
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 185 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. 185, 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,' providing for ~~school district notification of residential development and for contracts for competitive food or beverage contracts; * * * and providing for free and reduced-price school lunches for certain students.~~ COMPETITIVE FOOD OR BEVERAGE CONTRACTS AND FOR NUTRITIONAL GUIDELINES FOR FOOD AND BEVERAGE SALES IN SCHOOLS; * * * AND FURTHER PROVIDING FOR PHYSIOLOGY AND HYGIENE.

respectfully submit the following bill as our report:

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DAVID G. ARGALL

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

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(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 for background
6 checks of prospective employees; providing for competitive
7 food or beverage contracts and for certain budget timelines;
8 further providing for annual budget and for financial
9 reports; providing for the Distinguished Educators Program;
10 further providing for continuing professional development,
11 for program of continuing professional education, for safe
12 schools advocate, for certain health services and for
13 advisory health councils; providing for local wellness
14 policies, for an interagency coordinating council for child
15 health and nutrition, for duties of the Department of
16 Education and for physical education; providing for
17 physiology and hygiene; further providing for the Educational
18 Assistance Program, for definitions, for responsibilities of
19 Department of Education, for responsibilities of school
20 entities, for transportation, for definitions, for education
21 empowerment list, for board of school directors, for
22 education empowerment districts, for school improvement
23 grants, for limitation and for alternative education grants;
24 providing for alternative education demonstration grants;
25 further providing for State funding; providing for
26 articulation agreements; further providing for definitions
27 and for limitations; providing for transfer of credits
28 between institutions of higher education and for
29 transportation of certain students; further providing for
30 definitions and for small district assistance; providing for
31 basic education funding for 2005-2006 school year and for
32 funding for partnership schools; further providing for
33 payments on account of limited English proficiency programs,
34 for payments to intermediate units and for special education
35 payments to school districts; providing for special education
36 community support services; further providing for payments,
37 for approved reimbursable rental for leases and for
38 Pennsylvania Accountability Grants; and providing for
39 Statewide costing-out study.

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

42 Section 1. Section 111(a), (c) and (i) of the act of March
43 10, 1949 (P.L.30, No.14), known as the Public School Code of
44 1949, amended December 19, 1990 (P.L.1362, No.211) and July 4,
45 2004 (P.L.536, No.70), are amended and the section is amended by
46 adding subsections to read:

47 Section 111. Background Checks of Prospective Employees;
48 Conviction of Employes of Certain Offenses.--(a) This section

1 shall apply to all prospective employes of public and private
2 schools, intermediate units and area vocational-technical
3 schools, including independent contractors and their employes,
4 except those employes and independent contractors and their
5 employes who have no direct contact with children. This
6 subsection shall expire March 31, 2007.

7 (a.1) Beginning April 1, 2007, this section shall apply to
8 all prospective employes of public and private schools,
9 intermediate units and area vocational-technical schools,
10 including, but not limited to, teachers, substitutes, janitors,
11 cafeteria workers, independent contractors and their employes,
12 except those employes and independent contractors and their
13 employes who have no direct contact with children.

14 (1) Beginning April 1, 2007, this section shall apply to bus
15 drivers offered employment by a school district, private school,
16 nonpublic school, intermediate unit or area vocational-technical
17 school or by an independent contractor.

18 (2) Beginning April 1, 2007, this section shall apply to
19 student teacher candidates assigned to all public and private
20 schools, intermediate units and area vocational-technical
21 schools.

22 (3) For purposes of this section, "student teacher
23 candidate" shall mean an individual participating in a classroom
24 teaching, internship, clinical or field experience who, as part
25 of a program for the initial or advanced preparation of
26 professional educators, performs classroom teaching or assists
27 in the education program in a public or private school,
28 intermediate unit or area vocational-technical school under the
29 supervision of educator preparation program faculty.

30 (4) Prior to a student teacher candidate's participation in

1 any classroom teaching, internship, clinical or field
2 experience, that candidate shall provide to the administrator of
3 his or her educator preparation program all criminal history
4 record information required of an employe or prospective employe
5 who is subject to this section.

6 (5) The student teacher candidate may not participate in any
7 classroom teaching, internship, clinical or field experience if
8 this section would prohibit an employe or prospective employe
9 subject to this section from being employed under those
10 circumstances.

11 (6) During the course of a student teacher candidate's
12 participation in an educator preparation program, the
13 administrator of the student teacher candidate's educator
14 preparation program shall maintain a copy of the criminal
15 history record information that was provided by the student
16 teacher candidate. The penalty provisions of subsection (g)
17 shall be applicable to the administrator of a student teacher
18 candidate's educator preparation program.

19 (7) If a student teacher candidate is continuously enrolled
20 in an educator preparation program, the criminal history record
21 information initially submitted by that candidate to that
22 program shall remain valid during that period of enrollment. If
23 a student teacher candidate's enrollment in an educator
24 preparation program is interrupted or if that candidate
25 transfers to another educator preparation program, the candidate
26 shall provide to the administrator of his or her educator
27 preparation program all criminal history record information
28 required of an employee who is subject to this section.

29 * * *

30 (c) Where the applicant has not been a resident of this

1 Commonwealth for at least two (2) years immediately preceding
2 the date of application for employment, administrators shall
3 require the applicant to submit with the application for
4 employment a set of fingerprints which may be submitted to the
5 Federal Bureau of Investigation for Federal criminal history
6 record information pursuant to the Federal Bureau of
7 Investigation appropriation of Title II of Public Law 92-544, 86
8 Stat. 1115 or a copy of such Federal criminal history record.
9 Administrators shall forward the set of fingerprints for the
10 Federal criminal history record to the Department of Education.
11 The Department of Education shall be the intermediary for the
12 purposes of this section. The Department of Education shall
13 return the Federal criminal history record to the applicant.
14 When the applicant provides a copy of the Federal criminal
15 history record, it shall be no more than one (1) year old.
16 Administrators shall maintain a copy of the required information
17 and shall require each applicant to produce a Federal criminal
18 history record that may not be more than one (1) year old at the
19 time of employment. The original Federal criminal history record
20 shall be returned to the applicant. This subsection shall expire
21 March 31, 2007.

22 (c.1) Beginning April 1, 2007, administrators shall require
23 the applicant to submit with the application for employment a
24 copy of the Federal criminal history record in a manner
25 prescribed by the Department of Education. When the applicant
26 provides a copy of the Federal criminal history record, it shall
27 be no more than one (1) year old. Administrators shall maintain
28 a copy of the required information and shall require each
29 applicant to produce a Federal criminal history record that may
30 not be more than one (1) year old at the time of employment. The

1 original Federal criminal history record shall be returned to
2 the applicant.

3 * * *

4 (i) Notwithstanding subsections (b) [and (c)], (c) and
5 (c.1), administrators, before April 1, 2007, may employ in-State
6 applicants on a provisional basis for a single period not to
7 exceed thirty (30) days [or, for] and may employ out-of-State
8 applicants[, a period of] on a provisional basis for a single
9 period not to exceed ninety (90) days[, except] and, after March
10 31, 2007, may employ any applicants on a provisional basis for a
11 single period not to exceed ninety (90) days, except during a
12 lawful strike proceeding under the provisions of the act of July
13 23, 1970 (P.L.563, No.195), known as the "Public Employee
14 Relations Act," provided that all of the following conditions
15 are met:

16 (1) the applicant has applied for the information required
17 under subsection (b) and, where applicable, under subsection (c)
18 or (c.1) and the applicant provides a copy of the appropriate
19 completed request forms to the administrator;

20 (2) the administrator has no knowledge of information
21 pertaining to the applicant which would disqualify him from
22 employment pursuant to subsection (e);

23 (3) the applicant swears or affirms in writing that he is
24 not disqualified from employment pursuant to subsection (e);

25 (4) if the information obtained pursuant to subsection (b)
26 [or (c)], (c) or (c.1) reveals that the applicant is
27 disqualified from employment pursuant to subsection (e), the
28 applicant shall be suspended and subject to termination
29 proceedings as provided for by law; and

30 (5) the administrator requires that the applicant not be

1 permitted to work alone with children and that the applicant
2 work in the immediate vicinity of a permanent employe.

3 Section 1.1. The act is amended by adding sections to read:

4 Section 504.1. Competitive Food or Beverage Contracts.--(a)

5 (1) A board of school directors of a school district or any of
6 the schools under its jurisdiction shall not enter into an
7 exclusive competitive food or beverage contract unless the board
8 of school directors provides reasonable public notice or holds a
9 public hearing about the contract.

10 (2) As used in this subsection, "reasonable public notice"
11 shall mean providing notice to parents or guardians utilizing
12 normal school communication procedures at least 30 days prior to
13 the board of school directors or any of the schools under its
14 jurisdiction entering into an exclusive competitive food or
15 beverage contract, which notice includes guidance for parents or
16 guardians on how to offer public comment regarding the contract.

17 (b) A board of school directors or any of the schools under
18 its jurisdiction shall not enter into any contract prohibiting a
19 school district employe from disparaging the goods or services
20 of the party contracting with the board of school directors or
21 any of the schools under its jurisdiction.

22 (c) (1) No contract entered into under this section may
23 include a confidentiality clause prohibiting a board of school
24 directors or any of the schools under its jurisdiction from
25 making any part of the contract public.

26 (2) A contract entered into or renewed under this section
27 shall be made accessible to the public pursuant to section 2 of
28 the act of June 21, 1957 (P.L.390, No.212), referred to as the
29 Right-to-Know Law.

30 (d) The board of school directors shall report the amounts

1 and specific sources of funds received and the nature of
2 expenditures made from funds received from a competitive food or
3 beverage contract at a regularly scheduled board meeting, a
4 public hearing or on the school district's Internet website.

5 (e) The board of school directors may post signs publicly
6 expressing the school district's appreciation of a business or
7 person that supports the school district's educational programs.

8 (f) As used in this section, the term "competitive food or
9 beverage" means any food or beverages offered or sold in
10 competition with reimbursable meals served under the National
11 School Lunch or School Breakfast Program.

12 Section 614. Certain Budget Timelines.--(a) Notwithstanding
13 the act of June 27, 2006 (1st Sp.Sess., P.L. _____, No.1), known
14 as the "Taxpayer Relief Act," for the first fiscal year which
15 begins after June 30, 2006, each board of school directors shall
16 prepare and adopt its budget and establish its rates of taxation
17 according to the laws in effect prior to June 27, 2006, and this
18 act.

19 (b) This section shall expire January 1, 2007.

20 Section 2. Section 687(j) of the act, amended July 13, 2005
21 (P.L.226, No.46), is amended to read:

22 Section 687. Annual Budget; Additional or Increased
23 Appropriations; Transfer of Funds.--* * *

24 (j) Notwithstanding any other provisions of this act, the
25 board of school directors of each school district may reopen its
26 2003-2004 budget, its 2004-2005 budget [or], its 2005-2006
27 budget or its 2006-2007 budget to reflect any State allocations
28 for fiscal year 2003-2004, fiscal year 2004-2005 [or], fiscal
29 year 2005-2006 or fiscal year 2006-2007 provided by the General
30 Assembly through this act.

1 Section 2.1. Section 921-A of the act, amended May 10, 2000
2 (P.L.44, No.16), is amended to read:

3 Section 921-A. Financial Reports.--An annual financial
4 report shall be submitted to the Secretary of Education by each
5 intermediate unit not later than the [first] 31st day of
6 October, together with an auditor's report prepared by an
7 independent auditor who shall be a certified public accountant
8 or other competent public accountant. All financial accounting
9 and reporting by intermediate units to the Department of
10 Education shall be in accordance with generally accepted
11 accounting and reporting standards.

12 Section 2.2. The act is amended by adding a section to read:

13 Section 1195. Distinguished Educators Program.--(a) The
14 Department of Education shall establish a Distinguished
15 Educators Program for organizing individuals into a State corps
16 of educators for the purpose of making them available throughout
17 this Commonwealth to help eligible school districts and schools
18 improve the quality of education.

19 (b) The department shall develop guidelines, standards and
20 criteria for the selection of participants. At a minimum,
21 candidates must hold administrative or instructional
22 certificates and have satisfactory experience as a teacher or
23 school administrator for a minimum of five (5) years prior to
24 the date of application. Candidates selected for participation
25 shall have knowledge and skills relating to school leadership,
26 management, curriculum and instruction.

27 (c) Applications shall be submitted to the department in a
28 form and manner prescribed by the department. The application
29 form and information relating to applying for the program, along
30 with criteria to be used to review applications, shall be

1 published in the Pennsylvania Bulletin and may be placed on the
2 department's Internet website.

3 (d) The following applies for school year 2007-2008 and each
4 school year thereafter:

5 (1) The department shall appoint a selection committee to
6 annually select from the applications received those individuals
7 who will participate in the program.

8 (2) At least ninety per centum (90%) of the individuals
9 selected for participation in any year must possess an
10 instructional or administrative certificate issued by the
11 Commonwealth.

12 (3) An individual selected must not be an employe of the
13 department or a professional organization representing school
14 boards of directors, school administrators, school principals or
15 teachers.

16 (e) By participating in the program, all individuals
17 recognized as Distinguished Educators by the department agree to
18 provide assistance to eligible school districts and schools at
19 the request of the department.

20 (f) The department shall establish an intensive and
21 comprehensive training program for Distinguished Educators in
22 order to participate in the program. Individuals must attend and
23 complete the training program before being named a Distinguished
24 Educator. The department shall require additional training from
25 time to time to ensure the continued competencies of
26 Distinguished Educators and the integrity of the program.
27 Training shall be provided at no cost to participants. The
28 training program shall include instruction relating to school
29 district and school management, methods of personnel evaluation,
30 school district and school organization, curriculum and

1 assessment techniques and methodologies. Participants in the
2 program will be compensated by the department during training
3 pursuant to subsection (j).

4 (g) The following apply:

5 (1) Upon request of the department, a Distinguished Educator
6 may be assigned to provide assistance to an eligible school
7 district or to one or more schools within that school district
8 as part of a team of Distinguished Educators.

9 (2) No Distinguished Educator may be assigned as a
10 consultant to the department.

11 (3) The following apply:

12 (i) A Distinguished Educator may be assigned to provide
13 assistance to one or more eligible school districts for a period
14 of at least one (1) school semester, which may be extended upon
15 mutual agreement of the Distinguished Educator and the
16 department. A Distinguished Educator shall not be assigned to a
17 school district from which leave was granted for the
18 Distinguished Educator pursuant to subsection (h).

19 (ii) While on assignment, a Distinguished Educator shall do
20 all of the following:

21 (A) Cooperate with the superintendent and leadership team in
22 the school districts where they are serving schools.

23 (B) Work cooperatively with other members of the
24 Distinguished Educator program and the department.

25 (C) Recommend curriculum and assessment techniques and
26 methodologies.

27 (h) Any school district, intermediate unit or area
28 vocational-technical school may grant leave to a Distinguished
29 Educator to serve under and in accordance with the provisions of
30 this article.

1 (i) If leave is granted under subsection (h), Distinguished
2 Educators shall maintain the rights and obligations established
3 in sections 1168 and 1170; but the leave shall not be subject to
4 section 1166, 1166.1, 1167 or 1169.

5 (j) The department shall compensate an individual serving as
6 a Distinguished Educator based on a formula developed by the
7 department and published annually in the Pennsylvania Bulletin
8 by August 1 of each year. The department shall make payment only
9 to the extent that funds are appropriated for this purpose. The
10 department shall not pay any costs incurred by a school district
11 to fill a vacancy resulting from the absence of a Distinguished
12 Educator during the leave granted pursuant to subsection (h).

13 (k) Notwithstanding the provisions of 24 Pa.C.S § 8346
14 (relating to termination of annuities) an individual who is an
15 annuitant may serve as a Distinguished Educator without the loss
16 of his annuity. While serving as a Distinguished Educator, the
17 annuitant shall not be entitled to earn any credited service and
18 no contributions shall be made by the annuitant or the
19 department on account of such service as a Distinguished
20 Educator.

21 (l) As used in this section, the following words and phrases
22 shall have the meanings given to them in this subsection:

23 The term "eligible school district" shall mean a school
24 district which meets at least one of the following criteria:

25 (1) Has one or more schools in corrective action.

26 (2) Has one or more schools which have not met their
27 academic adequate yearly progress targets in math and reading
28 for the school overall.

29 (3) Has one or more schools which have not met their
30 academic adequate yearly progress targets in math and reading

1 for a particular subgroup for two consecutive years.

2 (4) Has one or more schools which have met their academic
3 adequate yearly progress targets in math and reading only by the
4 department's application of section 1111(b)(2)(I)(i) of the No
5 Child Left Behind Act of 2001 (115 Stat. 1445, 20 U.S.C. §
6 6311(b)(2)(A)(i)), the Pennsylvania Performance Index or
7 confidence intervals.

8 "Selection Committee." A committee formed by the department
9 which, at a minimum, includes one of each of the following:

10 (1) A Pennsylvania educator who has been recognized by a
11 national, State or independent organization for excellence in
12 education.

13 (2) A Pennsylvania education practitioner.

14 (3) A national education practitioner.

15 (4) A Pennsylvania education researcher.

16 (5) A department representative.

17 With the exception of the department representative, a member of
18 the selection committee under clause (1), (2), (3) or (4) must
19 not be an employe of the department or a school entity
20 administering the program.

21 Section 2.3. Sections 1205.1(c.1) and 1205.2(c) of the act,
22 amended or added November 23, 1999 (P.L.529, No.48), are amended
23 to read:

24 Section 1205.1. Continuing Professional Development.--* * *

25 (c.1) The continuing professional education plan shall
26 specify the professional education needs that will be met by
27 completion of each continuing professional education option and
28 how it relates to areas of assignment and certification or
29 potential administrative certification. The options may include,
30 but shall not be limited to:

- 1 (1) Collegiate studies.
- 2 (2) Continuing professional education courses taken for
3 credit.
- 4 (3) Other programs, activities or learning experiences taken
5 for credit or hourly, to include:
- 6 (i) curriculum development and other program design and
7 delivery activities at the school entity or grade level as
8 determined by the school entity and approved by the board of
9 directors;
- 10 (ii) participation in professional conferences and
11 workshops;
- 12 (iii) education in the workplace, where the work relates to
13 the professional educator's area of assignment and is approved
14 by the board of directors;
- 15 (iv) review, redesign and restructuring of school programs,
16 organizations and functions as determined by the school entity
17 and approved by the board of directors;
- 18 (v) in-service programs that comply with guidelines
19 established by the department;
- 20 (vi) early childhood and child development activities for
21 professional educators whose area of assignment includes
22 kindergarten through third grade;
- 23 (vii) special education activities for professional
24 educators whose area of assignment includes students with
25 special needs; [or]
- 26 (viii) successful completion of department training for
27 service as a Distinguished Educator if the professional educator
28 participates in and completes at least one assignment in the
29 Distinguished Educators Program; or
- 30 (ix) other continuing professional education courses,

1 programs, activities or learning experiences sponsored by the
2 department.

3 * * *

4 Section 1205.2. Program of Continuing Professional
5 Education.--* * *

6 (c) The requirements of subsection (a) may be satisfied by a
7 professional educator, whether or not presently employed by a
8 school entity, by the successful completion of credits or hours
9 to include any of the following:

10 (1) Credits of collegiate studies related to an area of the
11 professional educator's assignment or certification at an
12 institution of higher education approved by the department.

13 (2) Credits of continuing professional education courses
14 related to an area of the professional educator's assignment or
15 certification conducted by providers approved by the department.

16 (3) Hours of other continuing professional education
17 programs, activities or learning experiences related to an area
18 of the professional educator's assignment or certification
19 conducted by providers approved by the department.

20 (4) Credits or hours completed in any collegiate studies,
21 continuing professional education courses or continuing
22 professional education programs, activities or learning
23 experiences included in the professional education plan of the
24 professional educator's school entity and conducted by:

25 (i) the department;

26 (ii) providers approved by the department;

27 (iii) the professional educator's school entity; or

28 (iv) providers approved as part of the professional
29 education plan of the professional educator's school entity.

30 (5) Credits or hours not included in clauses (1) through (4)

1 approved by the board of directors of the school entity.

2 (6) Credits or hours required to obtain administrator
3 certification.

4 (7) Credits or hours in an area other than the area of the
5 professional educator's assignment or certification if the
6 professional educator may be transferred by the board of
7 directors to another assignment. The credits or hours must be
8 approved for the professional educator by the board of
9 directors.

10 (8) Successful completion of department training for service
11 as a Distinguished Educator if the professional educator
12 participates in and completes at least one assignment in the
13 Distinguished Educators Program.

14 * * *

15 Section 2.4. Section 1310-A of the act is amended by adding
16 a subsection to read:

17 Section 1310-A. Safe Schools Advocate in School Districts of
18 the First Class.--* * *

19 (i) At least eighty per centum (80%) of all appropriations
20 for the Office of Safe Schools Advocate in fiscal year 2006-2007
21 shall be expended by June 30, 2007, and the remaining balance of
22 the appropriation shall be committed or encumbered by June 30,
23 2007.

24 Section 2.5. Section 1402(a) of the act, amended August 9,
25 1963 (P.L.642, No.340), is amended to read:

26 Section 1402. Health Services.--(a) Each child of school
27 age shall be given by methods established by the Advisory Health
28 Board, (1) a vision test by a school nurse, medical technician
29 or teacher, (2) a hearing test by a school nurse or medical
30 technician, (3) a measurement of height and weight by a school

1 nurse or teacher, who shall use the measurement to compute a
2 child's weight-for-height ratio, (4) tests for tuberculosis
3 under medical supervision, and (5) such other tests as the
4 Advisory Health Board may deem advisable to protect the health
5 of the child. Vision tests shall be given at least annually and
6 other tests at intervals established by the Advisory Health
7 Board.

8 * * *

9 Section 2.6. Section 1422 of the act, amended January 14,
10 1970 (1969 P.L.468, No.192), is amended to read:

11 Section 1422. Advisory Health Councils.--District
12 superintendents may set up advisory health councils to study
13 health needs [and to] assist in organizing follow-up programs[.
14 An] and provide recommendations on the development of the local
15 wellness policy required under section 1422.1. To every extent
16 possible, an advisory health council shall be composed of
17 district representatives, including a school administrator, a
18 student and a school food service professional, and
19 representatives of the medical and dental associations, social
20 organizations, [veterans' organizations,] parent-teacher
21 associations, service clubs, physical education, health
22 education, school counseling, school psychological and social
23 services, health and wellness professionals, including a
24 certified school nurse and a licensed dietitian, and other
25 family and community organizations in the area served. Those
26 making the medical and dental examinations shall make to this
27 advisory council an annual report, and later a report on the
28 remedial work which has been accomplished during the school
29 year.

30 Section 2.7. The act is amended by adding sections to read:

1 Section 1422.1. Local Wellness Policy.--(a) Not later than
2 the first day of the school year beginning after June 30, 2006,
3 each local education agency shall, pursuant to section 204 of
4 the Child Nutrition and WIC Reauthorization Act of 2004 (Public
5 Law 108-265, 118 Stat. 729), establish a local wellness policy
6 for schools within the local education agency.

7 (b) A local education agency to which 22 Pa. Code § 4.13
8 (relating to strategic plans) applies shall include the local
9 wellness policy as part of the strategic plan required under 22
10 Pa. Code § 4.13.

11 (c) A local education agency may submit its local wellness
12 policy or information on other initiatives regarding child
13 health, nutrition and physical education to the Department of
14 Education for inclusion in the clearinghouse established under
15 section 1422.3(3).

16 Section 1422.2. Interagency Coordinating Council for Child
17 Health , Nutrition and Physical Education.--(a) The Secretary
18 of Education, the Secretary of Health and the Secretary of
19 Agriculture shall establish an interagency coordinating council
20 which shall annually review , revise and publish a Pennsylvania
21 Child Wellness Plan to promote child health, nutrition and
22 physical education. The council shall be composed of employees of
23 the Department of Education, the Department of Health and the
24 Department of Agriculture. The Secretary of Education shall
25 appoint the chairman of the council.

26 (b) The Secretary of Education shall establish an advisory
27 committee to offer recommendations to the council. The secretary
28 shall appoint no fewer than eight members to the advisory
29 committee, who may include experts from the fields of health,
30 education, research, community development and business. The

1 advisory committee shall meet at least twice annually.

2 (c) In the initial publication of the Pennsylvania Child
3 Wellness Plan to promote child health, nutrition and physical
4 education, the council shall integrate the contents of the
5 Pennsylvania Nutrition and Activity Plan to Prevent Obesity and
6 Related Chronic Diseases, and shall include additional
7 recommendations regarding:

8 (1) Nutritional guidelines for food and beverages sold in
9 schools.

10 (2) Local wellness policies.

11 (3) Physical education curriculum.

12 (4) Teaching about nutrition and obesity.

13 (5) The utilization of any Federal funds identified by the
14 council that may be available to local education agencies to
15 enhance initiatives regarding child health, nutrition, physical
16 education, local wellness policies and advisory health councils.

17 (6) A process through which the Secretary of Education may
18 monitor and evaluate any outcomes that may result from the
19 implementation of initiatives regarding child health, nutrition,
20 physical education, local wellness policies and advisory health
21 councils.

22 (d) The council shall submit the plan to the Secretary of
23 Education, the Secretary of Health and the Secretary of
24 Agriculture no later than May 1, 2007, and May 1 of each year
25 thereafter. The Secretary of Education shall submit the final
26 plan to the Governor, the President pro tempore of the Senate,
27 the Minority Leader of the Senate, the Speaker of the House of
28 Representatives and the Minority Leader of the House of
29 Representatives by June 1, 2007, and June 1 of each year
30 thereafter. The final plan shall be included on the Department

1 of Education's, Department of Health's and Department of
2 Agriculture's Internet websites.

3 Section 1422.3. Duties of Department of Education.--The
4 Department of Education shall, in order to promote initiatives
5 regarding child health, nutrition and physical education:

6 (1) To every extent possible, include programs related to
7 child health, nutrition and physical education as part of the
8 continuing professional education courses, programs, activities
9 or learning experiences required under section 1205.2(f).

10 (2) Collaborate with the Department of Health to apply for
11 Federal funds related to coordinated school health funding to
12 enhance initiatives regarding child health, nutrition, physical
13 education, local wellness policies and advisory health councils.

14 (3) Establish a clearinghouse of wellness policies and
15 information regarding child health, nutrition and physical
16 education submitted to the department by local education
17 agencies pursuant to section 1422.1(c). Such information shall
18 be made available on the department's Internet website.

19 (4) To every extent possible, maintain information related
20 to teaching about nutrition and obesity, which information shall
21 include concepts of healthy eating, including nutrient density
22 and portion control, and the physical, psychological and
23 nutritional causes of obesity. Such information shall be made
24 available on the department's Internet website.

25 Section 1512.1. Physical Education.-- The board of school
26 directors in every school district shall establish a curriculum
27 aligned with Pennsylvania academic standards on health, safety
28 and physical education that, pursuant to 22 Pa. Code § 4.27
29 (relating to physical education and athletics), requires pupils
30 enrolled in the district to participate in physical education.

1 Section 2.8. Section 1513 of the act is amended to read:

2 Section 1513. Physiology and Hygiene.--Physiology and
3 hygiene, which shall in each division of the subject so pursued
4 include special reference to the effect of alcoholic drinks,
5 stimulants, and narcotics upon the human system, and which shall
6 also include special reference to tuberculosis and its
7 prevention, as well as nutrition and obesity, shall be
8 introduced and studied as a regular branch by all pupils in all
9 departments of the public schools, and in all educational
10 institutions supported wholly or in part by appropriations from
11 this Commonwealth.

12 Section 2.9. Section 1512-C(g) of the act, amended July 13,
13 2005 (P.L.226, No.46), is amended to read:

14 Section 1512-C. Educational Assistance Program.

15 * * *

16 (g) Educational assistance funding.--

17 (1) During the 2003-2004, 2004-2005 [and], 2005-2006 and
18 2006-2007 school years, the department shall provide each
19 eligible school entity with educational assistance funding
20 calculated by:

21 (i) Dividing the number of Pennsylvania System of
22 School Assessment tests administered in the eligible
23 school entity on which students scored below proficient
24 in reading or mathematics by the total number of
25 Pennsylvania System of School Assessment tests
26 administered in the eligible school entity in reading and
27 mathematics during the 2002-2003 school year.

28 (ii) Multiplying the quotient from subparagraph (i)
29 by the average daily membership of the eligible school
30 entity during the 2002-2003 school year.

1 (iii) Multiplying the product from subparagraph (ii)
2 by the dollar value of funds appropriated to the
3 Department of Education for the Educational Assistance
4 Program in the 2004-2005 fiscal year.

5 (iv) Dividing the product from subparagraph (iii) by
6 the sum of the products of subparagraph (ii) for all
7 eligible school entities that qualify for grant funds
8 under this paragraph.

9 (1.1) During the 2005-2006 [school year] and 2006-2007
10 school years, the department shall provide each school entity
11 with at least one school that has failed to achieve its 2005
12 mathematics proficiency target or its 2005 reading
13 proficiency target with educational assistance funding for
14 the support of tutoring services to eligible students
15 enrolled in seventh through twelfth grades. Such funding
16 shall be calculated as follows:

17 (i) Dividing the number of Pennsylvania System of
18 School Assessment tests administered in the eligible
19 school entity to eleventh grade students on which such
20 students scored below the 2005 reading or mathematics
21 proficiency target by the total number of Pennsylvania
22 System of School Assessment tests administered in the
23 eligible school entity to eleventh grade students in
24 reading and mathematics during the 2003-2004 school year.

25 (ii) Multiplying the quotient from subparagraph (i)
26 by the average daily membership of the eligible school
27 entity during the 2004-2005 school year.

28 (iii) Multiplying the product from subparagraph (ii)
29 by the difference between the dollar value of funds
30 appropriated to the department for the educational

1 assistance program in the 2004-2005 fiscal year and the
2 dollar value of funds appropriated to the department for
3 the educational assistance program in the [2005-2006]
4 2006-2007 fiscal year.

5 (iv) Dividing the product from subparagraph (iii) by
6 the sum of the products of subparagraph (ii) for all
7 eligible school entities that qualify for grant funds
8 under this paragraph.

9 (2) The amount of educational assistance funding
10 provided under this article shall be limited to funds
11 appropriated for this purpose.

12 * * *

13 Section 3. The definition of "eligible postsecondary
14 institution" in section 1602-B of the act, added July 13, 2005
15 (P.L.226, No.46), is amended to read:

16 Section 1602-B. Definitions.

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

20 * * *

21 "Eligible postsecondary institution." A nonprofit two-year
22 or four-year public or private college or university or an
23 eligible private licensed school approved to operate in this
24 Commonwealth. [The term does not include a foreign corporation.]

25 * * *

26 Section 4. Sections 1603-B and 1611-B of the act, added July
27 13, 2005 (P.L.226, No.46), are amended to read:

28 Section 1603-B. Responsibilities of department and State Board
29 of Education.

30 (a) Rules and regulations.--The State Board of Education

1 shall promulgate any regulations necessary to carry out the
2 provisions of this article pursuant to the act of June 25, 1982
3 (P.L.633, No.181), known as the Regulatory Review Act.

4 (b) Promotional materials.--The department shall publish
5 promotional materials on its publicly accessible website that
6 may be used by school entities to inform parents and students
7 [enrolled in the school entities] about the requirements,
8 features and opportunities of concurrent enrollment programs
9 established under this article. To the extent that the
10 department provides school entities with printed promotional
11 materials for dissemination, the department shall make such
12 materials available, upon request, to any charter school,
13 nonpublic school, private school or home education program.

14 (c) Grants.--

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

20 (i) Determine the total approved cost for all
21 concurrent students who are residents of the school
22 district or enrolled in the area vocational-technical
23 school.

24 (ii) Multiply the amount from subparagraph (i) by
25 the sum of 0.425 and the market value/income aid ratio of
26 the school entity, provided that where a concurrent
27 student is enrolled in an area vocational-technical
28 school, the market value/income aid ratio shall be the
29 average of the market value/income aid ratios of the
30 concurrent students' school districts of residence.

1 (2) (i) The total amount of [grants provided] grant
2 funds available for concurrent courses classified as
3 early college high school, middle college high school or
4 gateway to college programs shall [not exceed 4%] equal
5 6% of the total amount of funds appropriated for
6 concurrent enrollment programs under this article.

7 (ii) Where the total amount of grants provided for
8 concurrent courses classified as early college high
9 school, middle college high school or gateway to college
10 programs is less than the total amount of grant funds
11 available under this paragraph, any unexpended grant
12 funds shall be made available for other concurrent
13 students.

14 (3) (i) The total amount of [grants provided on behalf
15 of] grant funds available for concurrent students who are
16 enrolled in charter schools, nonpublic schools, private
17 schools or home education programs shall [not exceed 4%]
18 equal 6% of the total amount of funds appropriated for
19 concurrent enrollment programs under this article.

20 (ii) Where the total amount of grants provided on
21 behalf of concurrent students who are enrolled in charter
22 schools, nonpublic schools, private schools or home
23 education programs is less than the total amount of grant
24 funds available under this paragraph, any unexpended
25 grant funds shall be made available for other concurrent
26 students.

27 (4) The grant amount shall not exceed 100% of the total
28 approved cost of a concurrent course. Where funds
29 appropriated for this program are insufficient to fund the
30 full amount of all grants calculated under this subsection.

1 each grant amount shall be reduced on a pro rata basis.

2 (d) Supplemental grants.--

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

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

19 (ii) Where the total amount of supplemental grants
20 provided on behalf of low-income concurrent students is
21 less than the total amount of grant funds available under
22 this paragraph, any unexpended grant funds shall be made
23 available for other concurrent students.

24 (e) Technical assistance.--Upon request of a board of school
25 directors of a school entity, the department shall provide
26 technical assistance in the development of concurrent enrollment
27 agreements and concurrent enrollment programs.

28 (f) Annual report.--The department shall produce an annual
29 report on concurrent enrollment programs using the reporting
30 information submitted by school entities under section 1611-

1 B(b). The annual report shall be provided to the chairman and
2 minority chairman of the Appropriations Committee of the Senate,
3 the chairman and minority chairman of the Appropriations
4 Committee of the House of Representatives, the chairman and
5 minority chairman of the Education Committee of the Senate and
6 the chairman and minority chairman of the Education Committee of
7 the House of Representatives no later than February 1, 2007, and
8 February 1 of each year thereafter. The report shall be
9 published on the department's publicly accessible website.

10 Section 1611-B. Responsibilities of school entities.

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

13 (1) Enter into a concurrent enrollment agreement with an
14 eligible postsecondary institution or institutions as
15 required under section 1613-B.

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

18 (3) (i) Except as provided in subparagraph (ii),
19 provide, no later than 90 days prior to the date on which
20 an application is submitted pursuant to subsection (c),
21 written notice of the availability of the concurrent
22 enrollment program to:

23 (A) Any nonpublic or private school for which
24 the school entity provides free transportation as
25 required under section 1361.

26 (B) Any charter school approved to operate
27 within the school entity.

28 (C) The parents of students enrolled in a home
29 education program under section 1327.1.

30 (ii) For the 2006-2007 school year, a school entity

1 shall provide the information required under this
2 subparagraph no later than 30 days prior to the date on
3 which an application is submitted under subsection (c).

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

7 (1) The eligible postsecondary institution or
8 institutions with which the school entity has established a
9 concurrent enrollment program.

10 (2) The number of concurrent students participating in a
11 concurrent enrollment program.

12 (3) The number of concurrent students participating in a
13 concurrent enrollment program who are enrolled in early
14 college high school, middle college high school or gateway to
15 college programs.

16 (4) The approved courses offered through a concurrent
17 enrollment program.

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

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

21 (7) The number of concurrent students enrolled in
22 charter schools, nonpublic schools, private schools or home
23 education programs.

24 (c) Application for grant funds.--A school entity seeking
25 grant funds under section 1603-B(c) for the 2005-2006 school
26 year shall submit an application to the department no later than
27 September 15, 2005.[, and August 15 of each year thereafter.]

28 (1) A school entity seeking grant funds under section
29 1603-B(c) for the 2006-2007 school year shall submit an
30 application to the department no later than August 15, 2006.

1 (2) A school entity seeking grant funds under section
2 1603-B(c) for the 2007-2008 school year and each school year
3 thereafter shall submit an application to the department no
4 later than February 15. The application shall include:

5 [(1)] (i) The total approved cost of each concurrent
6 course included in the concurrent enrollment agreement.

7 [(2)] (ii) The number of concurrent students to be
8 enrolled in each concurrent course pursuant to the concurrent
9 enrollment agreement.

10 [(3)] (iii) The cost of tuition, books and fees for
11 which a student will be responsible in order to enroll in
12 each concurrent course included in the concurrent enrollment
13 agreement.

14 [(4)] (iv) The number of low-income concurrent students
15 to be enrolled in each concurrent course pursuant to the
16 concurrent enrollment agreement.

17 [(5)] (v) The number of concurrent students to be
18 enrolled in early college high school, middle college high
19 school or gateway to college programs pursuant to the
20 concurrent enrollment agreement.

21 [(6)] (vi) The eligible postsecondary institutions at
22 which concurrent courses will be offered pursuant to the
23 concurrent enrollment agreement.

24 (vii) The number of concurrent students enrolled in
25 charter schools, nonpublic schools, private schools or
26 home education programs.

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

30 (e) Limitation.--A school entity shall not be responsible

1 for the payment of any portion of the total approved costs for
2 any concurrent student enrolled in a charter school, nonpublic
3 school, private school or home education program in excess of
4 the grants provided under section 1603-B(c) and (d).

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

10 Section 4.1. Section 1726-A of the act, amended December 9,
11 2002 (P.L.1472, No.187), is amended to read:

12 Section 1726-A. Transportation.--(a) Students who attend a
13 charter school located in their school district of residence, a
14 regional charter school of which the school district is a part
15 or a charter school located outside district boundaries at a
16 distance not exceeding ten (10) miles by the nearest public
17 highway shall be provided free transportation to the charter
18 school by their school district of residence[. School districts
19 of the first class shall also provide transportation to the
20 students if they are the same age or are enrolled in the same
21 grade, grades or their grade equivalents as any students of the
22 district for whom transportation is provided under any program
23 or policy to the schools of the district. Notwithstanding any
24 provision of law to the contrary, transportation shall be
25 provided to charter school students by their school district of
26 residence] on such dates and periods that the charter school is
27 in regular session whether or not transportation is provided on
28 such dates and periods to students attending schools of the
29 district. Transportation is not required for elementary
30 students, including kindergarten students, residing within one

1 and one-half (1.5) miles or for secondary students residing
2 within two (2) miles of the nearest public highway from the
3 charter school in which the students are enrolled unless the
4 road or traffic conditions are such that walking constitutes a
5 hazard to the safety of the students when so certified by the
6 Department of Transportation, except that if the school district
7 provides transportation to the public schools of the school
8 district for elementary students, including kindergarten
9 students, residing within one and one-half (1.5) miles or for
10 secondary students residing within two (2) miles of the nearest
11 public highway under nonhazardous conditions, transportation
12 shall also be provided to charter schools under the same
13 conditions. Districts providing transportation to a charter
14 school outside the district shall be eligible for payments under
15 section 2509.3 for each public school student transported.

16 (a.1) In addition to any other requirements in this section,
17 school districts of the first class shall provide transportation
18 to students who attend a charter school if they are the same age
19 or are enrolled in the same grade, grades or their grade
20 equivalents as any of the students of the school district for
21 whom transportation is provided under any program or policy to
22 the schools of the school district.

23 (b) In the event that the Secretary of Education determines
24 that a school district is not providing the required
25 transportation to students to the charter school, the Department
26 of Education shall pay directly to the charter school funds for
27 costs incurred in the transportation of its students. Payments
28 to a charter school shall be determined in the following manner:
29 for each eligible student transported, the charter school shall
30 receive a payment equal to the total expenditures for

1 transportation of the school district divided by the total
2 number of school students transported by the school district
3 under any program or policy.

4 (c) The department shall deduct the amount paid to the
5 charter school under subsection (b) from any and all payments
6 made to the district.

7 (d) A school district of the first class shall submit a copy
8 of its current transportation policy to the department no later
9 than August 1 of each year.

10 Section 5. Section 1702-B of the act is amended by adding a
11 definition to read:

12 Section 1702-B. Definitions.--For purposes of this article,
13 the following terms shall have the following meanings:

14 "Commonwealth partnership school district." A school
15 district for which within sixty (60) days of the effective date
16 of this definition the Secretary of Education has determined all
17 of the following:

18 (1) The school district has experienced a decline of fifteen
19 per centum (15%) or more in student enrollment during the
20 immediately preceding five-year period.

21 (2) The school district has experienced a loss of revenue
22 during the immediately preceding three-year period due to the
23 statutory removal of one or more of the sources of revenue made
24 available pursuant to section 652.1.

25 (3) The school district has an equalized millage for the
26 2004-2005 fiscal year of greater than twenty-seven (27).

27 * * *

28 Section 6. Section 1703-B(a) of the act, amended December
29 23, 2003 (P.L.304, No.48), is amended and the section is amended
30 by adding a subsection to read:

1 Section 1703-B. Education Empowerment List.--(a) The
2 department shall place a school district that has a history of
3 low test performance [or], a history of financial distress or is
4 designated by the secretary as a Commonwealth partnership school
5 district on an education empowerment list. The department shall
6 immediately notify the school district of its placement on the
7 education empowerment list and shall publish the list in the
8 Pennsylvania Bulletin. A school district may petition the
9 department to exclude from its calculation under this subsection
10 or section 1707-B(a.1) the PSSA test score of any student who
11 was enrolled in the district for less than ninety (90)
12 instructional days of the school year in which the test was
13 administered.

14 * * *

15 (e.2) (1) Where a school district has been placed on the
16 education empowerment list due to the designation by the
17 secretary as a Commonwealth partnership school district, the
18 school district improvement plan developed pursuant to
19 subsection (c) shall give priority consideration to and set
20 forth specific goals for improving the financial stability of
21 the school district. The plan shall include implementation and
22 completion plans for any realignment plan reducing excess
23 capacity adopted by the board of school directors and any plans
24 for increasing the level of achievement of African-American
25 students.

26 (2) Within thirty (30) days of notification of its
27 designation as a Commonwealth partnership school district, the
28 school district shall submit to the secretary for approval a
29 plan for more efficient and effective management of school
30 district special education programs. In addition to any other

1 elements the plan may include, the plan shall describe how
2 special education services should most appropriately be targeted
3 to ensure that all services meet the needs of each child and are
4 provided in the most economical setting.

5 (3) The secretary may make revisions to this plan to ensure
6 that the educational needs of the students and the fiscal
7 constraints of the school district are fully addressed.

8 (4) The department shall review the school district's
9 progress on an annual basis in order to determine whether the
10 school district is on track to meet the requirements set forth
11 in this section by the end of the three-year period.

12 (5) If the school district does not demonstrate sufficient
13 progress, the secretary may request revision of the plan to the
14 extent necessary to ensure the goals are achieved.

15 (6) The school district shall submit to the secretary on a
16 quarterly basis reports that outline the steps taken to
17 implement the actions outlined in the plan and the progress
18 made. The secretary may ask for additional reports if necessary.

19 (7) Nothing within this provision shall be construed as
20 conflicting with any provision of Federal or State special
21 education law.

22 * * *

23 Section 7. Section 1704-B of the act is amended by adding a
24 subsection to read:

25 Section 1704-B. Board of School Directors.--* * *

26 (c) (1) In addition to all current rights, powers,
27 privileges, prerogatives and duties, a board of school directors
28 of a school district that has been placed on the empowerment
29 list due to the designation by the secretary as a Commonwealth
30 partnership school district shall have the power to cancel or

1 renegotiate any contract, other than collective bargaining
2 agreements, for the purpose of making necessary economies in the
3 operation of the schools within the school district; eliminate
4 nonprofessional positions for services nonessential for the
5 operation of the school district; or enter into agreements with
6 individuals, for-profit or nonprofit organizations for the
7 operation of school buildings or groups of school buildings or
8 for the provision of educational or other types of services to
9 or for the school district.

10 (2) The superintendent shall be responsible for the
11 implementation of a system of performance review of school
12 administrators, as approved by the board of school directors.
13 Administrator performance shall be evaluated on the basis of
14 abilities and effectiveness to manage the operation of the
15 school facilities and staff, manage resources, provide
16 instructional leadership, implement and administer the school
17 budget and promote and maintain a positive educational learning
18 environment.

19 (3) Based upon an unsatisfactory review and evaluation of a
20 school administrator arising from the implementation of the
21 program established in paragraph (2), a board of school
22 directors may reassign, transfer or suspend the school
23 administrator without regard to section 1125.1 or 1151.

24 (4) Based upon an unsatisfactory review and evaluation of a
25 school administrator arising from the implementation of the
26 program established in paragraph (2), a board of school
27 directors may dismiss the school administrator pursuant to the
28 procedure contained in section 1127, provided, that the board of
29 school directors shall afford the school administrator notice
30 and an opportunity to be heard pursuant to 2 Pa.C.S. Ch. 5

1 Subch. B (relating to practice and procedure of local agencies).

2 (5) As used in this subsection, "school administrator" shall
3 have the same meaning given to it under section 1164.

4 (6) This subsection shall expire June 30, 2012.

5 Section 7.1. Section 1705-B(h) of the act, amended December
6 9, 2002 (P.L.1472, No.187), and July 13, 2005 (P.L.226, No.46),
7 is amended to read:

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

9 (h) (1) A school district under a declaration of distress
10 pursuant to section 691(a) and certified as an education
11 empowerment district shall be operated by a special board of
12 control established under section 692. A board of control
13 established under this section shall be abolished upon the
14 appointment of a special board of control under section 692.

15 (2) For a school district under a declaration of distress
16 pursuant to section 691(a) and certified as an education
17 empowerment district, the special board of control established
18 under section 692 shall have the powers and duties of a special
19 board of control under section 692 and the powers and duties
20 contained in section 1706-B.

21 (3) For a school district with a history of low test
22 performance that is certified as distressed for a minimum period
23 of two (2) years under sections 691 and 692, the department
24 shall waive the inclusion of the school district on the
25 education empowerment list under section 1703-B(a) and
26 immediately certify the school district as an education
27 empowerment district.

28 (4) The department may utilize up to [\$2,875,000] \$3,500,000
29 of undistributed funds not expended, encumbered or committed
30 from appropriations for grants and subsidies made to the

1 department to assist school districts certified as an education
2 empowerment district under paragraph (3). There is hereby
3 established a restricted account from which payments under this
4 paragraph shall be paid. Funds shall be transferred by the
5 Secretary of the Budget to the restricted account to the extent
6 necessary to make payments under this paragraph. Funds in the
7 restricted account are hereby appropriated to carry out the
8 purposes of this paragraph. The subsidy payment from this
9 account shall be utilized to supplement the operational budget
10 of the eligible school districts. This paragraph shall apply to
11 fiscal years 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-
12 2005 [and], 2005-2006 and 2006-2007 and shall expire June 30,
13 [2006] 2007.

14 Section 8. Section 1709-B(c.1) of the act, amended December
15 23, 2003 (P.L.304, No.48), is amended to read:

16 Section 1709-B. School Improvement Grants.--* * *

17 (c.1) Where the school district is on the education
18 empowerment list due to a history of financial distress or to a
19 designation by the secretary as a Commonwealth partnership
20 school district, grants shall be provided annually to the school
21 district for use as directed by the school district empowerment
22 team in implementing the school district improvement plan
23 developed pursuant to section 1703-B.

24 * * *

25 Section 8.1. Section 1714.1-B of the act, amended July 4,
26 2004 (P.L.536, No.70), is amended to read:

27 Section 1714.1-B. Limitation.--[Notwithstanding] With the
28 exception of any designation by the secretary as a Commonwealth
29 partnership school district and as provided pursuant to section
30 1703-B, notwithstanding any other provision of this article, no

1 school district shall be placed on the education empowerment
2 list under section 1703-B or certified as an education
3 empowerment district under section 1705-B or 1707-B on or after
4 June 1, 2004. Any placement or certification that occurs on or
5 after June 1, 2004, shall be null and void.

6 Section 9. Section 1903-C of the act is amended by adding a
7 paragraph to read:

8 Section 1903-C. Alternative Education Grants.--The
9 department shall establish grants for alternative education
10 programs which meet the requirements of this article, to include
11 the following:

12 * * *

13 (4) The department is authorized to utilize for
14 administrative purposes up to one per centum (1%) of the funds
15 appropriated for safe and alternative schools that are not
16 expended, encumbered or committed.

17 Section 9.1. The act is amended by adding a section to read:

18 Section 1906-C. Alternative Education Demonstration
19 Grants.--Grants to school districts from funds appropriated for
20 alternative education demonstration grants shall be used only
21 for behavioral programs and programs for disruptive students.

22 Section 9.2. Section 1905-D of the act is amended by adding
23 a subsection to read:

24 Section 1905-D. State Funding.--* * *

25 (d) Grants from funds appropriated to community education
26 councils in any fiscal year shall be paid in an amount no less
27 than and in the same manner as payments in fiscal year 2005-
28 2006. If a community education council ceases to exist, the
29 funds may be distributed to the remaining community education
30 councils on a pro rata basis.

1 Section 9.3. The act is amended by adding a section to read:

2 Section 2020-A. Articulation Agreements.--Funds appropriated
3 for program initiatives, including performance measurement and
4 system-wide technology initiatives, shall be contingent upon the
5 State System of Higher Education making all articulation
6 agreements with other higher education institutions available on
7 its Internet website.

8 Section 10. Section 2002-B of the act, amended December 23,
9 2003 (P.L.304, No.48), is amended to read:

10 Section 2002-B. Definitions.

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

14 "Business firm." An entity authorized to do business in this
15 Commonwealth and subject to taxes imposed under Article IV, VI,
16 VII, VII-A, VIII, VIII-A, IX or XV of the act of March 4, 1971
17 (P.L.6, No.2), known as the Tax Reform Code of 1971.

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

22 "Department." The Department of Community and Economic
23 Development of the Commonwealth.

24 "Educational improvement organization." A nonprofit entity
25 which:

26 (1) is exempt from Federal taxation under section
27 501(c)(3) of the Internal Revenue Code of 1986 (Public Law
28 99-514, 26 U.S.C. § 1 et seq.); and

29 (2) contributes at least 80% of its annual receipts as
30 grants to a public school for innovative educational

1 programs.

2 For purposes of this definition, a nonprofit entity
3 "contributes" its annual cash receipts when it expends or
4 otherwise irrevocably encumbers those funds for expenditure
5 during the then current fiscal year of the nonprofit entity or
6 during the next succeeding fiscal year of the nonprofit entity.

7 "Eligible pre-kindergarten student." [A] For participation
8 in the pre-kindergarten scholarship program, a student who is
9 enrolled in a pre-kindergarten program and is a member of a
10 household with an annual household income of not more than
11 \$50,000. An income allowance of \$10,000 shall be allowed for
12 each eligible student and dependent member of the household.

13 "Eligible student." A school-age student who is enrolled in
14 a school and is a member of a household with an annual household
15 income of not more than \$50,000. An income allowance of \$10,000
16 shall be allowed for each eligible student and dependent member
17 of the household.

18 "Household." An individual living alone or with the
19 following: a spouse, parent and their unemancipated minor
20 children; and other unemancipated minor children who are related
21 by blood or marriage; or other adults or unemancipated minor
22 children living in the household who are dependent upon the
23 individual.

24 "Household income." All moneys or property received of
25 whatever nature and from whatever source derived. The term does
26 not include the following:

27 (1) Periodic payments for sickness and disability other
28 than regular wages received during a period of sickness or
29 disability.

30 (2) Disability, retirement or other payments arising

1 under workers' compensation acts, occupational disease acts
2 and similar legislation by any government.

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

7 (4) Payments commonly known as public assistance or
8 unemployment compensation payments by a governmental agency.

9 (5) Payments to reimburse actual expenses.

10 (6) Payments made by employers or labor unions for
11 programs covering hospitalization, sickness, disability or
12 death, supplemental unemployment benefits, strike benefits,
13 Social Security and retirement.

14 (7) Compensation received by United States servicemen
15 serving in a combat zone.

16 "Innovative educational program." An advanced academic or
17 similar program that is not part of the regular academic program
18 of a public school but that enhances the curriculum or academic
19 program of the public school[.] or provides pre-kindergarten
20 programs to public school students.

21 "Pre-kindergarten program." A program of instruction for
22 three-year-old or four-year-old students that utilizes a
23 curriculum aligned with the curriculum of the school with which
24 it is affiliated and which provides a minimum of two hours of
25 instructional and developmental activities per day at least 60
26 days per school year.

27 "Pre-kindergarten scholarship organization." A nonprofit
28 entity which:

29 (1) either is exempt from Federal taxation under section
30 501(c)(3) of the Internal Revenue Code of 1986 (Public Law

1 99-514, 26 U.S.C. § 1 et seq.) or is operated as a separate
2 segregated fund by a scholarship organization that has been
3 qualified under section 2003-B; and

4 (2) contributes at least 80% of its annual cash receipts
5 to a pre-kindergarten scholarship program by expending or
6 otherwise irrevocably encumbering those funds for
7 distribution during the then current fiscal year of the
8 organization or during the next succeeding fiscal year of the
9 organization.

10 "Pre-kindergarten scholarship program." A program to provide
11 tuition to eligible pre-kindergarten students to attend a pre-
12 kindergarten program operated by or in conjunction with a school
13 located in this Commonwealth and that includes an application
14 and review process for the purpose of making awards to eligible
15 pre-kindergarten students and awards scholarships to eligible
16 pre-kindergarten students without limiting availability to only
17 students of one school.

18 "Public school." A public pre-kindergarten where compulsory
19 attendance requirements do not apply or a public kindergarten,
20 elementary school or secondary school at which the compulsory
21 attendance requirements of this Commonwealth may be met and
22 which meets the applicable requirements of Title VI of the Civil
23 Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).

24 "Scholarship organization." A nonprofit entity which:

25 (1) is exempt from Federal taxation under section
26 501(c)(3) of the Internal Revenue Code of 1986 (Public Law
27 99-514, 26 U.S.C. § 1 et seq.); and

28 (2) contributes at least 80% of its annual cash receipts
29 to a scholarship program.

30 For purposes of this definition, a nonprofit entity

1 "contributes" its annual cash receipts to a scholarship program
2 when it expends or otherwise irrevocably encumbers those funds
3 for distribution during the then current fiscal year of the
4 nonprofit entity or during the next succeeding fiscal year of
5 the nonprofit entity.

6 "Scholarship program." A program to provide tuition to
7 eligible students to attend a school located in this
8 Commonwealth. A scholarship program must include an application
9 and review process for the purpose of making awards to eligible
10 students. The award of scholarships to eligible students shall
11 be made without limiting availability to only students of one
12 school.

13 "School." A public or nonpublic pre-kindergarten,
14 kindergarten, elementary school or secondary school at which the
15 compulsory attendance requirements of the Commonwealth may be
16 met and which meets the applicable requirements of Title VI of
17 the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).

18 "School age." Children from the earliest admission age to a
19 school's pre-kindergarten or kindergarten program or, when no
20 pre-kindergarten or kindergarten program is provided, the
21 school's earliest admission age for beginners, until the end of
22 the school year the student attains 21 years of age or
23 graduation from high school, whichever occurs first.

24 Section 10.1. Section 2006-B(a) of the act, amended December
25 23, 2003 (P.L.304, No.48) and July 13, 2005 (P.L.226, No.46), is
26 amended to read:

27 Section 2006-B. Limitations.

28 (a) Amount.--

29 (1) The total aggregate amount of all tax credits
30 approved shall not exceed [\$44,000,000] \$54,000,000 in a

1 fiscal year. No less than [\$29,333,333] \$36,000,000 of the
2 total aggregate amount shall be used to provide tax credits
3 for contributions from business firms to scholarship
4 organizations. No less than [\$14,666,666] \$18,000,000 of the
5 total aggregate amount shall be used to provide tax credits
6 for contributions from business firms to educational
7 improvement organizations.

8 (2) For the fiscal year 2004-2005 and each fiscal year
9 thereafter, the total aggregate amount of all tax credits
10 approved for contributions from business firms to pre-
11 kindergarten scholarship programs shall not exceed \$5,000,000
12 in a fiscal year.

13 * * *

14 Section 10.2. The act is amended by adding an article to
15 read:

16 ARTICLE XX-C

17 TRANSFERS OF CREDITS BETWEEN

18 INSTITUTIONS OF HIGHER EDUCATION

19 Section 2001-C. Definitions.

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

23 "Career, technical or applied courses." Courses usually
24 offered as part of an associate degree curriculum designed to
25 prepare students for entry level professions not for transfer to
26 baccalaureate programs for advanced studies.

27 "Community college." An institution created pursuant to
28 Article XIX-A or the act of August 24, 1963 (P.L.1132, No.484),
29 known as the Community College Act of 1963.

30 "Degree objective courses." Courses required for completion

1 of a major in a subject area.

2 "Department." The Department of Education of the
3 Commonwealth.

4 "Developmental or remedial courses." Courses typically
5 consisting of reading, writing and math designed to prepare
6 students for college-level courses and that are not
7 transferable.

8 "Equivalent courses." Courses determined to have generally
9 equivalent content and level as determined by the faculty of an
10 institution of higher education consistent with the policy at
11 each institution.

12 "Foundation courses." Courses required to be completed by
13 students that provide an academic foundation for the degree,
14 general education or advanced study in a major.

15 "Independent institution of higher education." An
16 institution of higher education which is operated not for
17 profit, located in and incorporated or chartered by the
18 Commonwealth and entitled to confer degrees as set forth in 24
19 Pa.C.S. § 6505 (relating to power to confer degrees) and to
20 apply to itself the designation "college" or "university" as
21 provided for by the standards and qualifications prescribed by
22 the State Board of Education pursuant to 24 Pa.C.S. Ch. 65
23 (relating to private colleges, universities and seminaries).

24 "Public institution of higher education." A community
25 college or an institution which is part of the State System of
26 Higher Education pursuant to Article XX-A.

27 "State-related institution." The Pennsylvania State
28 University, the University of Pittsburgh, Temple University,
29 Lincoln University and their branch campuses.

30 "Transfer and Articulation Oversight Committee." The

1 committee established under section 2004-C.

2 Section 2002-C. Duties of public institutions of higher
3 education.

4 (a) Completion.--Each public institution of higher education
5 shall complete all of the following by June 30, 2008:

6 (1) Participate in the development and implementation of
7 equivalency standards pursuant to section 2004-C(c)(1).

8 (2) Establish and maintain records and data detailing
9 the credits transferred to and received from other public
10 institutions of higher education as the department may
11 prescribe.

12 (3) Make any reasonable changes and modifications to its
13 foundation courses, including the strengthening of the
14 courses, to ensure equivalency of those credits among the
15 public institutions of higher education, as recommended by
16 the Transfer and Articulation Oversight Committee.

17 (4) Agree to accept for transfer foundation courses
18 determined to meet equivalency standards under section 2004-
19 C(c)(2).

20 (b) Reporting requirements.--

21 A public institution of higher education shall submit to the
22 department a series of interim reports outlining the actions
23 that the public institution of higher education has undertaken
24 or intends to undertake to comply with subsection (a), which
25 shall be filed December 31, 2006, June 30, 2007, and December
26 31, 2007.

27 Section 2003-C. Duties of public institutions of higher
28 education and State-related institutions.

29 (a) Agreements.--Each public institution of higher education
30 and State-related institution shall provide the Transfer and

1 Articulation Oversight Committee with copies of all articulation
2 agreements for inclusion in the electronic database or software
3 program and portal provided for under section 2005-C(4), within
4 180 days of the effective date of this section.

5 (b) Reporting requirements.--The following shall apply to
6 reporting requirements:

7 (1) Each public institution of higher education and
8 State-related institution shall submit to the department a
9 series of interim reports that describe the status of the
10 institution's articulation agreements, which shall include
11 all of the following:

12 (i) The number of students who have transferred to
13 the public institution of higher education or State-
14 related institution by institution of origin within the
15 last academic year or since submittal of the
16 institution's last interim report required under this
17 section.

18 (ii) The total number of credits completed by
19 transfer students at the institution of origin.

20 (iii) The total number of credits from each
21 institution of origin that transferred to the public
22 institution of higher education or State-related
23 institution for each academic year.

24 (iv) An explanation of the credit transfer process
25 at the institution.

26 (v) Any other information related to the credit
27 transfer process as requested by the department including
28 the useability of transfer credits.

29 (2) Each public institution of higher education and
30 State-related institution shall submit its first interim

1 report required under this section 180 days after the
2 effective date of this section.

3 (3) Each public institution of higher education and
4 State-related institution shall submit a subsequent report
5 every two years from the date of the first interim report.
6 This paragraph shall expire on July 1, 2012.

7 Section 2004-C. Transfer and Articulation Oversight Committee.

8 (a) Establishment and membership.--

9 (1) In order to develop and implement equivalency
10 standards as provided for in subsection (c)(1), there is
11 hereby established within the department, the Transfer and
12 Articulation Oversight Committee. The committee shall be
13 comprised of the following members:

14 (i) The Secretary of Education or his designee, who
15 shall serve as chair of the committee.

16 (ii) Members appointed by the secretary as follows:

17 (A) one member representing each of the
18 community colleges and one member representing the
19 Commission for Community Colleges;

20 (B) one member representing each institution of
21 the State System of Higher Education and one member
22 representing the Office of the Chancellor;

23 (C) one member representing each of the State-
24 related institutions, who shall serve as a nonvoting
25 member but shall retain all other duties associated
26 with membership on the committee. If the State-
27 related institution elects to participate under
28 section 2006-C, the member representing the State-
29 related institution shall be entitled to vote; and

30 (D) one member representing each independent

1 institution of higher education that elects to
2 participate under section 2006-C.

3 (2) Members shall be appointed to four-year terms. Terms
4 of committee members shall be staggered.

5 (b) Dispute resolution subcommittee.--

6 (1) The chair of the committee shall appoint a dispute
7 resolution subcommittee comprised of:

8 (i) three members appointed under subsection

9 (a)(1)(ii)(A);

10 (ii) three members appointed under subsection

11 (a)(1)(ii)(B); and

12 (iii) one member appointed under subsection

13 (a)(1)(ii)(D).

14 (2) The chair of the committee may add members to the
15 dispute resolution subcommittee.

16 (3) The dispute resolution subcommittee shall develop
17 dispute resolution policies and procedures to be utilized
18 when disputes arise relating to the transfer and application
19 of credits under this article.

20 (c) Duties of Transfer and Articulation Oversight

21 Committee.--The committee shall:

22 (1) Within 180 days of the effective date of this
23 section, develop, in consultation with faculty and personnel,
24 equivalency standards for foundation courses and provide
25 these standards to the department, the Education Committee of
26 the Senate, the Education Committee of the House of
27 Representatives, the Appropriations Committee of the Senate
28 and the Appropriations Committee of the House of
29 Representatives.

30 (2) Within one year of the effective date of this

1 section, determine equivalent courses for at least 30 hours
2 of foundation courses, not including developmental or
3 remedial courses or career, technical or applied courses, in
4 consultation with faculty and personnel.

5 (3) Develop an assessment/evaluation plan and identify
6 appropriate information and collect appropriate data to
7 ensure the effectiveness of section 2002-C and make necessary
8 revisions thereto over time.

9 (4) Review interim reports submitted to the department
10 and, within 90 days of receipt of each report, recommend to
11 the department action to be taken by the committee to enable
12 the transfer of credits among public institutions of higher
13 education and institutions that elect to participate under
14 section 2006-C.

15 (5) Submit an annual report to the General Assembly that
16 details the progress made by the public institutions of
17 higher education and institutions that elect to participate
18 under section 2006-C in furtherance of enabling the transfer
19 of credits between such institutions and which recommends
20 further action to be taken.

21 Section 2005-C. Duties of department.

22 The department shall:

23 (1) Convene a meeting, within 60 days of the effective
24 date of this section, of the Transfer and Articulation
25 Oversight Committee.

26 (2) Request information and data from the public
27 institutions of higher education and institutions that elect
28 to participate under section 2006-C, so as to identify
29 foundation courses offered at the institutions and any
30 articulation agreements currently established between the

1 institutions that include foundation courses.

2 (3) Provide technical assistance to the public
3 institutions of higher education and the institutions that
4 elect to participate under section 2006-C.

5 (4) Provide for an electronic database or software
6 program and portal for the purpose of providing access to all
7 of the following information on an Internet website:

8 (i) Articulation agreements entered into by public
9 institutions of higher education and institutions that
10 elect to participate under section 2006-C.

11 (ii) The annual report to the General Assembly as
12 required by section 2004-C(c)(5).

13 (iii) At the request of a public institution of
14 higher education or an institution that elects to
15 participate under section 2006-C, any articulation
16 agreements.

17 Section 2006-C. Participation by independent institutions of
18 higher education or State-related
19 institution.

20 An independent institution of higher education or a State-
21 related institution may elect to participate through the
22 adoption of equivalency standards as provided for in subsection
23 2004-C(c)(1) by its governing body.

24 Section 2007-C. Applicability.

25 Nothing in this article shall do any of the following:

26 (1) Preclude any institution of higher education from
27 establishing institution-to-institution articulation
28 agreements.

29 (2) Void articulation agreements that have been
30 established prior to the effective date of this section.

1 Section 10.3. The act is amended by adding a section to
2 read:

3 Section 2135. Transportation of Certain Students.--For a
4 school district of the first class, funds appropriated in any
5 fiscal year for safe and alternative schools shall be used to
6 pay costs to provide school bus transportation services for
7 students in alternative education programs operated either by
8 the school district or under a contract between the school
9 district and a private alternative education institution as
10 defined under Article XIX-E before it may be used for other
11 alternative education programs or services.

12 Section 11. Section 2501 of the act is amended by adding a
13 clause to read:

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

16 * * *

17 (25) "Adjusted Current Expenditure per Average Daily
18 Membership." An amount equal to a school district's current
19 expenditures for a school year, as defined in clause (24), minus
20 the revenue account tuition for patrons, as designated in the
21 Manual of Accounting and Related Financial Procedures for
22 Pennsylvania School Systems, divided by the average daily
23 membership of the school district for the same school year.

24 Section 12. Section 2502.13 of the act is amended by adding
25 a subsection to read:

26 Section 2502.13. Small District Assistance.--* * *

27 (1) For the school year 2005-2006, the Commonwealth shall
28 pay to each school district which has an average daily
29 membership of one thousand five-hundred (1,500) or less and a
30 market value/income aid ratio of five thousand ten-thousandths

1 (0.5000) or greater an amount equal to seventy dollars (\$70)
2 multiplied by that district's average daily membership and by
3 that district's market value/income aid ratio.

4 Section 13. The act is amended by adding sections to read:

5 Section 2502.45. Basic Education Funding for 2005-2006
6 School Year.--For the 2005-2006 school year, the Commonwealth
7 shall pay to each school district a basic education funding
8 allocation which shall consist of the following:

9 (1) An amount equal to the basic education funding
10 allocation for the 2004-2005 school year pursuant to sections
11 2502.13, 2502.44 and 2504.4.

12 (2) Where the school district received a grant under section
13 1709-B during the 2005-2006 school year, but is not eligible to
14 receive such a grant during the 2006-2007 school year, an amount
15 equal to the grant amount the district received during the 2005-
16 2006 school year multiplied by fifty percent (50%).

17 (3) An amount equal to any payment made pursuant to section
18 2502.10 during the 2004-2005 school year.

19 (4) Where the school district received payments under
20 section 34 of the act of June 29, 2002 (P.L.524, No.88),
21 entitled "An act amending the act of March 10, 1949 (P.L.30,
22 No.14), entitled 'An act relating to the public school system,
23 including certain provisions applicable as well to private and
24 parochial schools; amending, revising, consolidating and
25 changing the laws relating thereto,' further defining the
26 "Pennsylvania System of School Assessment test" or "PSSA test";
27 providing for report of graduate rates for certain colleges and
28 universities; further providing for establishment of independent
29 schools, for school athletics, publications and organizations,
30 for retention of records and for annual budgets; providing for

1 membership of the School Reform Commission and responsibilities
2 relating to financial matters of first class school districts in
3 distress; further providing for intermediate unit board of
4 directors; providing for conditional employment; further
5 providing for age limits and temporary residence and for
6 educational support services definitions and providers, for high
7 school certificates, for charter school definitions, for funding
8 for charter schools and for provisions applicable to charter
9 schools; adding provisions for cyber charter schools; further
10 providing for regulations and provisions applicable to charter
11 schools, for education empowerment districts, for waivers, for
12 alternative education and for trustee councils in institutions
13 of the State System of Higher Education; providing for placement
14 of adjudicated delinquents in first class school districts;
15 further providing for Commonwealth reimbursement definitions,
16 for small district assistance and for temporary special aid to
17 certain school districts; providing for basic education funding
18 for 2001-2002 school year; further providing for payments to
19 intermediate units, for payments on account of transportation of
20 nonpublic school pupils, for special education payments and for
21 certain payments; providing for Commonwealth reimbursement for
22 charter schools and cyber charter schools; further providing for
23 school performance incentives; authorizing the Multipurpose
24 Service Center Grant Program; further providing for powers and
25 duties of the State Board of Education; and making an
26 appropriation," an amount equal to such payments.

27 (5) Where a school district has been declared a Commonwealth
28 partnership school district under Article XVII-B, an amount
29 equal to five million two hundred thousand dollars (\$5,200,000).

30 (6) A base supplement calculated as follows:

1 (i) If the school district's market value/income aid ratio
2 is equal to or greater than seven thousand three hundred
3 seventy-one ten-thousandths (.7371):

4 (A) Multiply the school district's 2006-2007 market
5 value/income aid ratio by its 2005-2006 average daily
6 membership.

7 (B) Multiply the product from clause (A) by ten million
8 seven hundred thousand dollars (\$10,700,000).

9 (C) Divide the product from clause (B) by the sum of the
10 products of the 2006-2007 market value/income aid ratio
11 multiplied by the 2005-2006 average daily membership for all
12 qualifying school districts.

13 (ii) If the school district's market value/income aid ratio
14 is equal to or greater than six thousand five hundred ninety-
15 five ten-thousandths (.6595) and less than seven thousand three
16 hundred seventy-one ten-thousandths (.7371):

17 (A) Multiply the school district's 2006-2007 market
18 value/income aid ratio by its 2005-2006 average daily
19 membership.

20 (B) Multiply the product from clause (A) by thirty-five
21 million nine hundred fifty thousand dollars (\$35,950,000).

22 (C) Divide the product from clause (B) by the sum of the
23 products of the 2006-2007 market value/income aid ratio
24 multiplied by the 2005-2006 average daily membership for all
25 qualifying school districts.

26 (iii) If the school district's market value/income aid ratio
27 is equal to or greater than five thousand eight hundred sixty-
28 three ten-thousandths (.5863) and less than six thousand five
29 hundred ninety-five ten-thousandths (.6595):

30 (A) Multiply the school district's 2006-2007 market

1 value/income aid ratio by its 2005-2006 average daily
2 membership.

3 (B) Multiply the product from clause (A) by thirteen million
4 three hundred thousand dollars (\$13,300,000).

5 (C) Divide the product from clause (B) by the sum of the
6 products of the 2006-2007 market value/income aid ratio
7 multiplied by the 2005-2006 average daily membership for all
8 qualifying school districts.

9 (iv) If the school district's market value/income aid ratio
10 is equal to or greater than four thousand forty-four ten-
11 thousandths (.4044) and less than five thousand eight hundred
12 sixty-three ten-thousandths (.5863):

13 (A) Multiply the school district's 2006-2007 market
14 value/income aid ratio by its 2005-2006 average daily
15 membership.

16 (B) Multiply the product from clause (A) by fifteen million
17 six hundred thousand dollars (\$15,600,000).

18 (C) Divide the product from clause (B) by the sum of the
19 products of the 2006-2007 market value/income aid ratio
20 multiplied by the 2005-2006 average daily membership for all
21 qualifying school districts.

22 (v) If the school district's market value/income aid ratio
23 is less than four thousand forty-four ten-thousandths (.4044):

24 (A) Multiply the school district's 2006-2007 market
25 value/income aid ratio by its 2005-2006 average daily
26 membership.

27 (B) Multiply the product from clause (A) by four million
28 five hundred thousand dollars (\$4,500,000).

29 (C) Divide the product from clause (B) by the sum of the
30 products of the 2006-2007 market value/income aid ratio

1 multiplied by the 2005-2006 average daily membership for all
2 qualifying school districts.

3 (7) A poverty supplement calculated for qualifying school
4 districts as follows:

5 (i) For a school district to qualify for the poverty
6 supplement:

7 (A) the quotient of the school district's personal income
8 valuation divided by its 2005-2006 average daily membership must
9 not exceed ninety-one thousand dollars (\$91,000); or

10 (B) the school district's 2006-2007 market value/income aid
11 ratio must be at least six thousand six hundred ten-thousandths
12 (.6600).

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

15 (A) Multiply the school district's 2005-2006 average daily
16 membership by fifty-five million dollars (\$55,000,000).

17 (B) Divide the product from clause (A) by the sum of the
18 2005-2006 average daily membership for all qualifying school
19 districts.

20 (8) A foundation supplement calculated for qualifying school
21 districts as follows:

22 (i) To qualify for the foundation supplement, a school
23 district's 2004-2005 adjusted current expenditures per average
24 daily membership must be less than the 2003-2004 median current
25 expenditures per average daily membership increased by three and
26 nine-tenths percent (3.9%) and its 2004-2005 equalized millage
27 must be greater than or equal to 17.2.

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

30 (A) Multiply the school district's 2006-2007 market

1 value/income aid ratio by its 2005-2006 average daily
2 membership.

3 (B) Multiply the product in clause (A) by the lesser of:

4 (I) five hundred dollars (\$500), or if its 2004-2005
5 equalized millage is equal to or greater than 28.3 and its 2006-
6 2007 market value/income aid ratio is equal to or greater than
7 seven thousand five hundred sixty three ten-thousandths (.7563),
8 eight hundred fifty dollars (\$850); or

9 (II) the difference between the value of the 2003-2004
10 median current expenditures per average daily membership
11 increased by three and nine-tenths percent (3.9%) and the school
12 district's 2004-2005 adjusted current expenditures per average
13 daily membership; or

14 (III) if the school district's 2004-2005 equalized mills is
15 less than twenty (20.0), the product of the lesser of the amount
16 in clause (B)(I) or (II) and the quotient of its 2004-2005
17 equalized mills divided by twenty (20.0).

18 (C) Multiply the product from clause (B) by forty-four
19 million dollars (\$44,000,000).

20 (D) Divide the product from clause (C) by the sum of the
21 products from clause (B).

22 (iii) If a qualifying school district's equalized millage is
23 equal to or greater than twenty-three and eight-tenths (23.8),
24 it shall receive an additional payment calculated as follows:

25 (A) Multiply the product from subparagraph (ii)(B) by twenty
26 million dollars (\$20,000,000).

27 (B) Divide the product from clause (A) by the sum of the
28 products from subparagraph (ii)(B) for qualifying school
29 districts.

30 (9) A tax effort supplement calculated for qualifying school

1 districts as follows:

2 (i) To qualify for the tax effort supplement, a school
3 district's 2004 equalized millage must be equal to or greater
4 than twenty (20) equalized mills.

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

7 (A) Multiply the school district's 2005-2006 average daily
8 membership by eleven million dollars (\$11,000,000).

9 (B) Divide the product from clause (A) by the sum of the
10 2005-2006 average daily membership for all qualifying school
11 districts.

12 (10) A growth supplement calculated for qualifying schools
13 districts as follows:

14 (i) To qualify for this portion of the growth supplement, a
15 school district's average daily membership must have increased
16 by at least two percent (2%) between the 2002-2003 and 2004-2005
17 school years, its 2004-2005 local school tax revenue divided by
18 its 2004-2005 average daily membership must be less than its
19 2002-2003 local school tax revenue divided by its 2002-2003
20 average daily membership, and its 2006-2007 market value/income
21 aid ratio must be equal to or greater than five thousand eight
22 hundred sixty-three ten-thousandths (.5863). This portion of the
23 growth supplement shall be calculated for qualifying school
24 district as follows:

25 (A) Multiply the school district's 2006-2007 market
26 value/income aid ratio by its 2005-2006 average daily
27 membership.

28 (B) Multiply the product from clause (A) by five hundred
29 thousand dollars (\$500,000).

30 (C) Divide the product from clause (B) by the sum of the

1 products from clause (A).

2 (ii) To qualify for this portion of the growth supplement, a
3 school district's 2005-2006 average daily membership must be
4 greater than its 2004-2005 average daily membership. This
5 portion of the growth supplement shall be calculated for
6 qualifying school districts as follows:

7 (A) Subtract the school district's 2004-2005 average daily
8 membership from its 2005-2006 average daily membership and
9 multiply the difference by its 2006-2007 market value/income aid
10 ratio.

11 (B) Multiply the difference from clause (A) by five million
12 dollars (\$5,000,000).

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

15 (iii) For this portion of the growth supplement, the
16 department shall calculate the following:

17 (A) Subtract the school district's 1994-1995 average daily
18 membership from its 2004-2005 average daily membership.

19 (B) Divide the difference from clause (A) by the school
20 district's 1994-1995 average daily membership.

21 (C) Divide the school district's basic education funding
22 allocation for the 1994-1995 school year, calculated pursuant to
23 sections 2502.13 and 2502.29, by the school district's 1994-1995
24 average daily membership.

25 (D) Divide the school district's basic education funding
26 allocation for the 2004-2005 school year, calculated pursuant to
27 sections 2502.13, 2502.44 and 2504.4, by the school district's
28 2004-2005 average daily membership.

29 (E) For each school district, subtract the quotient from
30 clause (C) from the quotient from clause (D).

1 (F) Divide the total basic education funding allocation for
2 the 1994-1995 school year, calculated pursuant to sections
3 2502.13 and 2502.29, by the 1994-1995 average daily membership
4 for all school districts.

5 (G) Divide the total basic education funding allocation for
6 the 2004-2005 school year, calculated pursuant to sections
7 2502.13, 2502.44 and 2504.4, by the 2004-2005 average daily
8 membership for all school districts.

9 (H) Subtract the quotient from clause (F) from the quotient
10 from clause (G).

11 (I) A school district for which the quotient from clause (B)
12 is greater than ten percent (10%) but less than twenty percent
13 (20%) and for which the difference from clause (E) is less than
14 the difference from clause (H) shall receive an amount equal to
15 the difference from clause (A) multiplied by sixty dollars
16 (\$60).

17 (J) A school district for which the quotient from clause (B)
18 is greater than or equal to twenty percent (20%) and for which
19 the difference from clause (E) is less than the difference from
20 clause (H) shall receive an amount equal to the difference from
21 clause (A) multiplied by one hundred ten dollars (\$110).

22 (iv) The amount of a school district's growth supplement
23 under this paragraph shall be the sum of the amount calculated
24 pursuant to subparagraph (i) and the greater of the amount
25 calculated pursuant to subparagraph (ii) or (iii).

26 (11) Each school district shall receive additional funding
27 as necessary so that the sum of the amounts under section
28 2502.13 and paragraphs (6), (7), (8), (9) and (10) and this
29 paragraph shall equal at least three and five-tenths percent
30 (3.5%) of the amount in paragraph (1).

1 (12) Each school district shall receive additional funding
2 as necessary so that the sum of the amounts under sections
3 2502.13 and 2504.4 and paragraphs (1), (6), (7), (8), (9), (10),
4 (11) and this paragraph shall equal the basic education funding
5 allocation for the school district as published on the
6 Department of Education's Internet website on February 8, 2006.
7 Within thirty (30) days of the effective date of this paragraph,
8 the basic education funding allocation for each school district,
9 as published on the Department of Education's Internet website
10 on February 8, 2006, shall be published in the Pennsylvania
11 Bulletin.

12 Section 2502.46. Funding for Partnership Schools.--The
13 following shall apply:

14 (1) Beginning with the 2005-2006 school year and each school
15 year thereafter, a school district of the first class shall
16 expend no less than twenty-five million dollars (\$25,000,000)
17 from its annual basic education funding allocation solely for
18 costs associated with the operation of schools governed by
19 agreements pursuant to section 696(i)(2), for the operation of
20 schools previously designated as partnership schools under the
21 School Reform Commission Resolution Number 10 of April 17, 2002,
22 or their successors, or for schools operated under any successor
23 partnership agreements or contracts.

24 (2) Such expenditures shall include costs associated with
25 targeted reform efforts such as: enhancements in curriculum;
26 material and equipment, including computer hardware;
27 professional development programs; improved or newly established
28 accountability measures for employes; safety and security
29 measures; and other costs associated with such agreements.

30 (3) These funds shall be supplemental and in addition to any

1 amount of Federal, State and local funds allocated to those
2 schools previously designated as partnership schools by a school
3 district of the first class under its standard budgeting
4 process.

5 (4) Receipt of funds pursuant to this paragraph shall in no
6 way be deemed to authorize those schools previously designated
7 as partnership schools by a school district of the first class
8 to be treated differently from other schools in the school
9 district of the first class in terms of services or other
10 funding provided by the school district of the first class.

11 Section 14. Sections 2504.4, 2509.1 and 2509.5 of the act
12 are amended by adding subsections to read:

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

15 (a.2) To qualify for limited English proficiency payments
16 under this section, a school district's 2006-2007 market
17 value/income aid ratio must be equal to or greater than three
18 thousand five hundred ten-thousandths (.3500) and the number of
19 enrolled students identified as limited English proficient in
20 the 2004-2005 school year must be equal to or greater than two
21 and one-half percent (2.5%) of the school district's 2004-2005
22 average daily membership. The allocation under this section
23 shall be paid in fiscal year 2006-2007 out of the appropriation
24 for basic education funding and calculated for qualifying school
25 districts as follows:

26 (1) Multiply the number of enrolled students identified as
27 limited English proficient in the 2004-2005 school year by ten
28 million dollars (\$10,000,000).

29 (2) Divide the product from paragraph (1) by the sum of
30 enrolled students identified as limited English proficient for

1 all qualifying school districts.

2 * * *

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

4 (b.14) Up to ten million seven hundred and fifty thousand
5 dollars (\$10,750,000) may be utilized for programs administered
6 and operated by intermediate units during the 2006-2007 school
7 year for institutionalized children as established in subsection
8 (b.1).

9 * * *

10 Section 2509.5. Special Education Payments to School
11 Districts.--* * *

12 (rr) During the 2006-2007 school year, each school district
13 shall be paid the amount it received during the 2005-2006 school
14 year under subsections (pp) and (qq).

15 (ss) During the 2006-2007 school year, twenty-two million
16 four hundred sixty-two thousand and one hundred twenty dollars
17 (\$22,462,120) of the funds appropriated to the Department of
18 Education for special education shall be used to provide
19 supplemental funding for special education to all school
20 districts. Each school district shall receive a funding
21 supplement calculated as follows:

22 (1) multiply each school district's 2006-2007 market
23 value/income aid ratio by sixteen percent (16%) of its 2005-2006
24 average daily membership;

25 (2) multiply the product from paragraph (1) by twenty
26 million nine hundred forty-three thousand and four hundred
27 ninety-eight dollars (\$20,943,498); and

28 (3) divide the resultant product from paragraph (2) by the
29 sum of the products of the 2006-2007 market value/income aid
30 ratio multiplied by sixteen percent (16%) of the 2005-2006

1 average daily membership for all school districts.

2 (tt) Each school district shall receive an inflation index
3 supplement as necessary so that the amounts under subsection
4 (ss) and this subsection equal three and nine-tenths percent
5 (3.9%) multiplied by each school district's 2006-2007 market
6 value/income aid ratio of the amount in subsection (rr).

7 (uu) Each school district for which the sum of the
8 supplements under subsections (ss) and (tt) provides an amount
9 less than two percent (2%) of the amount provided under
10 subsection (rr) shall receive additional funding as necessary so
11 that the sum of the amounts provided under subsections (ss),
12 (tt) and this subsection equals two percent (2%) of the amount
13 provided under subsection (rr).

14 Section 14.1. The act is amended by adding a section to
15 read:

16 Section 2509.12. Special Education Community Support
17 Services.--For the 2006-2007 school year and each school year
18 thereafter, the Department of Education shall set aside from the
19 annual special education appropriation five hundred sixty-three
20 thousand dollars (\$563,000) for community support services for
21 students with disabilities. This amount is not to be included in
22 the base calculations of the special education program
23 components.

24 Section 14.2. Section 2517 of the act is amended by adding a
25 subsection to read:

26 Section 2517. Payments.--* * *

27 (e) The Secretary of Education, with the approval of the
28 Governor, may make basic education funding allocation payments
29 to school districts, in advance of the dates set forth in this
30 section to school districts which are financially handicapped,

1 when the secretary deems it necessary to enable the school
2 district to keep their public schools open.

3 Section 14.3. Section 2574(c.4) of the act, added July 13,
4 2005, (P.L.226, No.46), is amended and the section is amended by
5 adding a subsection to read:

6 Section 2574. Approved Reimbursable Rental for Leases
7 Hereafter Approved and Approved Reimbursable Sinking Fund
8 Charges on Indebtedness.--* * *

9 (c.4) For school buildings for which the general
10 construction contract is awarded on or after January 1, 2005,
11 and for approved school building projects for which the general
12 construction contract was awarded but for which a lease or
13 general obligation bond resolution was not approved by the
14 Department of Education prior to January 1, 2005, and where the
15 school building receives a silver, gold or platinum
16 certification from the United States Green Building Council's
17 Leadership in Energy and Environmental Design Green Building
18 Rating System or two, three or four Globes under the Green
19 Building Initiative's Green Globes Green Building Rating System
20 on or after January 1, 2005, the Department of Education shall
21 adjust the approved building construction cost to additionally
22 include the product of the rated pupil capacity as determined by
23 the Department of Education at the time the project is approved
24 and (i) four hundred seventy dollars (\$470) in the case of
25 elementary schools, (ii) six hundred twenty dollars (\$620) in
26 the case of secondary schools, (iii) an amount in the case of
27 combined elementary-secondary schools obtained by multiplying
28 the rated elementary pupil capacity by four hundred seventy
29 dollars (\$470) and the rated secondary pupil capacity by six
30 hundred twenty dollars (\$620) and dividing the sum by the total

1 rated pupil capacity. The Department of Education in
2 consultation with the Governor's Green Government Council shall
3 issue guidelines to carry out this section.

4 * * *

5 (c.6) If a school district receives reimbursement for a
6 school construction project under this section, the school
7 district, upon request by the Department of Education, shall do
8 all of the following:

9 (i) Provide information required by the department to
10 determine whether the school construction project meets criteria
11 established by the department for certification as an approved
12 school facility design for purposes of the department's school
13 facility design clearinghouse.

14 (ii) Authorize the department, in its discretion, to certify
15 the school construction project as an approved school facility
16 design and to include information about the certified project in
17 the department's school facility design clearinghouse.

18 * * *

19 Section 15. Section 2599.2(c)(1) of the act, amended July 4,
20 2004 (P.L.536, No.70), is amended and the section is amended by
21 adding a subsection to read:

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

23 (c) (1) No later than April 10, 2004, and April 10, 2005,
24 the department shall notify each school district of the grant
25 amount it will receive under subsection (d). No later than April
26 10, 2006, and April 10 of each school year thereafter, the
27 department shall notify each school district of the grant amount
28 it will receive under subsection (d.1).

29 * * *

30 (d.1) (1) During the 2006-2007 school year and each school

1 year thereafter, the department shall pay to each school
2 district a Pennsylvania accountability grant equal to the amount
3 determined in subsection (d) plus the sum of the amounts
4 calculated under paragraphs (2) and (3).

5 (2) Each school district shall receive an amount based on
6 the percentage of its students scoring below proficient on the
7 PSSA tests administered in grades five, eight and eleven,
8 calculated as follows:

9 (i) Divide the number of PSSA tests administered in the
10 school district on which students scored below proficient in
11 reading or mathematics during the 2004-2005 school year by the
12 total number of PSSA tests scored in reading and mathematics in
13 the school district during the 2004-2005 school year.

14 (ii) Multiply the quotient from subparagraph (i) by the
15 average daily membership of the school district for the 2004-
16 2005 school year.

17 (iii) Multiply the product from subparagraph (ii) by the
18 market value/income aid ratio of the school district for the
19 2005-2006 school year.

20 (iv) Multiply the product from subparagraph (iii) by thirty-
21 seven million five hundred thousand dollars (\$37,500,000).

22 (v) Divide the product from subparagraph (iv) by the sum of
23 the products of subparagraph (iii) for all school districts.

24 (3) Each school district shall receive an amount based on
25 the percentage of its students scoring at or above proficient on
26 the PSSA tests administered in grades five, eight and eleven,
27 calculated as follows:

28 (i) Divide the number of PSSA tests administered in the
29 school district on which students scored at or above proficient
30 in reading or mathematics during the 2004-2005 school year by

1 the total number of PSSA tests scored in reading and mathematics
2 in the school district during the 2004-2005 school year.

3 (ii) Multiply the quotient from subparagraph (i) by the
4 average daily membership of the school district for the 2004-
5 2005 school year.

6 (iii) Multiply the product from subparagraph (ii) by the
7 market value/income aid ratio of the school district for the
8 2005-2006 school year.

9 (iv) Multiply the product from subparagraph (iii) by twelve
10 million five hundred thousand dollars (\$12,500,000).

11 (v) Divide the product from subparagraph (iv) by the sum of
12 the products of subparagraph (iii) for all school districts.

13 (4) Grants awarded under this subsection shall be paid to
14 school districts on the last Thursday of July.

15 * * *

16 Section 15.1. The act is amended by adding a section to
17 read:

18 Section 2599.3. Statewide Costing-out Study.--(a) The
19 General Assembly directs the State Board of Education to conduct
20 or provide for a comprehensive Statewide costing-out study to
21 arrive at a determination of the basic cost per pupil to provide
22 an education that will permit a student to meet the State's
23 academic standards and assessments.

24 (b) The study shall consider both adequacy and equity. For
25 the purposes of this subsection, the term "equity" shall mean
26 whether public resources being committed to education are
27 distributed in such a way that all children, regardless of race,
28 gender, ethnicity, disability, socioeconomic status and
29 geography, have an equal opportunity to succeed in school. For
30 purposes of this subsection, the term "adequacy" shall mean

1 whether sufficient resources, both State and local, are being
2 committed to meet established performance standards and assure
3 academic success for all.

4 (c) The State Board of Education is authorized to hire or
5 retain consultants, utilizing a request for proposal procedure,
6 as necessary, to assist in the performance of its duties under
7 this section.

8 (d) The State Board of Education shall consult with the
9 following leaders in the development of the request for
10 proposals and the assent of a majority of the following leaders
11 shall be required before the request for proposal shall be
12 released.

13 (1) The President pro tempore of the Senate or a designee.

14 (2) The Speaker of the House of Representatives or a
15 designee.

16 (3) The Minority Leader of the Senate or a designee.

17 (4) The Minority Leader of the House of Representatives or a
18 designee.

19 (e) At a minimum the study shall include all of the
20 following:

21 (1) Determine what educational resources and related
22 expenditures are required to provide a quality primary and
23 secondary education for each student in the Commonwealth's
24 public schools. The study shall include examining exemplary
25 school districts that are high-performing and low-spending
26 school districts. As part of the determination to be conducted
27 under this paragraph, a review shall be conducted of school
28 district tax efforts in support of public schools, including
29 both local and State tax support.

30 (2) Examine the potential use of geographic cost-of-

1 education indexing in the Commonwealth.

2 (3) Investigate additional categories of funding that may be
3 necessary to meet needs unique to schools and students including
4 all of the following:

5 (i) Poverty.

6 (ii) Limited English proficiency.

7 (iii) Students with disabilities.

8 (iv) Scarcity and density of population.

9 (v) Issues related to the rural, urban or suburban nature of
10 the school district.

11 (vi) Issues related to research-based analysis of the
12 difficulty of the educational task.

13 (4) Study the issue of student population growth and decline
14 to determine the cost impact of both factors.

15 (f) The State Board of Education shall issue an interim
16 report no later than six months after the date of the signing of
17 a contract entered into under subsection (c) and shall provide a
18 final report of its findings and recommendations to the Governor
19 and the members of the General Assembly no later than one year
20 from the date of the signing of a contract entered into under
21 subsection (c).

22 (g) Upon receipt of the final report, the Education
23 Committee of the Senate and the Education Committee of the House
24 of Representatives shall promptly review and consider the
25 recommendations of the study and develop legislation as deemed
26 appropriate.

27 Section 15.2. The addition of section 614 of the act shall
28 apply retroactively to June 27, 2006.

29 Section 16. This act shall take effect immediately.