

No. 2005-46

AN ACT

HB 628

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," further providing, in school finances, for annual budget and, in teacher certification, for program of continuing professional development; providing for, in teacher certification, evaluation of applicants; further providing, in pupils and attendance, for fixing the cost of certain tuition, for cost of tuition and maintenance of certain exceptional children in approved institutions and in chartered schools for the education of the deaf and the blind; further providing for educational assistance program and educational support services, for definitions, for notification and for the program; further providing, in Head Start supplemental assistance, for definitions, for the program and for priority in funding; providing for opportunities for educational excellence through concurrent enrollment; further providing, in education empowerment, for education empowerment districts and for mandate waiver program and, in community colleges, for definitions, for financial program and for payment reimbursement; providing, in community colleges, for establishment of the Community College Capital Fund and for annual reports; further providing, in the State System of Higher Education, for annual audits and, in educational improvement tax credit, for qualification and application and for limitations on amount of tax credits; further providing, in school district reimbursement, for definitions, for small district assistance and for temporary special aid; providing for basic education funding for 2004-2005 school year; further providing for payments on account of limited English proficiency programs, for payments to intermediate units and for special education payments; providing, in school district reimbursement, for effect of failure to file certain reports; further providing, in school district reimbursement, for approved reimbursable rental for leases and sinking fund and for Pennsylvania Accountability Grants; and making an inconsistent repeal relating to the Workforce Development Act.

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

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

Section 687. Annual Budget; Additional or Increased Appropriations; Transfer of Funds.—(a) (1) The board of school directors of each school district of the second, third, or fourth class shall, annually, at least thirty (30) days prior to the adoption of the annual budget, prepare a proposed budget of the amount of funds that will be required by the school district in its several departments for the following fiscal year. Such proposed budget shall be prepared on a uniform form, prepared and furnished by the Department of [Public Instruction, and shall be apportioned to the several classes of expenditures of the district as the board of school directors thereof may determine.] *Education. The uniform form shall require identification of*

specific function, subfunction and major object of expenditure. On the date of adoption of the proposed budget required under this section, the president of the board of school directors shall certify to the Department of Education that the proposed budget has been prepared, presented and will be made available for public inspection using the uniform form prepared and furnished by the Department of Education. The certification shall be in a form and manner as required by the Department of Education. Final action shall not be taken on any proposed budget that has not been prepared, presented and made available for public inspection using the uniform form prepared and furnished by the Department of Education. Final action shall not be taken on any proposed budget[,] in which the estimated expenditures exceed two thousand dollars (\$2000)[,] until after ten (10) days' public notice. Nothing in this act shall be construed to prevent any school district[,] whose total estimated expenditures do not exceed two thousand dollars (\$2000)[,] from holding a public hearing.

(2) (i) The proposed budget, *on the uniform form required by the Department of Education*, shall be printed[,] or otherwise made available for public inspection to all persons [who may interest themselves,] *and shall be made available for duplication to any person, on request*, at least twenty (20) days prior to the date set for the adoption of the budget.

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

* * *

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

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

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

- (1) six (6) credits of collegiate study;
- (2) six (6) credits of continuing professional education courses;
- (3) one hundred eighty (180) hours of continuing professional education programs, activities or learning experiences; or

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

* * *

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

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

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

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

(4) Notice of inactive certification due to failure of the professional educator to meet the requirements of this section, whether or not the individual is employed by a school entity.

(5) Notice of reinstatement.

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

* * *

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

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

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

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

(2) After a professional educator to whom this subsection applies completes the credits or hours needed to satisfy the requirements of the initial compliance period, any record of additional credits or hours shall be credited toward the subsequent compliance period: Provided, That credits

or hours credited to a professional educator as a result of the satisfactory completion of an individual course of collegiate studies, an individual continuing professional education course or an individual program, activity or learning experience shall not be divided between the initial compliance period and the subsequent compliance period but shall be credited toward only one compliance period.

(3) Nothing in this subsection shall be construed to delay or extend the initial or subsequent compliance periods for a professional educator to whom this subsection applies.

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

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

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

** * **

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

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

“Area of a professional educator’s assignment or certification” shall mean any component of the education profession as it relates to the current job title or description of the professional educator or to any area of certification listed on the professional employe’s Pennsylvania certification or to the type of certificate or endorsement held by the professional educator.

“Collegiate studies” shall mean a formal program or course of study at an institution of higher education leading to the award of academic credit.

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

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

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

“Continuing professional education courses” shall mean courses for credit, other than collegiate studies, conducted by providers approved by the department.

“Professional educator” shall mean an individual who holds a Pennsylvania teacher, educational specialist or administrative certification or letter of eligibility.

“School entity” shall mean a school district, an intermediate unit, a joint school district, an area vocational-technical school, a charter school, the Scotland School for Veterans’ Children and the Scranton School for the Deaf or any of these acting jointly.

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

Section 1216. Evaluation of Applications for Certification.—(a) All applications for certification shall be evaluated in their entirety. The Department of Education shall notify the applicant if the application is incomplete and include a listing of all materials or information needed to complete the application. The applicant’s pending application shall remain open for one year following the date of such notification. No letter of denial of certification shall be issued unless all deficiencies in the application are stated in the letter of denial.

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

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

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

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

Section 1309. Cost of Tuition; How Fixed.—* * *

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

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

Section 1376. Cost of Tuition and Maintenance of Certain Exceptional Children in Approved Institutions.—* * *

(c.2) [Beginning with payments made in the 2004-2005 school year and each school year thereafter, the Department of Education shall establish procedures and audit standards to govern the scope of reportable costs, the format of the audit and the standards and methods used by the Commonwealth to audit attendance. Each approved private

school shall submit a cost report of its expenditures for the prior fiscal year to the Department of Education no later than August 1, 2004, and no later than August 1 of each year thereafter. Audit reports of expenditures for the prior fiscal year prepared by an independent certified public accountant shall be prepared in accordance with the established procedures and audit standards and submitted by the approved private school to the Department of Education by November 1, 2005, and no later than November 1 of each year thereafter. For payments in the 2004-2005 school year, the Department of Education shall issue guidelines for budget and audit standards no later than October 15, 2004. For payments in the 2005-2006 school year and each school year thereafter, the Department of Education shall annually issue guidelines for budget and audit standards at least three (3) months prior to the date that the approved private schools must submit their budget information pursuant to subsection (c.4). These guidelines shall include provisions for audit methodology and a definition of allowable administrative expenditures. Allowable administrative expenditures shall not exceed ten percent (10%) of each approved private school's budget. Each audit shall identify expenditures and include all spending on students for whom payment is made pursuant to subsection (a) or (b) and shall identify the source and amount of all revenue used to educate students for whom payment is made pursuant to subsection (a) or (b). Work papers pertaining to the audit of an approved private school by an independent certified public accountant shall be made available to the Department of Education upon request. Audits of cost reports submitted for school years prior to the 2004-2005 school year shall be completed in a manner consistent with prior audit practices. An approved private school may submit an audit for the 2003-2004 school year prepared by an independent certified public accountant provided the following have occurred:

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

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

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

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

(4) Beginning with the 2004-2005 school year and each school year thereafter, each approved private school shall maintain an accounting and

bookkeeping system and be subject to audit as provided in standards promulgated by the Department of Education. Such standards shall require that each approved private school submit an audit to the Department of Education by November 1 of each year. Such audit shall be conducted in accordance with generally accepted accounting standards by an independent certified public accountant. Such standards shall include a definition of administrative costs, which costs shall not exceed ten percent (10%) of each approved private school's total costs.

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

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

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

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

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

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

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

** * **

(c.8) Within sixty (60) days of the effective date of this subsection, the Department of Education shall promulgate interim standards necessary to implement subsection (c.2) which shall be published in the Pennsylvania Bulletin. The interim standards shall not be subject to review pursuant to

the act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory Review Act," and shall not be subject to sections 201 through 205 of the act of July 31, 1968 (P.L.769, No.240), referred to as the Commonwealth Documents Law. The interim standards shall apply to audits conducted after July 1, 2005. Within one year of publication of the interim standards in the Pennsylvania Bulletin, the Department of Education shall deposit proposed standards. The interim standards shall remain in effect until the effective date of the final standards.

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

(f) [Beginning with payments made in the 2004-2005 school year and each school year thereafter, the department shall establish procedures and audit standards to govern the scope of reportable costs, the format of the audit and the standards and methods used by the Commonwealth to audit attendance. Each chartered school shall submit a cost report of its expenditures for the prior fiscal year to the department no later than August 1, 2004, and each August 1 thereafter. Audit reports of expenditures for the prior fiscal year prepared by an independent certified public accountant shall be prepared in accordance with established procedures and audit standards and submitted by the chartered school to the department by November 1, 2005, and no later than November 1 of each year thereafter. For payments in the 2004-2005 school year, the department shall issue guidelines for budget and audit standards no later than October 15, 2004. For payments in the 2005-2006 school year and each school year thereafter, the department shall annually issue guidelines for budget and audit standards at least three (3) months prior to the date that the chartered schools must submit their budget information pursuant to subsection (f.2). The guidelines shall include provisions for audit methodology and a definition of allowable administrative expenditures. Allowable administrative expenditures shall not exceed ten percent (10%) of each chartered school's budget. Each audit shall identify expenditures, shall include all spending on students for whom payment is made pursuant to subsection (b) or (c) and shall identify the source and amount of all revenue used to educate students for whom payment is made pursuant to subsection (b) or (c). Work papers pertaining to the audit of a chartered school by an independent certified public accountant shall be made available to the department upon request. Audits of cost reports submitted for school years prior to the 2004-2005 school year shall be completed in a manner consistent with prior audit practices. A chartered school may submit an audit for the 2003-2004 school year prepared by an independent certified public accountant provided the following have occurred:

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

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

(3) The chartered school has responded to reasonable requests for information and documents by the department.

Upon receipt of the independent audit for the 2003-2004 school year, the department shall have three (3) months to review the audit and settle any outstanding payments due to or from the chartered school.]

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

(5) (i) *Where the amount of a chartered school's reportable costs in the 2004-2005 fiscal year is less than the amount of revenues received by the chartered school for the 2004-2005 fiscal year from the Commonwealth for the provision of educational services to children who have been approved by the Department of Education, the difference may be retained by the chartered school for use in the 2005-2006 fiscal year.*

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

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

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

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

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

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

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

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

Section 1501-C. Definitions.

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

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

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

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

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

Section 1506-C. Notification of program.

A school entity in this Commonwealth shall notify parents of the availability of education support services and tutoring under the educational assistance program at such time as the parents receive the results of any

eligibility test[.] *or whenever the school entity recommends tutoring under the educational assistance program.*

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

Section 1512-C. Educational Assistance Program.

* * *

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

(1) scored below proficient on a Pennsylvania System of School Assessment test in a subject area required under the No Child Left Behind Act of 2001 **[in the immediate preceding school year]**; or

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

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

* * *

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

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

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

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

* * *

(g) Educational assistance funding.—

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 1501-D. Definitions.

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

* * *

“School entity.” A school district, joint school district, independent school or an intermediate unit.

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

Section 1502-D. Head Start Supplemental Assistance Program.

* * *

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

* * *

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

(1) Demonstrate the need for additional Head Start services in the provider’s service area, whether the need is determined by the percentage of eligible children who are not served in the provider’s service area or by the demand for extended day services.

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

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

(ii) in cooperation with licensed child-care centers or registered family or group day-care homes;

[to serve additional children or to provide extended day services.] or

(iii) in cooperation with school entities.

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

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

Section 1503-D. Priority in funding.

[The] (a) *General rule.*—A Head Start provider that received a grant in the prior fiscal year shall be eligible to receive a grant in an amount equal to the grant received in the immediately preceding fiscal year, less any start-up costs. If by March 1 the Head Start provider did not enroll at least 90% of the number of children it was approved to serve for that year, then the grant shall be reduced proportionally based on the number of children enrolled as of March 1.

(b) *Priority for remaining funding.*—For the remaining funds, the department shall give priority in funding to Head Start providers applying for grants to serve additional eligible children.

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

**ARTICLE XVI-B
OPPORTUNITIES FOR EDUCATIONAL
EXCELLENCE**

(a) Preliminary Provisions.

Section 1601-B. Scope of article.

This article deals with concurrent enrollment.

Section 1602-B. Definitions.

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

“Allowable tuition.” *The portion of tuition charged to a school entity that is eligible for grant funding under this article, which funding does not exceed:*

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

(2) *for any four-year public or private postsecondary institution or eligible private licensed school, the tuition rate charged by the State System of Higher Education for enrolled postsecondary students;*

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

(4) *for any early college high school program, middle college high school program or gateway to college program, the tuition charged for the program to a student’s school district of residence.*

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

“Concurrent enrollment agreement.” *The written agreement between a school entity and each eligible postsecondary institution establishing and detailing a concurrent enrollment program.*

“Concurrent enrollment committee.” *A committee comprised of representatives from a school entity and eligible postsecondary institutions with which it offers a concurrent enrollment program.*

“Concurrent enrollment program.” *A program administered and developed by a school entity and an eligible postsecondary institution that allows students to concurrently enroll in postsecondary courses and to receive both secondary and postsecondary credit for that coursework. The term includes an early college high school program, a gateway to college program or a middle college high school program.*

“Concurrent student.” *A student who is enrolled in a school district, a charter school, an area vocational-technical school, a nonpublic school, a private school or a home education program under section 1327.1 and who takes a concurrent course through a concurrent enrollment program.*

“Department.” *The Department of Education of the Commonwealth.*

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

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

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

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

“Household.” *An individual living alone or with the following: spouse, parent and their unemancipated minor children; other unemancipated minor children who are related by blood or marriage; or other adults or unemancipated minor children living in the household who are dependent upon the individual.*

“Household income.” *All money or property received of whatever nature and from whatever source derived. The term does not include the following:*

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

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

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

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

(5) Payments to reimburse actual expenses.

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

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

"Low-income concurrent student." A concurrent student who is a member of a household with an annual household income less than or equal to 150% of the Federal income poverty guidelines published by the Department of Health and Human Services.

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

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

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

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

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

(b) Promotional materials.—The department shall publish promotional materials on its publicly accessible website that may be used by school entities to inform parents and students enrolled in the school entities about the requirements, features and opportunities of concurrent enrollment programs established under this article. To the extent that the department provides school entities with printed promotional materials for dissemination, the department shall make such materials available, upon

request, to any charter school, nonpublic school, private school or home education program.

(c) Grants.—

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

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

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

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

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

(4) The grant amount shall not exceed 100% of the total approved cost of a concurrent course. Where funds appropriated for this program are insufficient to fund the full amount of all grants calculated under this subsection, each grant amount shall be reduced on a pro rata basis.

(d) Supplemental grants.—

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

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

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

(f) Annual report.—The department shall produce an annual report on concurrent enrollment programs using the reporting information submitted by school entities under section 1611-B(b). The annual report shall be provided to the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Appropriations Committee of the House of Representatives, the chairman and minority chairman of the Education Committee of the Senate and the chairman and minority chairman of the Education Committee of the House of Representatives. The report shall be published on the department's publicly accessible website.

Section 1604-B. Faculty.

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

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

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

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

Section 1605-B. Qualifying courses.

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

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

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

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

Section 1606-B. Construction of article.

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

(b) Concurrent Enrollment.

Section 1611-B. Responsibilities of school entities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) The eligible postsecondary institutions at which concurrent courses will be offered pursuant to the concurrent enrollment agreement.

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

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

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

Section 1612-B. Concurrent enrollment committees.

(a) Composition.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 1613-B. Concurrent enrollment agreements.

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

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

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

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

(i) Postsecondary placement test scores.

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

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

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

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

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

(i) The course must be nonremedial.

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

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

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

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

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

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

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

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

Section 1614-B. Enrollment in concurrent courses.

(a) Requirements for enrollment.—

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

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

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

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

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

(b) Optional enrollment.—A student enrolled in a school district, charter school, area vocational-technical school, nonpublic school, private school or home education program who does not qualify under subsection (a) may enroll in concurrent courses that are part of a concurrent enrollment program approved by the student's school district of residence or the area vocational-technical school in which the student is enrolled by meeting alternate criteria established by the concurrent enrollment

committee, provided that the charter school, nonpublic school, private school or home education program awards secondary credit for a successfully completed concurrent course. The student shall be included in the number of students reported to the department under section 1611-B(b) and (c).

Section 1615-B. Credit for concurrent courses.

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

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

(c) Transfer.—

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

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

(d) Postsecondary award.—

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

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

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

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

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

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

(h) * * *

(4) The department may utilize up to [**\$2,000,000**] **\$2,875,000** of undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the department to assist school districts certified as an education empowerment district under paragraph (3). There is hereby established a restricted account from which payments under this paragraph shall be paid. Funds shall be transferred by the Secretary of the Budget to the restricted account to the extent necessary to make payments under this paragraph. Funds in the restricted account are hereby appropriated to carry out the purposes of this paragraph. The subsidy payment from this account shall be utilized to supplement the operational budget of the eligible school districts. This paragraph shall apply to fiscal years 2000-2001, 2001-2002, 2002-2003, 2003-2004 **[and]**, 2004-2005 **and 2005-2006** and shall expire June 30, **[2005] 2006**.

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

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

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

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

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

* * *

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

* * *

(11) “Independent certified public accountant” shall mean a member of the American Institute of Certified Public Accountants who has a minimum of five years’ verifiable experience in performing audits of

government funds for nonprofit organizations with a comparable or larger annual budget.

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

(13) “High-priority occupation program” shall mean a for-credit, two-year or less-than-two-year occupational or technical program approved by the Department of Education to qualify for an economic development stipend in order to prepare students to enter high-priority occupations pursuant to section 1913-A(b)(1.8)(iii).

(14) “Noncredit workforce development courses” shall mean noncredit courses approved by the Department of Education to qualify for an economic development stipend pursuant to section 1913-A(b)(1.8)(iii) and having the specific purpose of providing opportunities for students and incumbent workers to develop or upgrade skills necessary in high-priority occupations. Noncredit workforce development courses may be offered by a community college at an off-campus site, at any of its facilities or through any form of distance education.

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

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

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

(3) Health professional and allied health job skills.

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

(5) Other similar areas.

Section 15. Section 1913-A(b)(1), (c) and (k) of the act, amended or added July 1, 1985 (P.L.103, No.31), June 7, 1993 (P.L.49, No.16) and June 22, 2001 (P.L.530, No.35), are amended, subsection (b) is amended by adding clauses and the section is amended by adding subsections to read:

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

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

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

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

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

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

* * *

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

(i) Each community college shall receive reimbursement for operating costs equal to the reimbursement for the 2004-2005 fiscal year as determined under clause (1.4)(i) and (ii). This amount shall be determined based upon the midyear rebudget submitted by a community college in February 2005.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) Each community college with an equivalent full-time enrollment in credit, noncredit and workforce development courses for the year prior to the immediately preceding year greater than its equivalent full-time enrollment in credit, noncredit and workforce development courses for the second year prior to the immediately preceding year shall receive a growth supplement amount determined by:

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

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

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

Secondary senior high school students enrolled in credit-bearing, nonremedial college courses shall be included in the calculation under

paragraph (A). Calculations under this subclause shall be based upon the audited financial statements submitted by a community college pursuant to subsection (k.1).

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

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

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

(A) Adding the following:

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

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

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

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

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

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

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

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

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

(C) Full-time equivalent students enrolled in other stipend occupational programs and workforce development courses shall be

counted as full-time equivalent students enrolled in noncredit workforce development courses for the purpose of the calculation in subclause (ii).

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

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

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

(A) Provide training:

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

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

(B) Bear an instructional cost to the community college, per full-time-equivalent student, of at least one hundred thirty percent (130%) of the average cost per full-time-equivalent student enrolled in the community college's credit courses. Instructional costs shall be defined by the Department of Education and may include personnel, equipment, curricula and other costs necessary for the program.

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

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

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

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

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

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

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

(v) The Department of Education shall:

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

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

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

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

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

(3) Notwithstanding any other provision of this act, a community college may use a portion of its payment of approved operating expenses for capital expenses not otherwise reimbursed by the Department of Education.

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

**** * ****

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

(1) Unless otherwise prescribed by the State Board of Education, the Commonwealth's fiscal audits of community colleges under this section shall be conducted in accordance with "Government Auditing Standards," latest revision, promulgated by the United States General Accounting Office.

Written audit reports will be produced and will be sent to the community college by the Commissioner of Postsecondary/Higher Education. Any cost disallowed under findings contained in the audit report shall be considered an adjudication within the meaning of 2 Pa.C.S. (relating to administrative law and procedure) and regulations promulgated thereunder.

(2) The Secretary of Education is hereby specifically authorized and shall be required to resolve audit findings involving disallowed costs that are contested by community colleges except for audit findings that involve mathematical errors, violation of regulations or alleged illegal activities. The proposed resolution of the Secretary of Education shall not be subject to the provisions of 2 Pa.C.S. The Secretary of Education's notice to resolve audit findings shall be sent to the community college in writing. The Secretary of Education may resolve the audit findings by reducing the disallowed costs related thereto in whole or in part.

(3) The Secretary of Education's notice to resolve an audit finding by reducing or eliminating the disallowed costs must be made contingent upon the community college developing and implementing a corrective action plan to address the audit finding. The community college must submit a corrective action plan to the Secretary of Education within 60 days after receipt of the Secretary of Education's written notice to resolve the audit finding. The Secretary of Education shall approve, reject or alter the plan submitted by the community college within thirty (30) days of submission. After the community college receives written notice of approval or agrees in writing to the Secretary of Education's alterations of the corrective action plan, said plan shall be implemented and shall be binding on the community college. Implementation of the approved or agreed upon corrective action plan will be verified by an audit conducted by the department no later than the end of the fiscal year following the fiscal year during which the plan is implemented. If no agreed upon corrective action plan is in place within one year after the date of the Secretary of Education's written notice to resolve audit findings or if the agreed upon corrective action has not been implemented within one year after the date of the Secretary of Education's written notice to resolve the audit findings, then the Secretary of Education is authorized to adjust payments to the community college to collect any amounts due based upon the findings contained in the audit report that was issued to the college by the commissioner.

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

(5) Resolution authority provided to the Secretary of Education in this subsection shall be limited to disallowed cost findings relating to policy and/or administrative practices. The resolution authority shall not be used for

audit findings in which the audited community college data and documentation is in error, where a violation of applicable law or regulation is found or where criminal violations are suspected by the Commonwealth auditors and brought to the Secretary of Education's attention in writing. Notwithstanding the limitations of this subsection, until June 30, 1995, the Secretary of Education is authorized to resolve audit findings involving disallowed costs for fiscal years prior to and including 1992-1993 when such disallowed costs result from violation of regulations.

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

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

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

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

(i) results of the tests of the community college's accounting records and other procedures that are considered necessary to enable the independent certified public accountant to express an opinion as to whether the community college's financial statements are fairly presented, in all material respects, consistent with the accounting principles set forth in clause (1);

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

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

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

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

(5) The department shall approve, reject or alter the corrective action plan within thirty (30) days of submission. After the community college receives written notice of approval of the corrective action plan or agrees in writing to the department's alterations of the corrective action plan, the plan shall be implemented and binding on the community college. Implementation of the approved or agreed-upon corrective action plan shall be verified by an audit conducted by the department no later than the end of the fiscal year following the fiscal year during which the plan is implemented. If no agreed-upon corrective action plan is in place within one year after the date of the department's written notice under clause (4) or if the agreed-upon corrective action plan has not been implemented within one year after the date of the department's written notice under clause (4), then the department shall adjust payments to the community college to collect any amounts due based upon the findings contained in the audit report.

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

*** * ***

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

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

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

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

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

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

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

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

(3) Economic and workforce development measures, including employer satisfaction, customized job training offerings, employment status and numbers of businesses and organizations served.

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

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

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

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

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

(b) The system shall report its financial statements in accordance with generally accepted accounting principles as prescribed by the National Association of College and University Business Officers, the American

Institute of Certified Public Accountants or any other recognized authoritative body, as well as applicable policy and standards promulgated by the Commonwealth and the Federal Government.

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

Section 2003-B. Qualification and application.

* * *

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

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

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

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

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

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

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

(vii) *Where the scholarship organization or pre-kindergarten scholarship organization collects information on a county-by-county basis, the total number and the total amount of scholarships awarded during the immediately preceding school year to residents of each county in which the scholarship organization or pre-kindergarten scholarship organization awarded scholarships.*

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

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

(d) Educational improvement organization.—

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

(i) *The name of the innovative educational program or programs and the total amount of the grant or grants made to those programs during the immediately preceding school year.*

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

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

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

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

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

* * *

Section 2006-B. Limitations.

(a) Amount.—

(1) The total aggregate amount of all tax credits approved shall not exceed ~~[\$40,000,000]~~ **\$44,000,000** in a fiscal year. No less than ~~[\$26,666,666]~~ **\$29,333,333** of the total aggregate amount shall be used to provide tax credits for contributions from business firms to scholarship organizations. No less than ~~[\$13,333,333]~~ **\$14,666,666** of the total aggregate amount shall be used to provide tax credits for contributions from business firms to educational improvement organizations.

* * *

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

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

* * *

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

* * *

(24) “*Current Expenditure per Average Daily Membership.*” An amount equal to a school district’s current expenditures for a school year to include General Fund expenditures in the functional classifications of instruction, support services and operation of noninstructional services, as designated in the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, divided by the average daily membership of the school district for the same school year.

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

Section 2502.13. Small District Assistance.—(a) For the 1984-1985 and 1985-1986 school years, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to fifty dollars (\$50) multiplied by that district’s average daily membership. For the 1985-1986 school year, no school district shall receive less on account of this section than it did for the 1984-1985 school year.

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

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

(d) For the school year 1988-1989, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section

for the 1987-1988 or 1988-1989 school year, an amount equal to one hundred five dollars (\$105).

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

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

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

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

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

(j) For the school year 2003-2004, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school year 2003-2004, the Commonwealth shall pay an additional amount to each

school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater an amount equal to fifty dollars (\$50) multiplied by that district's average daily membership.

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

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

Section 2502.30. Temporary Special Aid to School Districts.—(a) Temporary special aid shall be paid in fiscal years 1994-1995, 1995-1996, 1996-1997, 1997-1998, 1998-1999, 1999-2000, 2001-2002, 2002-2003 and 2003-2004 to school districts experiencing a severe reduction in local revenue due to a decline in the assessed value of taxable properties. The allocation to these districts shall be determined by multiplying the reduction in assessed value between 1985-1986 and 1992-1993 by the 1992-1993 real estate millage rate. This aid shall be paid from undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the Department of Education. No other funds shall be used for assistance under this section. These funds shall be sufficient to provide temporary relief to seven school districts in fiscal year 1995-1996 at seventy-five per centum (75%) of the funds received in fiscal year 1994-1995, in fiscal year 1996-1997 at fifty per centum (50%) of the funds received in fiscal year 1994-1995, in fiscal year 1997-1998, 1998-1999 and in fiscal year 1999-2000 at twenty-five per centum (25%) of the funds received in fiscal year 1994-1995. For fiscal years 2001-2002, 2002-2003 and 2003-2004 to the extent funds are available as determined by the Secretary of the Budget, qualifying school districts shall receive twenty-five per centum (25%) of the funds received in fiscal year 1994-1995.

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

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

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

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

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

(a.2) (1) Temporary special aid shall be paid in fiscal year 2004-2005 out of the appropriation for basic education funding to school districts to certain school districts that have extremely high local tax effort. To qualify for temporary special aid under this subsection, the school district's 2002 equalized millage rate must be equal to or greater than thirty-three (33) equalized mills and its 2004-2005 market value/income aid ratio must be equal to or greater than six thousand four hundred ten thousandths (0.6400).

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

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

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

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

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

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

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

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

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

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

(4) A base supplement calculated as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) To qualify for the poverty supplement, a school district's 2005-2006 market value/income aid ratio must be equal to or greater than six thousand five hundred ten-thousandths (.6500), and its personal income valuation, when divided by its 2004-2005 average daily membership, must be equal to or less than one hundred five thousand dollars (\$105,000).

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

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

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

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

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

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

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

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

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

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

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

(A) Subtract the school district's 2003-2004 average daily membership from its 2004-2005 average daily membership and multiply the difference by its 2005-2006 market value/income aid ratio.

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

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

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

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

Section 2504.4. Payments on Account of Limited English Proficiency Programs.—* * *

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

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

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

* * *

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

Section 2509.1. Payments to Intermediate Units.—* * *

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

* * *

Section 2509.5. Special Education Payments to School Districts.—* * *

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

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

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

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

(ii) multiply the product from subclause (i) by twenty million dollars (\$20,000,000); and

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

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

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

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

(b) The Department of Education shall order the forfeiture of three hundred dollars (\$300) per day by a school district, charter school, area vocational-technical school or intermediate unit that does not submit its pupil membership/child accounting reports within thirty (30) days of the submittal date established by the Department of Education. The forfeiture shall continue until a report that meets established criteria is submitted. The Department of Education shall deduct the amount of the forfeiture from any and all State payments made to the school district, charter school, area vocational-technical school or intermediate unit.

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

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

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

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

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

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

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

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

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

Section 2574. Approved Reimbursable Rental for Leases Hereafter Approved and Approved Reimbursable Sinking Fund Charges on Indebtedness.—***

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

(4) For school buildings for which the general construction contract is awarded subsequent to January 1, 2005, and for approved school building projects for which the general construction contract was awarded but for

which a lease or general obligation bond resolution was not approved by the Department of Education prior to January 1, 2005, the product of the rated pupil capacity as determined by the Department of Education at the time the project is approved and (i) four thousand seven hundred dollars (\$4,700) in the case of elementary schools, (ii) six thousand two hundred dollars (\$6,200) in the case of secondary schools, (iii) an amount in the case of combined elementary-secondary schools obtained by multiplying the rated elementary pupil capacity by four thousand seven hundred dollars (\$4,700) and the rated secondary pupil capacity by six thousand two hundred dollars (\$6,200) and dividing the sum by the total rated pupil capacity.

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

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

** * **

(4) For school buildings for which the general construction contract is awarded subsequent to January 1, 2005, and for approved school building projects for which the general construction contract was awarded but for which a lease or general obligation bond resolution was not approved by the Department of Education prior to January 1, 2005, the difference obtained by subtracting the appraisal value of the existing building from the product of the rated pupil capacity of the altered or expanded building as determined by the Department of Education at the time the project is approved and (i) four thousand seven hundred dollars (\$4,700) in the case of elementary schools, (ii) six thousand two hundred dollars (\$6,200) in the case of secondary schools, (iii) an amount in the case of combined elementary-secondary schools obtained by multiplying the rated elementary pupil capacity by four thousand seven hundred dollars (\$4,700) and the rated secondary pupil capacity by six thousand two hundred

dollars (\$6,200) and dividing the sum by the total rated pupil capacity of the altered or expanded building.

** * **

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

(c.4) For school buildings for which the general construction contract is awarded on or after January 1, 2005, and for approved school building projects for which the general construction contract was awarded but for which a lease or general obligation bond resolution was not approved by the Department of Education prior to January 1, 2005, and where the school building receives a silver, gold or platinum certification from the United States Green Building Council's Leadership in Energy and Environmental Design Green Building Rating System on or after January 1, 2005, the Department of Education shall adjust the approved building construction cost to additionally include the product of the rated pupil capacity as determined by the Department of Education at the time the project is approved and (i) four hundred seventy dollars (\$470) in the case of elementary schools, (ii) six hundred twenty dollars (\$620) in the case of secondary schools, (iii) an amount in the case of combined elementary-secondary schools obtained by multiplying the rated elementary pupil capacity by four hundred seventy dollars (\$470) and the rated secondary pupil capacity by six hundred twenty dollars (\$620) and dividing the sum by the total rated pupil capacity. The Department of Education in consultation with the Governor's Green Government Council shall issue guidelines to carry out this section.

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

** * **

(e) For area vocational-technical school and technical institute projects leased subsequent to July 1, 1964, by or for lease to a board of school

directors authorized to operate such a school, the Department of Education shall calculate an approved reimbursable rental charge.

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

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

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

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

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

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

For school buildings for which the general construction contract is awarded subsequent to July 1, 1984, and for approved school building projects for which the general construction contract was awarded but for which a lease or general obligation bond resolution was not approved by the Department of Education prior to July 1, 1984, the approved building construction cost and the interest on such construction cost shall not exceed the product of the rated full-time pupil capacity, as determined by the Department of Education at the time the project is approved, and six thousand three hundred dollars (\$6,300).

For school buildings for which the general construction contract is awarded subsequent to January 1, 2005, and for approved school building projects for which the general construction contract was awarded but for which a lease or general obligation bond resolution was not approved by the Department of Education prior to January 1, 2005, the approved

building construction cost shall not exceed the product of the rated full-time pupil capacity, as determined by the Department of Education at the time the project is approved, and seven thousand six hundred dollars (\$7,600).

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

* * *

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

Section 2599.2. Pennsylvania Accountability Grants.—* * *

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

(1) Establishing, maintaining or expanding a quality pre-kindergarten program aligned with the current academic standards contained in 22 Pa. Code Ch. 4 (relating to academic standards and assessment).

(2) Establishing, maintaining or expanding a quality full-day kindergarten program aligned with the current academic standards contained in 22 Pa. Code Ch. 4. Such programs shall be kept open for five hours each day for the full school term as provided in section 1501. The board of school directors of a school district may offer a full-day kindergarten program to children who are between four and six years old.

(3) Establishing, maintaining or expanding a class size reduction program. Such class size reduction program shall appoint and assign a minimum of one teacher for every 17 students or two teachers for every 35 students enrolled in a kindergarten, first, second or third grade classroom. All teachers appointed and assigned to teach kindergarten, first, second or third grade shall be certified in accordance with 22 Pa. Code Ch. 49 (relating to certification of professional personnel) or its successors. The department shall establish guidelines to assure that no school district satisfies the requirements of this paragraph by making a reduction in, and subsequent increase to, current teacher complement. For purposes of this paragraph, the phrase "one teacher for every 17 students or two teachers for every 35 students enrolled in a kindergarten, first, second or third grade classroom" shall refer to the number of teachers conducting a class at any one time in a classroom containing the applicable number of students.

(4) Establishing, expanding or maintaining programs that promote the availability, coordination, integration and utilization of social and health services, associated resources and ancillary resources to meet the needs of

children and families in addressing issues that may serve to limit student academic achievement.

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

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

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

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

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

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

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

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

* * *

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

Section 29. The provisions of this act are severable. If any provision of this act or its application to any person or circumstance is held invalid, the

invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application.

Section 30. This act shall be retroactive as follows:

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

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

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

Section 31. This act shall take effect as follows:

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

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

APPROVED—The 13th day of July, A.D. 2005.

EDWARD G. RENDELL