4).

13 (b) Transcript.--A concurrent student's official secondary
14 school transcript shall reflect that credits for a concurrent
15 course were earned through an eligible postsecondary
16 institution.

17 (c) Transfer.--

18 (1) In the event that a concurrent student who has
19 earned credits for a concurrent course transfers to a school
20 entity, the school entity that receives the concurrent
21 student shall recognize the credits as applying toward its
22 graduation requirements.

23 (2) In the event that a concurrent student who has
24 earned credits for a concurrent course transfers to a charter
25 school, a nonpublic school, a private school or a home
26 education program, the charter school, nonpublic school,
27 private school or home education program that receives the
28 concurrent student may recognize the credits as applying
29 toward its graduation requirements.

30 (d) Postsecondary award.--

1 (1) If, after graduation from a secondary school, the
2 concurrent student enrolls in the postsecondary institution
3 at which the concurrent student took a concurrent course,
4 that institution shall award postsecondary credit for any
5 concurrent courses successfully completed by the concurrent
6 student at the institution.

7 (2) If the concurrent student enrolls in a postsecondary
8 institution other than the one at which the concurrent
9 student earned the credits, that institution may grant credit
10 for courses successfully completed by the concurrent student.

11 (3) Community colleges, member institutions of the State
12 System of Higher Education and State-related institutions may
13 not refuse to recognize and award credit for a concurrent
14 course based upon the fact that the credit was earned through
15 a concurrent enrollment program.

16 (e) Credit limit.--A concurrent student's concurrent course
17 enrollment may not exceed 24 postsecondary credits in any school
18 year.

19 Section 12. Section 1705-B(h)(4) of the act, reenacted and
20 amended July 4, 2004 (P.L.536, No.70), is amended to read:

21 Section 1705-B. Education Empowerment Districts.--* * *

22 (h) * * *

23 (4) The department may utilize up to [\$2,000,000] \$2,875,000
24 of undistributed funds not expended, encumbered or committed
25 from appropriations for grants and subsidies made to the
26 department to assist school districts certified as an education
27 empowerment district under paragraph (3). There is hereby
28 established a restricted account from which payments under this
29 paragraph shall be paid. Funds shall be transferred by the
30 Secretary of the Budget to the restricted account to the extent

1 necessary to make payments under this paragraph. Funds in the
2 restricted account are hereby appropriated to carry out the
3 purposes of this paragraph. The subsidy payment from this
4 account shall be utilized to supplement the operational budget
5 of the eligible school districts. This paragraph shall apply to
6 fiscal years 2000-2001, 2001-2002, 2002-2003, 2003-2004 [and],
7 2004-2005 and 2005-2006 and shall expire June 30, [2005] 2006.

8 Section 13. Section 1714-B of the act is amended by adding a
9 subsection to read:

10 Section 1714-B. Mandate Waiver Program.--* * *

11 (n) Notwithstanding the provisions of subsection (g), the
12 department may approve an application submitted by a board of
13 school directors for a waiver of section 1361 to allow the
14 provision of transportation to a public kindergarten, elementary
15 school or secondary school or a nonpublic kindergarten,
16 elementary school or secondary school operated not for profit
17 located more than ten miles by the nearest public highway:
18 Provided, That the provision of transportation is more cost
19 effective for the district or the Commonwealth or addresses
20 student safety concerns. Transportation provided under this
21 subsection shall be considered an allowable district expense for
22 purposes of calculating transportation reimbursement.

23 Section 14. Section 1901-A(4) of the act, added July 1, 1985
24 (P.L.103, No.31), is amended and the section is amended by
25 adding clauses to read:

26 Section 1901-A. Definitions.--The following words and
27 phrases, as used in this article, shall, unless a different
28 meaning is plainly required by the context, have the following
29 meaning:

30 * * *

1 (4) "Community college" shall mean a public college or
2 technical institute which is established and operated in
3 accordance with the provisions of this act by a local sponsor
4 which provides a two-year, postsecondary, college-parallel,
5 terminal-general, terminal-technical, out-of-school youth or
6 adult education program or any combination of these. The
7 community college may also provide area vocational-technical
8 education services and credit, nonremedial college courses to
9 secondary senior high school students.

10 * * *

11 (11) "Independent certified public accountant" shall mean a
12 member of the American Institute of Certified Public Accountants
13 who has a minimum of five years' verifiable experience in
14 performing audits of government funds for nonprofit
15 organizations with a comparable or larger annual budget.

16 (12) "High priority and high instructional cost occupation
17 program" shall mean a for-credit, two-year or less than two-year
18 occupational or technical program approved by the Department of
19 Education to qualify for an economic development stipend in
20 order to prepare students to enter high priority occupations
21 pursuant to section 1913-A(b)(1.8)(ii).

22 (13) "High Priority Occupation Program" shall mean a for-
23 credit, two-year or less than two-year occupational or technical
24 program approved by the Department of Education to qualify for
25 an economic development stipend in order to prepare students to
26 enter high priority occupations pursuant to section 1913-
27 A(b)(1.8)(iii).

28 (14) "Noncredit workforce development courses" shall mean
29 noncredit courses approved by the Department of Education to
30 qualify for an economic development stipend pursuant to section

1 1913-A(b)(1.8)(iii) and having the specific purpose of providing
2 opportunities for students and incumbent workers to develop or
3 upgrade skills necessary in high priority occupations. Noncredit
4 workforce development courses may be offered by a community
5 college at an off-campus site, at any of its facilities or
6 through any form of distance education.

7 (15) "Workforce development courses" shall mean those
8 noncredit courses having the specific purpose of providing
9 opportunities for students and incumbent workers to develop or
10 upgrade skills necessary or useful in gainful employment, for
11 promotion or other similar opportunities in existing employment
12 or for learning new job skills and that have, as their subject
13 matter, instruction in any of the following general areas:

14 (1) Computers and information processing and technology,
15 including the study of both hardware and software applications.

16 (2) Management, supervision and basic employability skills,
17 including, but not limited to, working in teams, management and
18 supervisory skills, effective interpersonal relations, problem
19 solving, self-management strategies, project management and the
20 application of Federal and State laws to the workplace.

21 (3) Health professional and allied health job skills.

22 (4) Technical, manufacturing and service industries,
23 including, but not limited to, jobs in such fields as powdered
24 metals, machine tool and diemaking, electronics, safety,
25 plastics technology, hydraulics, construction,
26 warehouse/materials management, automotive repair and
27 management, heating, ventilation and air conditioning,
28 refrigeration and tourism.

29 (5) Other similar areas.

30 Section 15. Section 1913-A(b)(1), (c) and (k) of the act,

1 amended or added July 1, 1985 (P.L.103, No.31), June 7, 1993
2 (P.L.49, No.16) and June 22, 2001 (P.L.530, No.35), are amended,
3 subsection (b) is amended by adding clauses and the section is
4 amended by adding subsections to read:

5 Section 1913-A. Financial Program; Reimbursement of
6 Payments.--* * *

7 (b) (1) The Commonwealth shall pay to a community college
8 on behalf of the sponsor on account of its operating costs
9 during the fiscal year from funds appropriated for that purpose
10 an amount equal to:

11 (i) for the 1993-1994 fiscal year through the 2000-2001
12 fiscal year, the lesser of such college's variable State share
13 ceiling as determined in clause (1.3) or such college's
14 equivalent full-time student reimbursement as determined in
15 clause (1.4); [and]

16 (ii) for the 2001-2002 fiscal year [and each fiscal year
17 thereafter] through the 2004-2005 fiscal year, the college's
18 equivalent full-time student reimbursement as determined in
19 clause (1.4)[.];

20 (iii) for the 2005-2006 fiscal year, the college's payment
21 as determined in clause (1.5); and

22 (iv) for the 2006-2007 fiscal year and each fiscal year
23 thereafter, the college's payment as determined in clause (1.6).

24 * * *

25 (1.5) For the 2005-2006 fiscal year, the payment for a
26 community college shall consist of the following:

27 (i) Each community college shall receive reimbursement for
28 operating costs equal to the reimbursement for the 2004-2005
29 fiscal year as determined under clause (1.4)(i) and (ii). This
30 amount shall be determined based upon the mid-year rebudget

1 submitted by a community college in February 2005.

2 (ii) Each community college shall receive an economic
3 development stipend as calculated under clause (1.7).

4 (iii) Each community college shall receive a base supplement
5 determined by:

6 (A) subtracting the total amount of funds determined under
7 subclauses (i) and (ii) from the State appropriation for payment
8 of approved operating expenses of community colleges for the
9 2005-2006 fiscal year;

10 (B) dividing the payment under subclauses (i) and (ii) by
11 the sum of the amounts determined for all community colleges
12 under subclauses (i) and (ii); and

13 (C) multiplying the quotient from subparagraph (B) by an
14 amount equal to seventy-five percent (75%) of the amount
15 determined under paragraph (A).

16 (iv) Each community college with a 2003-2004 equivalent
17 full-time enrollment in credit, noncredit and workforce
18 development courses greater than its 2002-2003 equivalent full-
19 time enrollment in credit, noncredit and workforce development
20 courses shall receive a growth supplement amount determined by:

21 (A) subtracting its 2002-2003 equivalent full-time
22 enrollment in credit, noncredit and workforce development
23 courses from its 2003-2004 equivalent full-time enrollment in
24 credit, noncredit and workforce development courses;

25 (B) dividing the difference from paragraph (A) by the sum of
26 the differences from paragraph (A) for all community colleges;
27 and

28 (C) multiplying the quotient from paragraph (B) by an amount
29 equal to twenty-five percent (25%) of the amount determined
30 under subclause (iii)(A).

1 Calculations under this subclause shall be based upon the final
2 claim forms submitted by a community college for the 2002-2003
3 and 2003-2004 fiscal years.

4 (1.6) For the 2006-2007 fiscal year and each fiscal year
5 thereafter, the payment for a community college shall consist of
6 the following:

7 (i) Each community college shall receive an amount equal to
8 the reimbursement for operating costs, base supplement and
9 growth supplement amounts it received in the immediately
10 preceding fiscal year.

11 (ii) Each community college shall receive an economic
12 development stipend as calculated under clause (1.7). The amount
13 available for economic development stipends shall increase each
14 year by the percent increase in the State appropriation for
15 payment of approved operating expenses of community colleges.

16 (iii) Each community college shall receive a base supplement
17 determined by:

18 (A) subtracting the total amount of funds determined under
19 subclauses (i) and (ii) from the State appropriation for payment
20 of approved operating expenses of community colleges;

21 (B) dividing the payment under subclause (i) by the sum of
22 the amounts determined for all community colleges under
23 subclause (i); and

24 (C) multiplying the quotient from paragraph (B) by an amount
25 equal to seventy-five percent (75%) of the amount determined
26 under paragraph (A).

27 (iv) Each community college with an equivalent full-time
28 enrollment in credit, noncredit and workforce development
29 courses for the year prior to the immediately preceding year
30 greater than its equivalent full-time enrollment in credit,

1 noncredit and workforce development courses for the second year
2 prior to the immediately preceding year shall receive a growth
3 supplement amount determined by:

4 (A) subtracting its equivalent full-time enrollment in
5 credit, noncredit and workforce development courses for the
6 second year prior to the immediately preceding year from its
7 equivalent full-time enrollment in credit, noncredit and
8 workforce development courses for the year prior to the
9 immediately preceding year;

10 (B) dividing the difference from paragraph (A) by the sum of
11 the differences from paragraph (A) for all community colleges;
12 and

13 (C) multiplying the amount from paragraph (B) by an amount
14 equal to twenty-five percent (25%) of the amount determined
15 under subclause (iii)(A).

16 Secondary senior high school students enrolled in credit-
17 bearing, nonremedial college courses shall be included in the
18 calculation under paragraph (A). Calculations under this
19 subclause shall be based upon the audited financial statements
20 submitted by a community college pursuant to subsection (k.1).

21 (1.7) The payment for a community college shall include an
22 economic development stipend which shall consist of the
23 following:

24 (i) For the 2005-2006 fiscal year, each community college
25 shall receive an amount equal to the reimbursement for the 2004-
26 2005 fiscal year as determined under clause (1.4)(iii) and under
27 section 1501 of the act of December 18, 2001 (P.L.949, No.114),
28 known as the "Workforce Development Act." This amount shall be
29 determined based upon the mid-year rebudget submitted by a
30 community college in February 2005.

1 (ii) For the 2006-2007 fiscal year and each fiscal year
2 thereafter, each community college shall receive, subject to the
3 provisions of subclause (iii), an amount determined by:

4 (A) Adding the following:

5 (I) the number of full-time equivalent students enrolled in
6 high priority and high instructional cost occupation programs at
7 the community college multiplied by 1.50;

8 (II) the number of full-time equivalent students enrolled in
9 high priority occupation programs at the community college
10 multiplied by 1.25; and

11 (III) the number of full-time equivalent students enrolled
12 in noncredit workforce development courses at the community
13 college.

14 (B) Dividing the total from paragraph (A) by the sum of the
15 totals from paragraph (A) for all community colleges.

16 (C) Multiplying the amount from paragraph (B) by the amount
17 allocated for the economic development stipend pursuant to
18 clause (1.6)(ii).

19 The number of full-time equivalent students shall be determined
20 based upon the final mid-year rebudget submitted by a community
21 college for the prior fiscal year. Such rebudget shall be
22 submitted, as required by the Department of Education, no later
23 than May 31, 2006, and May 31 of each year thereafter.

24 (iii) For the 2006-2007 and 2007-2008 fiscal years, the
25 following shall apply:

26 (A) Full-time equivalent students enrolled in stipend
27 advanced technology programs shall be counted as full-time
28 equivalent students enrolled in high priority and high
29 instructional cost occupation programs for the purpose of the
30 calculation in subclause (ii).

1 (B) Full-time equivalent students enrolled in stipend
2 Statewide programs shall be counted as full-time equivalent
3 students enrolled in high priority occupation programs for the
4 purpose of the calculation in subclause (ii).

5 (C) Full-time equivalent students enrolled in other stipend
6 occupational programs and workforce development courses shall be
7 counted as full-time equivalent students enrolled in noncredit
8 workforce development courses for the purpose of the calculation
9 in subclause (ii).

10 (D) For reimbursement for any semester that begins on or
11 after January 1, 2006, this subclause shall only apply for
12 students who were enrolled in such programs during the fall 2005
13 semester.

14 (1.8) (i) The Department of Education shall annually
15 approve high priority and high instructional cost occupation
16 programs, high priority occupation programs and noncredit
17 workforce development courses.

18 (ii) In order to qualify as a high priority and high
19 instructional cost occupation program, the program must:

20 (A) Provide training:

21 (I) in a high priority occupation as defined by the Center
22 for Workforce Information and Analysis within the Department of
23 Labor and Industry; or

24 (II) in an occupation designed to meet regional workforce
25 needs as documented through collaboration with one or more
26 employers.

27 (B) Bear an instructional cost to the community college, per
28 full-time-equivalent student, of at least one hundred thirty
29 percent (130%) of the average cost per full-time-equivalent
30 student enrolled in the community college's credit courses.

1 Instructional costs shall be defined by the Department of
2 Education and may include personnel, equipment, curricula and
3 other costs necessary for the program.

4 (iii) In order to qualify as a high priority occupation
5 program or a noncredit workforce development course, the high
6 priority occupation program or noncredit workforce development
7 course must:

8 (A) provide training in a high priority occupation as
9 defined by the Center for Workforce Information and Analysis
10 within the Department of Labor and Industry; or

11 (B) provide training in an occupation designed to meet
12 regional workforce needs as documented through collaboration
13 with one or more employers.

14 (iv) In order to qualify under subclause (ii)(A)(II) or
15 (iii)(B), the community college shall submit an application to
16 the Department of Education. The application shall contain:

17 (A) Evidence of collaboration with one or more employers.

18 (B) Information as to the nature of the proposed program.

19 (C) Evidence as to how the program will increase workforce
20 opportunities for participants.

21 (v) The Department of Education shall:

22 (A) Determine the form and manner by which applications are
23 to be submitted under subclause (iv).

24 (B) Approve or reject applications received pursuant to
25 subclause (iv) within twenty (20) days of receipt of a completed
26 application; otherwise such applications will be deemed
27 approved.

28 (C) Annually publish guidelines listing criteria and
29 establishing the approval process for programs and courses under
30 this clause.

1 * * *

2 (c) (1) Capital expenses shall mean only such expenses as
3 are incurred with the approval of the Department of Education
4 for amortization of the purchase of lands; purchase,
5 construction or improvement of buildings for administrative and
6 instructional purposes, including libraries; the lease of lands
7 or buildings, or for rentals to an authority for the same
8 purpose; and, prior to July 1, 2005, for the purchase, lease or
9 rental of capital equipment and furniture used for instructional
10 or administrative purposes. Capital expenses shall include
11 library books and complementary audio-visual equipment purchased
12 during the first five years after establishment. On or after
13 July 1, 2005, capital expenses may include such expenses as are
14 incurred with the approval of the Department of Education for
15 the purchase, lease or rental of capital equipment and furniture
16 used for instructional or administrative purposes. For the
17 purpose of calculating the Commonwealth's share of operating,
18 and capital costs incurred prior to the actual admission of
19 students to a community college, all such costs shall be
20 interpreted as capital costs. No costs and expenses incurred in
21 the establishment, construction, operation or maintenance of
22 dormitories, or the equipment or furnishings for such purposes,
23 shall be included in capital expenses or operating costs for
24 purposes of Commonwealth reimbursement.

25 (2) The provisions of this subsection shall not prevent the
26 Commonwealth from reimbursing a community college for capital
27 expenses incurred prior to the effective date of this act. Such
28 reimbursement must have approval of the Secretary of Education.

29 (3) Notwithstanding any other provision of this act, a
30 community college may use a portion of its payment of approved

1 operating expenses for capital expenses not otherwise reimbursed
2 by the Department of Education.

3 (c.1) Notwithstanding any provision of law to the contrary,
4 two or more community colleges may jointly enter into a
5 financing arrangement through the State Public School Building
6 Authority for the purchase, lease or construction of capital
7 projects deemed necessary by the community colleges. The terms
8 and conditions of the financing arrangement shall be consistent
9 with the terms and conditions set forth in the act of July 5,
10 1947 (P.L.1217, No.498), known as the "State Public School
11 Building Authority Act."

12 * * *

13 (k) For fiscal years up to and including the 2004-2005
14 fiscal year, audits of community colleges shall be conducted as
15 follows:

16 (1) Unless otherwise prescribed by the State Board of
17 Education, the Commonwealth's fiscal audits of community
18 colleges under this section shall be conducted in accordance
19 with "Government Auditing Standards," latest revision,
20 promulgated by the United States General Accounting Office.
21 Written audit reports will be produced and will be sent to the
22 community college by the Commissioner of Postsecondary/Higher
23 Education. Any cost disallowed under findings contained in the
24 audit report shall be considered an adjudication within the
25 meaning of 2 Pa.C.S. (relating to administrative law and
26 procedure) and regulations promulgated thereunder.

27 (2) The Secretary of Education is hereby specifically
28 authorized and shall be required to resolve audit findings
29 involving disallowed costs that are contested by community
30 colleges except for audit findings that involve mathematical

1 errors, violation of regulations or alleged illegal activities.
2 The proposed resolution of the Secretary of Education shall not
3 be subject to the provisions of 2 Pa.C.S. The Secretary of
4 Education's notice to resolve audit findings shall be sent to
5 the community college in writing. The Secretary of Education may
6 resolve the audit findings by reducing the disallowed costs
7 related thereto in whole or in part.

8 (3) The Secretary of Education's notice to resolve an audit
9 finding by reducing or eliminating the disallowed costs must be
10 made contingent upon the community college developing and
11 implementing a corrective action plan to address the audit
12 finding. The community college must submit a corrective action
13 plan to the Secretary of Education within 60 days after receipt
14 of the Secretary of Education's written notice to resolve the
15 audit finding. The Secretary of Education shall approve, reject
16 or alter the plan submitted by the community college within
17 thirty (30) days of submission. After the community college
18 receives written notice of approval or agrees in writing to the
19 Secretary of Education's alterations of the corrective action
20 plan, said plan shall be implemented and shall be binding on the
21 community college. Implementation of the approved or agreed upon
22 corrective action plan will be verified by an audit conducted by
23 the department no later than the end of the fiscal year
24 following the fiscal year during which the plan is implemented.
25 If no agreed upon corrective action plan is in place within one
26 year after the date of the Secretary of Education's written
27 notice to resolve audit findings or if the agreed upon
28 corrective action has not been implemented within one year after
29 the date of the Secretary of Education's written notice to
30 resolve the audit findings, then the Secretary of Education is

1 authorized to adjust payments to the community college to
2 collect any amounts due based upon the findings contained in the
3 audit report that was issued to the college by the commissioner.

4 (4) The department shall deduct any amounts due the
5 Commonwealth as a result of audit findings that are resolved
6 under this subsection from any future payment due to the
7 community college from the Commonwealth. The Secretary of
8 Education is authorized to approve a payment schedule in cases
9 where immediate repayment of the full amount due the
10 Commonwealth would jeopardize the ability of the community
11 college to continue operations.

12 (5) Resolution authority provided to the Secretary of
13 Education in this subsection shall be limited to disallowed cost
14 findings relating to policy and/or administrative practices. The
15 resolution authority shall not be used for audit findings in
16 which the audited community college data and documentation is in
17 error, where a violation of applicable law or regulation is
18 found or where criminal violations are suspected by the
19 Commonwealth auditors and brought to the Secretary of
20 Education's attention in writing. Notwithstanding the
21 limitations of this subsection, until June 30, 1995, the
22 Secretary of Education is authorized to resolve audit findings
23 involving disallowed costs for fiscal years prior to and
24 including 1992-1993 when such disallowed costs result from
25 violation of regulations.

26 (6) The department, through the Secretary of Education, is
27 authorized to issue guidelines for the operation of the
28 community college educational and financial programs. The
29 department shall amend these guidelines on an annual basis to
30 reflect the department's position on issues that require

1 resolution under this subsection.

2 (7) The provisions of subsection (d) are repealed insofar as
3 they are inconsistent with the provisions of this subsection.

4 (k.1) (1) By January 1, 2007, and January 1 of each year
5 thereafter, a community college shall submit to the department
6 an audited financial statement for the immediately preceding
7 fiscal year. The audited financial statement shall be consistent
8 with the generally accepted accounting principles prescribed by
9 the National Association of College and University Business
10 Officers or its successor, by the American Institute of
11 Certified Public Accounts or its successor or by any other
12 recognized authoritative body and consistent with the financial
13 reporting policies and standards promulgated by Federal
14 Government and State government which apply to community
15 colleges: Provided, that an audited financial statement shall
16 not be acceptable if the audit is conducted by an employe or
17 member of the board of trustees of the community college or by
18 an organization or firm associated with any employe or member of
19 the board of trustees of the community college. The Department
20 of Education may withhold funds appropriated to community
21 colleges as necessary to ensure that audit reports are submitted
22 in the prescribed fashion.

23 (2) The audited financial statement required under clause
24 (1) shall include:

25 (i) results of the tests of the community college's
26 accounting records and other procedures that are considered
27 necessary to enable the independent certified public accountant
28 to express an opinion as to whether the community college's
29 financial statements are fairly presented, in all material
30 respects, consistent with the accounting principles set forth in

1 clause (1);

2 (ii) a schedule of operating expenses that presents all
3 operating expenses pertaining to the community college's
4 educational program; and

5 (iii) a verification of equivalent full-time students
6 enrolled in the community college in each of the following
7 categories: credit, noncredit and each economic development
8 stipend category, during the fiscal year for which the audited
9 financial statement is presented.

10 (3) The department shall review the audited financial
11 statement of a community college to determine whether the State
12 funds allocated to the community college have been expended in
13 accordance with the accounting principles set forth in clause
14 (1). The department shall have ninety (90) days from the receipt
15 of an audited financial statement to review the audited
16 financial statement and notify the community college of any
17 material failure to meet the requirements of this subsection.

18 (4) A community college that receives notice from the
19 department under clause (3) shall have ninety (90) days from the
20 receipt of such notice to submit a corrective action plan to the
21 department.

22 (5) The department shall approve, reject or alter the
23 corrective action plan within thirty (30) days of submission.
24 After the community college receives written notice of approval
25 of the corrective action plan or agrees in writing to the
26 department's alterations of the corrective action plan, the plan
27 shall be implemented and binding on the community college.
28 Implementation of the approved or agreed upon corrective action
29 plan shall be verified by an audit conducted by the department
30 no later than the end of the fiscal year following the fiscal

1 year during which the plan is implemented. If no agreed upon
2 corrective action plan is in place within one year after the
3 date of the department's written notice under clause (4) or if
4 the agreed upon corrective action plan has not been implemented
5 within one year after the date of the department's written
6 notice under clause (4), then the department shall adjust
7 payments to the community college to collect any amounts due
8 based upon the findings contained in the audit report.

9 (6) The State Board of Education shall promulgate final-
10 omitted regulations, pursuant to the act of June 25, 1982
11 (P.L.633, No.181), known as the "Regulatory Review Act," as
12 necessary to implement this subsection.

13 * * *

14 Section 16. The act is amended by adding sections to read:

15 Section 1917-A. Community College Capital Fund.--(a) The
16 Community College Capital Fund is hereby established as a
17 separate fund in the State Treasury for the purpose of making
18 payments to community colleges for capital expenses approved
19 under section 1913-A(b)(4). The moneys of the fund are hereby
20 appropriated to the Department of Education to carry out the
21 provisions of this section.

22 (b) The Community College Capital Fund shall consist of all
23 funds appropriated and allocated during the 2005-2006 fiscal
24 year and each fiscal year thereafter for capital expenses
25 approved for payment by the Department of Education under
26 section 1913-A(b)(4).

27 (c) At the end of each fiscal year, any unencumbered funds
28 shall not lapse to the General Fund and shall be available for
29 payment of any capital expenses approved under section 1913-
30 A(b)(4) in any subsequent fiscal year.

1 (d) Payments for capital expenses approved under section
2 1913-A(b)(4) shall be limited to the total amount of funds
3 included in the Community College Capital Fund.

4 Section 1918-A. Annual Report.--(a) No later than January
5 1, 2006, the Department of Education shall, in consultation with
6 the community colleges, complete development of a format for
7 collecting uniform data relative to the operations of community
8 colleges. The data shall be used in making an annual report to
9 the Governor and the chairmen and minority chairmen of the
10 Appropriations and Education Committees of the Senate and the
11 chairmen and minority chairmen of the Appropriations and
12 Education Committees of the House of Representatives. The report
13 and the data shall be made available to the Governor and the
14 committees via electronic transmission. The report shall cover
15 the immediately preceding academic year and shall include, but
16 not be limited to:

17 (1) Demographic and program data including information on
18 full-time and part-time faculty and student enrollments, in
19 total and within curricular areas; dual enrollment
20 participation; credit hours taught by faculty; distance learning
21 courses offered; articulation agreements with higher education
22 institutions; numbers and courses with fewer than twenty (20)
23 students; numbers and courses with more than fifty (50)
24 students.

25 (2) Student progress and achievement measures including;
26 retention rates; first time, full-time graduation rates after
27 two, three and four years; passing rates on certification and
28 licensure examinations; number of students employed within one
29 year of program completion; placement into additional education
30 or employment in the student's field of study.

1 (3) Economic and workforce development measures including:
2 employer satisfaction; customized job training offerings;
3 employment status; and numbers of businesses and organizations
4 served.

5 (b) Where available, data shall be disaggregated by
6 categories including gender, race and age.

7 (c) The Department of Education, in consultation with the
8 community colleges, shall annually review the uniform data
9 collection format and make any revisions deemed necessary.

10 (d) Reports required under this section shall be submitted
11 prior to September 1, 2006, and September 1 of each year
12 thereafter.

13 Section 17. Section 2015-A of the act, added November 12,
14 1982 (P.L.660, No.188), is amended to read:

15 Section 2015-A. Annual Audit.--(a) The activities of the
16 system under this article shall be subject to the audit of the
17 Department of the Auditor General, but the system shall not be
18 required to pay a fee for any such audit. It shall make an
19 annual report to the State board and to the General Assembly
20 showing its condition at the end of the Commonwealth's fiscal
21 year.

22 (b) The system shall report its financial statements in
23 accordance with generally accepted accounting principles as
24 prescribed by the National Association of College and University
25 Business Officers, the American Institute of Certified Public
26 Accountants or any other recognized authoritative body, as well
27 as applicable policy and standards promulgated by the
28 Commonwealth and the Federal Government.

29 Section 18. Sections 2003-B(c) and (d) and 2006-B(a)(1) of
30 the act, amended December 23, 2003 (P.L.304, No.48), are amended

1 to read:

2 Section 2003-B. Qualification and application.

3 * * *

4 (c) Scholarship organizations and pre-kindergarten
5 scholarship organizations.--A scholarship organization or pre-
6 kindergarten scholarship organization must certify to the
7 department that the organization is eligible to participate in
8 the program established under this article[.] and must agree to
9 annually report the following information to the department by
10 December 1, 2005, and September 1 of each year thereafter:

11 (1) (i) The number of scholarships awarded during the
12 immediately preceding school year to eligible pre-
13 kindergarten students.

14 (ii) The total and average amounts of the
15 scholarships awarded during the immediately preceding
16 school year to eligible pre-kindergarten students.

17 (iii) The number of scholarships awarded during the
18 immediately preceding school year to eligible students in
19 grades K through 8.

20 (iv) The total and average amounts of the
21 scholarships awarded during the immediately preceding
22 school year to eligible students in grades K through 8.

23 (v) The number of scholarships awarded during the
24 immediately preceding school year to eligible students in
25 grades 9 through 12.

26 (vi) The total and average amounts of the
27 scholarships awarded during the immediately preceding
28 school year to eligible students in grades 9 through 12.

29 (vii) Where the scholarship organization or pre-
30 kindergarten scholarship organization collects

1 information on a county-by-county basis, the total number
2 and the total amount of scholarships awarded during the
3 immediately preceding school year to residents of each
4 county in which the scholarship organization or pre-
5 kindergarten scholarship organization awarded
6 scholarships.

7 (2) The information required under paragraph (1) shall
8 be submitted on a form provided by the department. No later
9 than September 1, 2005, and May 1 of each year thereafter,
10 the department shall annually distribute such sample forms,
11 together with the forms on which the reports are required to
12 be made, to each listed scholarship organization and pre-
13 kindergarten scholarship organization.

14 (3) The department may not require any other information
15 to be provided by scholarship organizations or pre-
16 kindergarten scholarship organizations, except as expressly
17 authorized in this article.

18 (d) Educational improvement organization.--

19 (1) An application submitted by an educational
20 improvement organization must describe its proposed
21 innovative educational program or programs in a form
22 prescribed by the department. The department shall consult
23 with the Department of Education as necessary. The department
24 shall review and approve or disapprove the application. In
25 order to be eligible to participate in the program
26 established under this article, an educational improvement
27 organization must agree to annually report the following
28 information to the department by December 1, 2005, and
29 September 1 of each year thereafter:

30 (i) The name of the innovative educational program

1 or programs and the total amount of the grant or grants
2 made to those programs during the immediately preceding
3 school year.

4 (ii) A description of how each grant was utilized
5 during the immediately preceding school year and a
6 description of any demonstrated or expected innovative
7 educational improvements.

8 (iii) The names of the public schools and school
9 districts where innovative educational programs that
10 received grants during the immediately preceding school
11 year were implemented.

12 (iv) Where the educational improvement organization
13 collects information on a county-by-county basis, the
14 total number and the total amount of grants made during
15 the immediately preceding school year for programs at
16 public schools in each county in which the educational
17 improvement organization made grants.

18 (2) The information required under paragraph (1) shall
19 be submitted on a form provided by the department. No later
20 than September 1, 2005, and May 1 of each year thereafter,
21 the department shall annually distribute such sample forms,
22 together with the forms on which the reports are required to
23 be made, to each listed educational improvement organization.

24 (3) The department may not require any other information
25 to be provided by educational improvement organizations,
26 except as expressly authorized in this article.

27 * * *

28 Section 2006-B. Limitations.

29 (a) Amount.--

30 (1) The total aggregate amount of all tax credits

1 approved shall not exceed [\$40,000,000] \$44,000,000 in a
2 fiscal year. No less than [\$26,666,666] \$29,333,333 of the
3 total aggregate amount shall be used to provide tax credits
4 for contributions from business firms to scholarship
5 organizations. No less than [\$13,333,333] \$14,666,666 of the
6 total aggregate amount shall be used to provide tax credits
7 for contributions from business firms to educational
8 improvement organizations.

9 * * *

10 Section 19. Section 2501(9.4) of the act, added July 8, 1989
11 (P.L.253, No.43), is amended and the section is amended by
12 adding a clause to read:

13 Section 2501. Definitions.--For the purposes of this article
14 the following terms shall have the following meanings:

15 * * *

16 (9.4) "Municipal Equalized Millage." A city of the first
17 through third class tax effort to be used for reimbursement
18 under subsections (d) and (e) of section 2502 and section
19 2502.11 shall be the amount of municipal taxes collected and
20 reported to the Department of Community [Affairs] and Economic
21 Development divided by the real property valuation of the
22 municipality for the most recent year for which both
23 municipality tax and real property valuation are available.

24 * * *

25 (24) "Current Expenditure per Average Daily Membership." An
26 amount equal to a school district's current expenditures for a
27 school year to include General Fund expenditures in the
28 functional classifications of instruction, support services and
29 operation of non-instructional services, as designated in the
30 Manual of Accounting and Related Financial Procedures for

1 Pennsylvania School Systems, divided by the average daily
2 membership of the school district for the same school year.

3 Section 20. Section 2502.13 of the act, amended July 4, 2004
4 (P.L.536, No.70), is amended to read:

5 Section 2502.13. Small District Assistance.--(a) For the
6 1984-1985 and 1985-1986 school years, the Commonwealth shall pay
7 to each school district which has an average daily membership of
8 one thousand five hundred (1,500) or less 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.

14 (b) For the school year 1986-1987, the Commonwealth shall
15 pay to each school district which has an average daily
16 membership of one thousand five hundred (1,500) or less and has
17 a market value/income aid ratio of five thousand ten-thousandths
18 (0.5000) or greater, or received payments under this section for
19 the 1985-1986 school year, an amount equal to seventy-five
20 dollars (\$75) multiplied by that district's average daily
21 membership.

22 (c) For the school year 1987-1988, the Commonwealth shall
23 pay to each school district which has an average daily
24 membership of one thousand five hundred (1,500) or less and a
25 market value/income aid ratio of five thousand ten-thousandths
26 (0.5000) or greater, or received payments under this section for
27 the 1986-1987 school year, an amount equal to eighty-five
28 dollars (\$85) multiplied by that district's average daily
29 membership.

30 (d) For the school year 1988-1989, the Commonwealth shall

1 pay to each school district which has an average daily
2 membership of one thousand five hundred (1,500) or less and a
3 market value/income aid ratio of five thousand ten-thousandths
4 (0.5000) or greater, or received payments under this section for
5 the 1987-1988 or 1988-1989 school year, an amount equal to one
6 hundred five dollars (\$105).

7 (e) For the school year 1989-1990, the Commonwealth shall
8 pay to each school district which has an average daily
9 membership of one thousand five hundred (1,500) or less and a
10 market value/income aid ratio of five thousand ten-thousandths
11 (0.5000) or greater, or received payments under this section for
12 the 1987-1988 school year, an amount equal to one hundred
13 fifteen dollars (\$115) multiplied by the district's average
14 daily membership as provided for in section 212 of the act of
15 July 1, 1990 (P.L.1591, No.7A), known as the "General
16 Appropriation Act of 1990." For the school year 1990-1991, the
17 Commonwealth shall pay to each school district which has an
18 average daily membership of one thousand five hundred (1,500) or
19 less and a market value/income aid ratio of five thousand ten-
20 thousandths (0.5000) or greater, or received payments under this
21 section for the prior school year, an amount equal to one
22 hundred seventy dollars (\$170) multiplied by that district's
23 average daily membership.

24 (f) For the school year 1990-1991, each school district with
25 a population per square mile of less than ninety (90), which
26 otherwise meets the average daily membership and market
27 value/income aid ratio requirements of this section, or received
28 payments under this section for the prior school year, shall
29 instead receive an amount equal to one hundred ninety dollars
30 (\$190) multiplied by that district's average daily membership.

1 (g) For the 1987-1988 school year through the 1990-1991
2 school year, no school district shall receive less on account of
3 this section than it did for the prior school year. For the
4 school year 1994-1995, the Commonwealth shall pay to each school
5 district which has an average daily membership of one thousand
6 five hundred (1,500) or less and a market value/income aid ratio
7 of five thousand ten-thousandths (0.5000) or greater, an amount
8 equal to ninety five dollars (\$95) multiplied by that district's
9 average daily membership.

10 (h) For each of the school years 1997-1998 through 1999-
11 2000, the Commonwealth shall pay to each school district which
12 has an average daily membership of one thousand five hundred
13 (1,500) or less and a market value/income aid ratio of five
14 thousand ten-thousandths (0.5000) or greater an amount equal to
15 seventy-five dollars (\$75) multiplied by that district's average
16 daily membership.

17 (i) For the school years 2000-2001, 2001-2002 and 2002-2003,
18 the Commonwealth shall pay to each school district which has an
19 average daily membership of one thousand five hundred (1,500) or
20 less an amount equal to seventy-five dollars (\$75) multiplied by
21 that district's average daily membership.

22 (j) For the school year 2003-2004, the Commonwealth shall
23 pay to each school district which has an average daily
24 membership of one thousand five hundred (1,500) or less an
25 amount equal to seventy-five dollars (\$75) multiplied by that
26 district's average daily membership. For the school year 2003-
27 2004, the Commonwealth shall pay an additional amount to each
28 school district which has an average daily membership of one
29 thousand five hundred (1,500) or less and a market value/income
30 aid ratio of five thousand ten-thousandths (0.5000) or greater

1 an amount equal to fifty dollars (\$50) multiplied by that
2 district's average daily membership.

3 (k) For the school year 2004-2005, the Commonwealth shall
4 pay to each school district which has an average daily
5 membership of one thousand five hundred (1,500) or less and a
6 market value/income aid ratio of five thousand ten thousandths
7 (0.5000) or greater an amount equal to forty-five dollars (\$45)
8 multiplied by that district's average daily membership.

9 Section 21. Section 2502.30 of the act, reenacted and
10 amended July 4, 2004 (P.L.536, No.70), is reenacted to read:

11 Section 2502.30. Temporary Special Aid to School
12 Districts.--(a) Temporary special aid shall be paid in fiscal
13 years 1994-1995, 1995-1996, 1996-1997, 1997-1998, 1998-1999,
14 1999-2000, 2001-2002, 2002-2003 and 2003-2004 to school
15 districts experiencing a severe reduction in local revenue due
16 to a decline in the assessed value of taxable properties. The
17 allocation to these districts shall be determined by multiplying
18 the reduction in assessed value between 1985-1986 and 1992-1993
19 by the 1992-1993 real estate millage rate. This aid shall be
20 paid from undistributed funds not expended, encumbered or
21 committed from appropriations for grants and subsidies made to
22 the Department of Education. No other funds shall be used for
23 assistance under this section. These funds shall be sufficient
24 to provide temporary relief to seven school districts in fiscal
25 year 1995-1996 at seventy-five per centum (75%) of the funds
26 received in fiscal year 1994-1995, in fiscal year 1996-1997 at
27 fifty per centum (50%) of the funds received in fiscal year
28 1994-1995, in fiscal year 1997-1998, 1998-1999 and in fiscal
29 year 1999-2000 at twenty-five per centum (25%) of the funds
30 received in fiscal year 1994-1995. For fiscal years 2001-2002,

1 2002-2003 and 2003-2004 to the extent funds are available as
2 determined by the Secretary of the Budget, qualifying school
3 districts shall receive twenty-five per centum (25%) of the
4 funds received in fiscal year 1994-1995.

5 (a.1) (1) Temporary special aid shall be paid in fiscal
6 year 2004-2005 out of the appropriation for basic education
7 funding to school districts to certain school districts that
8 have experienced severe increases in average daily membership
9 and in market value/income aid ratio. To qualify for temporary
10 special aid under this subsection, the school district's 2004-
11 2005 market value/income aid ratio must be greater than five
12 thousand two hundred ten thousandths (0.5200), the increase from
13 the school district's 1991-1992 average daily membership to its
14 2003-2004 average daily membership must be equal to or greater
15 than eighteen per centum (18%) and the increase from the school
16 district's 1991-1992 market value/income aid ratio to its 2003-
17 2004 market value/income aid ratio must be equal to or greater
18 than fifteen per centum (15%).

19 (2) The allocation to a qualifying school district under
20 this subsection shall be determined by:

21 (i) Subtracting the school district's 1991-1992 average
22 daily membership from its 2003-2004 average daily membership.

23 (ii) Multiplying the difference from subparagraph (i) by
24 eight million five hundred thousand dollars (\$8,500,000).

25 (iii) Dividing the product from subparagraph (ii) by the sum
26 of the differences from subparagraph (i).

27 (a.2) (1) Temporary special aid shall be paid in fiscal
28 year 2004-2005 out of the appropriation for basic education
29 funding to school districts to certain school districts that
30 have extremely high local tax effort. To qualify for temporary

1 special aid under this subsection, the school district's 2002
2 equalized millage rate must be equal to or greater than thirty-
3 three (33) equalized mills and its 2004-2005 market value/income
4 aid ratio must be equal to or greater than six thousand four
5 hundred ten thousandths (0.6400).

6 (2) The allocation to a qualifying school district under
7 this subsection shall be determined by:

8 (i) Multiplying the school district's 2003-2004 average
9 daily membership by seven hundred fifty thousand dollars
10 (\$750,000).

11 (ii) Dividing the product from subparagraph (i) by the 2003-
12 2004 average daily membership for all qualifying school
13 districts.

14 (b) Payments made pursuant to subsection (a) shall be paid
15 from a restricted receipt account, which is hereby established,
16 for such payments. Funds shall be transferred by the Secretary
17 of the Budget to the restricted account only to the extent
18 necessary to make the payments authorized by this section. The
19 money in the restricted account is hereby appropriated from the
20 account for purposes of this section.

21 (c) This section shall expire June 30, 2005.

22 Section 22. The act is amended by adding a section to read:

23 Section 2502.44. Basic Education Funding for 2004-2005
24 School Year.--For the 2004-2005 school year, the Commonwealth
25 shall pay to each school district a basic education funding
26 allocation which shall consist of the following:

27 (1) An amount equal to the basic education funding
28 allocation for the 2003-2004 school year pursuant to sections
29 2502.13, 2502.30(a.1) and (a.2), 2502.43 and 2504.4.

30 (2) Where the school district received a grant under section

1 1709-B during the 2004-2005 school year, but is not eligible to
2 receive such a grant during the 2005-2006 school year, an amount
3 equal to the grant amount it received during the 2004-2005
4 school year multiplied by fifty percent (50%).

5 (3) An amount equal to any payment made pursuant to section
6 2502.10 during the 2004-2005 school year.

7 (4) A base supplement calculated as follows:

8 (i) If the school district's 2005-2006 market value/income
9 aid ratio is equal to or greater than seven thousand ten-
10 thousandths (.7000):

11 (A) Multiply the school district's 2005-2006 market
12 value/income aid ratio by its 2004-2005 average daily
13 membership.

14 (B) Multiply the product from clause (A) by twelve million
15 five hundred thousand dollars (\$12,500,000).

16 (C) Divide the product from clause (B) by the sum of the
17 products of the 2005-2006 market value/income aid ratio
18 multiplied by the 2004-2005 average daily membership for all
19 qualifying school districts.

20 (ii) If the school district's 2005-2006 market value/income
21 aid ratio is equal to or greater than five thousand ten-
22 thousandths (.5000) and less than seven thousand ten-thousandths
23 (.7000):

24 (A) Multiply the school district's 2005-2006 market
25 value/income aid ratio by its 2004-2005 average daily
26 membership.

27 (B) Multiply the product from clause (A) by forty million
28 dollars (\$40,000,000).

29 (C) Divide the product from clause (B) by the sum of the
30 products of the 2005-2006 market value/income aid ratio

1 multiplied by the 2004-2005 average daily membership for all
2 qualifying school districts.

3 (iii) If the school district's 2005-2006 market value/income
4 aid ratio is less than five thousand ten-thousandths (.5000):

5 (A) Multiply the school district's 2005-2006 market
6 value/income aid ratio by its 2004-2005 average daily
7 membership.

8 (B) Multiply the product from clause (A) by five million
9 five hundred thousand dollars (\$5,500,000).

10 (C) Divide the product from clause (B) by the sum of the
11 products of the 2005-2006 market value/income aid ratio
12 multiplied by the 2004-2005 average daily membership for all
13 qualifying school districts.

14 (5) A temporary special assistance supplement for qualifying
15 school districts as follows:

16 (i) To qualify for the temporary special assistance
17 supplement, the school district's 2003-2004 current expenditure
18 per average daily membership must be less than ninety-seven and
19 eight tenths percent (97.8%) of the 2003-2004 median current
20 expenditure per average daily membership.

21 (ii) The temporary special assistance supplement shall be
22 calculated for qualifying school districts as follows:

23 (A) Multiply the school district's 2004-2005 average daily
24 membership by its 2005-2006 market value/income aid ratio.

25 (B) Multiply the product from clause (A) by the lesser of:

26 (1) thirty-five dollars (\$35); or

27 (2) the difference between the value of ninety-seven and
28 eight tenths (97.8%) percent of the 2003-2004 median current
29 expenditure per average daily membership and the school
30 district's 2003-2004 current expenditure per average daily

1 membership.

2 (iii) If a qualifying school district's 2003 equalized
3 millage is equal to or greater than twenty and seven tenths
4 (20.7) equalized mills and less than twenty-four and two tenths
5 (24.2) equalized mills, it shall receive an additional payment
6 calculated as follows:

7 (A) Multiply the school district's 2004-2005 average daily
8 membership by the school district's 2005-2006 market
9 value/income aid ratio.

10 (B) Multiply the product from clause (A) by forty-five
11 dollars (\$45).

12 (iv) If a qualifying school district's 2003 equalized
13 millage is equal to or greater than twenty-four and two tenths
14 (24.2) equalized mills, it shall receive an additional payment
15 calculated as follows:

16 (A) Multiply the school district's 2004-2005 average daily
17 membership by the school district's 2005-2006 market
18 value/income aid ratio.

19 (B) Multiply the product from clause (A) by fifty-five
20 dollars (\$55).

21 (v) A school district that qualifies for the temporary
22 special assistance supplement under this paragraph shall receive
23 an amount equal to the sum of the amounts under subparagraphs
24 (ii), (iii) and (iv).

25 (6) A poverty supplement calculated for qualifying school
26 districts as follows:

27 (i) To qualify for the poverty supplement, a school
28 district's 2005-2006 market value/income aid ratio must be equal
29 to or greater than six thousand five hundred ten-thousandths
30 (.6500) and its personal income valuation, when divided by its

1 2004-2005 average daily membership, must be equal to or less
2 than one hundred five thousand dollars (\$105,000).

3 (ii) The poverty supplement shall be calculated for
4 qualifying school districts as follows:

5 (A) Multiply the school district's 2004-2005 average daily
6 membership by seventeen million dollars (\$17,000,000).

7 (B) Divide the product from clause (A) by the sum of the
8 2004-2005 average daily membership for all qualifying school
9 districts.

10 (7) A tax effort supplement calculated for qualifying school
11 districts as follows:

12 (i) To qualify for the tax effort supplement, a school
13 district's 2003 equalized millage must be equal to or greater
14 than twenty and eight tenths (20.8) equalized mills.

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

17 (A) Multiply the school district's 2004-2005 average daily
18 membership by nine million dollars (\$9,000,000).

19 (B) Divide the product from clause (A) by the sum of the
20 2004-2005 average daily membership for all qualifying school
21 districts.

22 (8) A growth supplement calculated for qualifying school
23 districts as follows:

24 (i) To qualify for the growth supplement, a school
25 district's 2004-2005 average daily membership must be greater
26 than its 2003-2004 average daily membership.

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

29 (A) Subtract the school district's 2003-2004 average daily
30 membership from its 2004-2005 average daily membership and

1 multiply the difference by its 2005-2006 market value/income aid
2 ratio.

3 (B) Multiply the difference from clause (A) by nine million
4 five hundred thousand dollars (\$9,500,000).

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

7 (9) Each school district shall receive additional funding as
8 necessary so that the sum of the amounts under section 2502.13
9 and paragraphs (4), (5), (6), (7) and (8) and this paragraph
10 shall equal at least two percent (2%) of the amount in paragraph
11 (1).

12 Section 23. Section 2504.4 of the act is amended by adding a
13 subsection to read:

14 Section 2504.4. Payments on Account of Limited English
15 Proficiency Programs.--* * *

16 (a.1) To qualify for limited English proficiency payments
17 under this section for the 2004-2005 school year, a school
18 district's 2005-2006 market value/income aid ratio must be
19 greater than or equal to three thousand ten thousandths (0.3000)
20 and the number of enrolled students identified as limited
21 English proficient in the 2003-2004 school year must be no less
22 than two percent (2%) of the school district's 2003-2004 average
23 daily membership. The allocation to a qualified school district
24 under this section shall be paid in fiscal year 2005-2006 out of
25 the appropriation for basic education funding to school
26 districts and determined by:

27 (1) multiplying the number of enrolled students identified
28 as limited English proficient in the 2003-2004 school year in a
29 qualified school district by three million dollars (\$3,000,000);
30 and

1 (2) dividing the product from paragraph (1) by the total
2 number of enrolled students identified as limited English
3 proficient in all qualified school districts.

4 * * *

5 Section 24. Sections 2509.1 and 2509.5 of the act are
6 amended by adding subsections to read:

7 Section 2509.1. Payments to Intermediate Units.--* * *

8 (b.13) Up to ten million two hundred fifty thousand dollars
9 (\$10,250,000) may be utilized for programs administered and
10 operated by intermediate units during the 2005-2006 school year
11 for institutionalized children as established in subsection
12 (b.1).

13 * * *

14 Section 2509.5. Special Education Payments to School
15 Districts.--* * *

16 (pp) During the 2005-2006 school year, each school district
17 shall be paid the amount it received during the 2004-2005 school
18 year under subsections (nn) and (oo).

19 (qq) (1) During the 2005-2006 school year, twenty-one
20 million one hundred forty-one thousand four hundred forty-three
21 dollars (\$21,141,443) of the funds appropriated to the
22 Department of Education for special education shall be used to
23 provide supplemental funding for special education to school
24 districts under this subsection.

25 (2) Each school district shall receive a funding supplement
26 calculated as follows:

27 (i) multiply each school district's 2005-2006 market
28 value/income aid ratio by sixteen percent (16%) of its 2004-2005
29 average daily membership;

30 (ii) multiply the product from subclause (i) by twenty

1 million dollars (\$20,000,000); and

2 (iii) divide the resultant product from subclause (ii) by
3 the sum of the products of the 2005-2006 market value/income aid
4 ratio multiplied by sixteen percent (16%) of the 2004-2005
5 average daily membership for all school districts.

6 (3) Each school district for which the supplement under
7 clause (2) provides an amount less than two percent (2%) of the
8 sum of the amounts provided under subsections (nn) and (oo)
9 shall receive additional funding as necessary so that the sum of
10 the amounts provided under clause (2) and this clause equals two
11 percent (2%) of the sum of the amounts provided under
12 subsections (nn) and (oo).

13 Section 25. The act is amended by adding a section to read:

14 Section 2552.1. Effect of Failure to File Reports.--(a) The
15 Department of Education shall order the forfeiture of three
16 hundred dollars (\$300) per day by a school district, charter
17 school, area vocational-technical school or intermediate unit
18 that does not submit its annual financial report and annual
19 budget to the Department of Education within thirty (30) days of
20 the submittal date established by the Department of Education.
21 The forfeiture shall continue until a report and annual budget
22 that meet established criteria are submitted. The Department of
23 Education shall deduct the amount of the forfeiture from any and
24 all State payments made to the school district, charter school,
25 area vocational-technical school or intermediate unit.

26 (b) The Department of Education shall order the forfeiture
27 of three hundred dollars (\$300) per day by a school district,
28 charter school, area vocational-technical school or intermediate
29 unit that does not submit its pupil membership/child accounting
30 reports within thirty (30) days of the submittal date

1 established by the Department of Education. The forfeiture shall
2 continue until a report that meets established criteria is
3 submitted. The Department of Education shall deduct the amount
4 of the forfeiture from any and all State payments made to the
5 school district, charter school, area vocational-technical
6 school or intermediate unit.

7 (c) The Secretary of Education may waive the forfeiture
8 requirements under subsection (a) or (b) if the Secretary of
9 Education is satisfied that extenuating circumstances exist.

10 (d) In addition to the forfeiture provided under subsections
11 (a) and (b) and notwithstanding any other provision of law to
12 the contrary, the Department of Education may initiate the
13 following professional disciplinary actions against a chief
14 school administrator in accordance with the provisions and
15 procedures set forth in the act of December 12, 1973 (P.L.397,
16 No.141), known as the "Professional Educator Discipline Act,"
17 for failure to submit the annual financial report and annual
18 budget or pupil membership/child accounting reports within sixty
19 (60) days of the submittal date established by the Department of
20 Education:

21 (1) Action to suspend for a period of one year the letter of
22 eligibility of a superintendent for the first violation of this
23 subsection.

24 (2) Action to suspend for a period of one year or revoke the
25 letter of eligibility of a superintendent for the second or
26 subsequent violation of this subsection.

27 (3) Action to suspend for a period of one year the relevant
28 administrative certificate held by a chief school administrator
29 of a school entity, as the term "school entity" is defined by
30 the "Professional Educator Discipline Act" for the first

1 violation of this subsection.

2 (4) Action to suspend for a period of one year or revoke the
3 relevant administrative certificate held by a chief school
4 administrator of a school entity, as the term "school entity" is
5 defined by the "Professional Educator Discipline Act" for the
6 second or subsequent violation of this subsection.

7 (5) In the event that the chief school administrator is not
8 certified/certificated, action to prohibit the individual from
9 being employed in a similar position, including the temporary
10 rescission of any letters of eligibility or waivers to hold such
11 position, for a period of one year for the first violation of
12 this subsection.

13 (6) In the event that the chief school administrator is not
14 certified/certificated, action to prohibit the individual from
15 being employed in a similar position, including rescission of
16 any letters of eligibility or waivers to hold such position, or
17 temporary rescission of any letters of eligibility or waivers to
18 hold such position for a period of one year, for the second or
19 subsequent violation of this subsection.

20 Section 26. Section 2574(e) of the act, amended July 10,
21 1987 (P.L.286, No.50), is amended, subsections (b) and (c) are
22 amended by adding paragraphs and the section is amended by
23 adding subsections to read:

24 Section 2574. Approved Reimbursable Rental for Leases
25 Hereafter Approved and Approved Reimbursable Sinking Fund
26 Charges on Indebtedness.--* * *

27 (b) For new school buildings the approved building
28 construction cost shall be the lesser of

29 * * *

30 (4) For school buildings for which the general construction

1 contract is awarded subsequent to January 1, 2005, and for
2 approved school building projects for which the general
3 construction contract was awarded but for which a lease or
4 general obligation bond resolution was not approved by the
5 Department of Education prior to January 1, 2005, the product of
6 the rated pupil capacity as determined by the Department of
7 Education at the time the project is approved and (i) four
8 thousand seven hundred dollars (\$4,700) in the case of
9 elementary schools, (ii) six thousand two hundred dollars
10 (\$6,200) in the case of secondary schools, (iii) an amount in
11 the case of combined elementary-secondary schools obtained by
12 multiplying the rated elementary pupil capacity by four thousand
13 seven hundred dollars (\$4,700) and the rated secondary pupil
14 capacity by six thousand two hundred dollars (\$6,200) and
15 dividing the sum by the total rated pupil capacity.

16 (b.1) For school buildings constructed and based on an
17 approved school facility design received from the Department of
18 Education's school facility design clearinghouse, for which the
19 general construction contract is awarded subsequent to January
20 1, 2005, and for approved school building projects for which the
21 general construction contract was awarded but for which a lease
22 or general obligation bond resolution was not approved by the
23 Department of Education prior to January 1, 2005, the approved
24 building construction cost shall additionally include the
25 product of the rated pupil capacity as determined by the
26 Department of Education at the time the project is approved and
27 (i) four hundred seventy dollars (\$470) in the case of
28 elementary schools, (ii) six hundred twenty dollars (\$620) in
29 the case of secondary schools, (iii) an amount in the case of
30 combined elementary-secondary schools obtained by multiplying

1 the rated elementary pupil capacity by four hundred seventy
2 dollars (\$470) and the rated secondary pupil capacity by six
3 hundred twenty dollars (\$620) and dividing the sum by the total
4 rated pupil capacity.

5 (c) For additions or alterations to existing buildings
6 approved building construction cost shall be the lesser of

7 * * *

8 (4) For school buildings for which the general construction
9 contract is awarded subsequent to January 1, 2005, and for
10 approved school building projects for which the general
11 construction contract was awarded but for which a lease or
12 general obligation bond resolution was not approved by the
13 Department of Education prior to January 1, 2005, the difference
14 obtained by subtracting the appraisal value of the existing
15 building from the product of the rated pupil capacity of the
16 altered or expanded building as determined by the Department of
17 Education at the time the project is approved and (i) four
18 thousand seven hundred dollars (\$4,700) in the case of
19 elementary schools, (ii) six thousand two hundred dollars
20 (\$6,200) in the case of secondary schools, (iii) an amount in
21 the case of combined elementary-secondary schools obtained by
22 multiplying the rated elementary pupil capacity by four thousand
23 seven hundred dollars (\$4,700) and the rated secondary pupil
24 capacity by six thousand two hundred dollars (\$6,200) and
25 dividing the sum by the total rated pupil capacity of the
26 altered or expanded building.

27 * * *

28 (c.3) For school buildings for which the general
29 construction contract is awarded on or after January 1, 2005,
30 and for approved school building projects for which the general

1 construction contract was awarded but for which a lease or
2 general obligation bond resolution was not approved by the
3 Department of Education prior to January 1, 2005, and where the
4 general construction contract alters or adds to an existing
5 school building, the approved building construction cost shall
6 additionally include the difference obtained by subtracting the
7 appraisal value of the existing building from the product of the
8 rated pupil capacity of the altered or expanded building as
9 determined by the Department of Education at the time the
10 project is approved and (i) four hundred seventy dollars (\$470)
11 in the case of elementary schools, (ii) six hundred twenty
12 dollars (\$620) in the case of secondary schools, (iii) an amount
13 in the case of combined elementary-secondary schools obtained by
14 multiplying the rated elementary pupil capacity by four hundred
15 seventy dollars (\$470) and the rated secondary pupil capacity by
16 six hundred twenty dollars (\$620) and dividing the sum by the
17 total rated pupil capacity.

18 (c.4) For school buildings for which the general
19 construction contract is awarded on or after January 1, 2005,
20 and for approved school building projects for which the general
21 construction contract was awarded but for which a lease or
22 general obligation bond resolution was not approved by the
23 Department of Education prior to January 1, 2005, and where the
24 school building receives a silver, gold or platinum
25 certification from the United States Green Building Council's
26 Leadership in Energy and Environmental Design Green Building
27 Rating System on or after January 1, 2005, the Department of
28 Education shall adjust the approved building construction cost
29 to additionally include the product of the rated pupil capacity
30 as determined by the Department of Education at the time the

1 project is approved and (i) four hundred seventy dollars (\$470)
2 in the case of elementary schools, (ii) six hundred twenty
3 dollars (\$620) in the case of secondary schools, (iii) an amount
4 in the case of combined elementary-secondary schools obtained by
5 multiplying the rated elementary pupil capacity by four hundred
6 seventy dollars (\$470) and the rated secondary pupil capacity by
7 six hundred twenty dollars (\$620) and dividing the sum by the
8 total rated pupil capacity. The Department of Education in
9 consultation with the Governor's Green Government Council shall
10 issue guidelines to carry out this section.

11 (c.5) Reimbursement for an approved school construction
12 project shall not exceed total project costs.

13 * * *

14 (e) For area vocational-technical school and technical
15 institute projects leased subsequent to July 1, 1964, by or for
16 lease to a board of school directors authorized to operate such
17 a school, the Department of Education shall calculate an
18 approved reimbursable rental charge.

19 For area vocational-technical school and technical institute
20 projects constructed or purchased subsequent to July 1, 1964, by
21 a board of school directors authorized to operate such a school,
22 the Department of Education may calculate an approved
23 reimbursable sinking fund charge.

24 Approved reimbursable rental or sinking fund charge shall
25 consist of that part of the annual rental or sinking fund
26 attributable to:

27 (1) Cost of acquiring land and preparing it for use to the
28 extent that such costs are deemed reasonable by the Department
29 of Education and the interest on such cost of acquisition, cost
30 of preparation and the cost of sewage treatment and the interest

1 on such cost.

2 (2) Machinery, apparatus, furniture and equipment and all
3 other necessary expenses and interest charges, but excluding
4 architects' fees in excess of six percent of the construction
5 cost.

6 The approved building construction cost and the interest on
7 such construction cost shall not exceed the product of the rated
8 full-time pupil capacity, as determined by the Department of
9 Education at the time the project is approved and two thousand
10 two hundred dollars (\$2,200).

11 The provisions of the foregoing paragraph shall apply to all
12 school building projects for which the general construction
13 contract is awarded prior to July 1, 1966, and for approved
14 school building projects for which a lease was approved by the
15 Department of Education prior to July 1, 1966. For school
16 buildings for which the general construction contract is awarded
17 subsequent to July 1, 1966, and for approved school building
18 projects for which the general construction contract was awarded
19 but for which a lease was not approved by the Department of
20 Education prior to July 1, 1966, the approved building
21 construction cost and the interest on such construction cost
22 shall not exceed the product of the rated full-time pupil
23 capacity, as determined by the Department of Education at the
24 time the project is approved, and three thousand seven hundred
25 dollars (\$3700).

26 For school buildings for which the general construction
27 contract is awarded subsequent to July 1, 1984, and for approved
28 school building projects for which the general construction
29 contract was awarded but for which a lease or general obligation
30 bond resolution was not approved by the Department of Education

1 prior to July 1, 1984, the approved building construction cost
2 and the interest on such construction cost shall not exceed the
3 product of the rated full-time pupil capacity, as determined by
4 the Department of Education at the time the project is approved,
5 and six thousand three hundred dollars (\$6,300).

6 For school buildings for which the general construction
7 contract is awarded subsequent to January 1, 2005, and for
8 approved school building projects for which the general
9 construction contract was awarded but for which a lease or
10 general obligation bond resolution was not approved by the
11 Department of Education prior to January 1, 2005, the approved
12 building construction cost shall not exceed the product of the
13 rated full-time pupil capacity, as determined by the Department
14 of Education at the time the project is approved, and seven
15 thousand six hundred dollars (\$7,600).

16 The Department of Education shall not approve the expenditure
17 of any funds borrowed or obtained by the sale of bonds by any
18 authority, nonprofit corporation, profit corporation, company or
19 individual for construction of area vocational-technical schools
20 or technical institutes for bleachers, athletic field, lighting
21 equipment or apparatus used to promote and conduct
22 interscholastic athletics.

23 * * *

24 Section 27. Section 2599.2(b) of the act, added December 23,
25 2003 (P.L.304, No.48), is amended and the section is amended by
26 adding a subsection to read:

27 Section 2599.2. Pennsylvania Accountability Grants.--* * *

28 (b) The grant shall be used by a school district to attain
29 or maintain academic performance targets. Funds obtained under
30 this section may be used for any of the following:

1 (1) Establishing, maintaining or expanding a quality pre-
2 kindergarten program aligned with the current academic standards
3 contained in 22 Pa. Code Ch. 4 (relating to academic standards
4 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, first,
18 second or third grade 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 the
22 requirements of this paragraph by making a reduction in, and
23 subsequent increase to, current teacher complement. For purposes
24 of this paragraph, the phrase "one teacher for every 17 students
25 or two teachers for every 35 students enrolled in a
26 kindergarten, first, second or third grade classroom" shall
27 refer to the number of teachers conducting a class at any one
28 time in a classroom containing the applicable number of
29 students.

30 (4) Establishing, expanding or maintaining programs that

1 promote the availability, coordination, integration and
2 utilization of social and health services, associated resources
3 and ancillary resources to meet the needs of children and
4 families in addressing issues that may serve to limit student
5 academic achievement.

6 (5) Notwithstanding the provisions of Article XV-C,
7 providing tutoring assistance[.] during the normal school day
8 and hours of the school district, provided that the tutoring is
9 in addition to and does not interfere with a student's regularly
10 scheduled classroom instruction times and does not supplant
11 services required in a student's individualized education
12 program.

13 (6) Improving the academic performance of subgroups
14 identified under section 1111(b) of the No Child Left Behind Act
15 of 2001.

16 (7) Establishing, expanding or maintaining programs to
17 assist in the building of strong science and applied-knowledge
18 skills.

19 (8) Providing additional programs for continuing
20 professional education that may include any of the following:
21 training in mathematics, science and literacy-specific
22 curriculum and instructional strategies; training in school-wide
23 improvement planning; analysis of student achievement data,
24 including student work and the implications for classroom
25 practice; observing and studying exemplary school and classroom
26 practices; implementing school-wide programs and classroom
27 management strategies designed to improve student conduct; using
28 technology to boost student achievement; conducting transition
29 planning and curriculum alignment across schools and grade
30 levels; or implementing secondary strategies to increase student

1 engagement and personalize learning.

2 (9) Establishing, expanding or maintaining math and literacy
3 coaching programs within schools to improve math and reading
4 instruction.

5 (10) Providing financial incentives to highly qualified,
6 tenured teachers to work in the most academically challenged
7 schools in a school district or providing financial incentives
8 to aid in the recruitment of certificated teachers in
9 mathematics, science, language arts or English as a second
10 language to work in the most academically challenged schools in
11 a school district.

12 (11) Providing such other programs or activities that the
13 board of school directors of a school district determines are
14 essential to achieving or maintaining academic performance
15 targets through the year 2014.

16 (b.1) No subcontract between a school district and a
17 nonprofit organization entered into for the provision of a
18 program or services pursuant to this section may abrogate
19 provisions of a collective bargaining agreement between the
20 nonprofit organization and its employes.

21 * * *

22 Section 28. Chapter 15 of the act of December 18, 2001
23 (P.L.949, No.114), known as the Workforce Development Act, is
24 repealed to the extent of any inconsistency with the amendment
25 or addition of sections 1901-A(4), 1913-A(b)(1), (c) and (k),
26 1917-A and 1918-A of the act.

27 Section 29. The provisions of this act are severable. If any
28 provision of this act or its application to any person or
29 circumstance is held invalid, the invalidity shall not affect
30 other provisions or applications of this act which can be given

1 effect without the invalid provision or application.

2 Section 30. This act shall be retroactive as follows:

3 (1) The amendment of section 1205.2(a), (h), (j.1),
4 (j.2) and (o) of the act shall be retroactive to April 15,
5 2005.

6 (2) The addition of section 1714-B(n) of the act shall
7 be retroactive to May 1, 2005.

8 (3) The reenactment of section 2502.30 of the act shall
9 be retroactive to July 1, 2004.

10 Section 31. This act shall take effect as follows:

11 (1) The addition or amendment of sections 687(a) and
12 1216 of the act shall take effect in 60 days.

13 (2) The remainder of this act shall take effect
14 immediately.