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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1210 Session of 2019

INTRODUCED BY JONES, PICKETT, RYAN, HICKERNELL AND GROVE, APRIL 15, 2019

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 17, 2019

AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," repealing provisions relating to report of racial and ethnic groupings, to study of public schools that provide Internet instruction, to corporate seal, to submission of plans~~, to approval of plans~~, to disapproval of plans, to Department of Public Instruction to prepare plans, to establishment of reorganized school districts, to advance establishment, to special school watchmen-school districts in townships of the second class, to copies of school laws, to educational broadcasting, to residences for teachers and janitors, to heating stoves to be shielded, to ventilation and thermometer, to fireproof construction, to doors to open outward and fire escapes, etc., to completion of abandoned WPA projects in districts of the third and fourth class, to condition of grounds and shade trees, to summer schools, etc., to possession of telephone pagers prohibited, to nonprofit school food program, to antitruancy programs, to medical care for children under six with defective hearing, to report, to care and treatment of pupils ~~and~~, to local wellness policy~~; in terms and courses of study, further providing for fire and emergency evacuation drills; and repealing provisions relating~~, to foreign language academies, to monthly reports to school directors of the districts second, third and fourth class, to Read to Succeed Program, to department duties and powers, to schools or classes, supervisors, principals, instructors, etc., to estimate of expenses and reimbursements and appropriations, to teachers of evening schools, to duties of public institutions of higher education, to medical education loan assistance and to special study on the revenue impact of out-

of-State tax credits.

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

~~Section 1. Sections 112, 113, 212, 292, 293, 294, 295, 296, 297, 510.1, 519, 523(a), 705, 736, 737, 738, 739, 760, 772, 1208, 1317.1, 1337(f), 1338.2, 1378, 1308-A, 1414 and 1422.1 of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, are repealed:~~ <--

SECTION 1. SECTIONS 112, 113, 212, 292, 294, 295, 296, 297, 510.1, 519, 523(A), 705, 736, 737, 738, 739, 760, 772, 1208, 1317.1, 1337(F), 1338.2, 1378, 1308-A, 1414, 1422.1, 1522, 1534, ARTICLE XV-B, SECTIONS 1503-E(10), 1804, 1811, 1923 AND 2002-C(B), ARTICLE XXII-A AND SECTION 2596 OF THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, ARE REPEALED: <--

[Section 112. Report of Racial and Ethnic Groupings.--The Department of Education shall conduct a thorough review of the 1991-1992 PennData report "Statistical Summary for 1991-1992" and identify those school districts that have special education enrollments whose gender and ethnic representation exceeds by five percent (5%) the gender and ethnic makeup of the student population for the 1991-1992 school year. The Department of Education shall report to the Committee on Education in the Senate and the Committee on Education in the House of Representatives by October 1993 the findings of the review by the Department of Education, an outline of what further investigative steps should be taken, recommendations for appropriate actions to be taken by the Department of Education and any technical assistance services to be provided by the Department of Education to school districts.

Section 113. Study of Public Schools that Provide Internet Instruction.--(a) The Department of Education shall conduct a study of public schools that provide instruction primarily through the Internet. The study shall include:

(1) a review of academic accountability methods and systems;

(2) a summary of governance structures, approval processes and oversight mechanisms of each public school that provides instruction primarily through the Internet;

(3) an analysis and verification of the actual and reasonable instructional cost per student for each public school that provides instruction primarily through the Internet; and

(4) recommendations regarding funding alternatives.

(b) The Department of Education shall prepare a report that includes its findings and recommendations from the study and shall provide the report to the chairman and the minority chairman of the Education Committee of the Senate and the chairman and minority chairman of the Education Committee of the House of Representatives by October 30, 2001.

(c) In the event that the report required under subsection (b) is not provided by October 30, 2001, no school district shall pay to any public school that provides instruction primarily through the Internet an amount to exceed two thousand dollars ($2,000) per resident student enrolled.

Section 212. Corporate Seal.--Each school district in this Commonwealth may, by a majority vote of the members of the board of school directors of such district, adopt a corporate seal for the use of said district. The seal shall have engraved thereon the following: "School District of ....., Pennsylvania," and such other inscription or design as the board of school directors may direct.

Section 292. Submission of Plans.--Each county board of school directors, on or before July 1, 1964, shall prepare a plan of organization of administrative units for the county, conforming to the standards for approval of administrative units adopted by the State Board of Education. The plan shall be submitted to the Department of Public Instruction not less than thirty (30) days nor more than sixty (60) days after it is prepared. Any school district which considers itself aggrieved by the plan may set forth its specific objections in a petition which shall be served by registered or certified mail on the secretary of the county board of school directors. All such petitions filed shall be appended to the plan prior to submission to the Department of Public Instruction. No plan of organization of administrative units shall be submitted which violates any written agreement entered into by several school districts for the establishment of a joint school or department, unless the agreement is amended to provide that it shall be discontinued at the time the proposed administrative unit is deemed established as a school district. A plan of organization of administrative units shall be deemed to violate a written agreement entered into by several school districts for the establishment of a joint school or department only when it formulates an administrative unit, which in whole or in part comprises less than all of the school districts joined by such agreement. In preparing its plans, a county board of school directors shall confer with school directors and administrators of all school districts of the county, and may confer with the staff of the Department of Public Instruction and upon written request shall confer with other interested persons. Each plan shall assure the continuity of special education and area

technical school programs by providing special education and area technical school attendance areas established in accordance with standards approved by the State Board of Education.

Each county board of school directors which prepared and submitted to the Department of Public Instruction prior to January 1, 1963, a plan of organization of administrative units for the county, shall, in compliance with the provisions hereof, reconsider such plan and submit the same or a revised plan on or before July 1, 1964, irrespective of the action taken on the prior plan. In those cases where the prior plan was approved by the State Council of Education, the plan submitted when approved by the Council of Basic Education shall supersede the prior approved plan as the plan of organization of administrative units for the county.

~~Section 293. Approval of Plans.--(a) When any plan of organization of administrative units for a county is found to conform to the standards for approval of administrative units adopted by the State Board of Education, the Department of Public Instruction shall cause such plan to be placed upon the agenda of the Council of Basic Education. The Council of Basic Education shall review all plans placed upon its agenda, and approve such plans as it deems wise in the best interests of the educational system of the Commonwealth. Except as hereinafter provided, no plan of organization of administrative units shall be approved in which any proposed school district contains a pupil population of less than four thousand (4,000), unless when factors of topography, pupil population, community characteristics, transportation of pupils, use of existing school buildings, existing administrative units, potential population changes and the capability of providing a~~ <--

~~comprehensive program of education are considered by the Council of Basic Education as requiring the approval of a plan of organization of administrative units in which one or more proposed school districts contains a pupil population of less than four thousand (4,000). (b) A plan of organization of administrative units for a county shall be approved by the Council of Basic Education, if the plan contains (i) no unit with a pupil population less than that of the unit with the smallest pupil population in the last previous county-wide plan submitted to and approved by the State Council of Education prior to September 12, 1961, and (ii) no more units than were in the aforesaid county wide plan plus an additional unit for each second class district which was not required to be a part of such county-wide plan and which was not included in an administrative unit thereof. (c) Pupil population as used in this section shall mean the average daily membership for the school year 1961-1962 including kindergarten or grade one through grade twelve.~~

Section 294. Disapproval of Plans.--When any plan of organization of administrative units for a county is disapproved by the Council of Basic Education, it shall be returned to the county board of school directors which submitted the plan for reconsideration, amendment and resubmission in accordance with the recommendations of the Council of Basic Education.

Section 295. Department of Public Instruction to Prepare Plans.--In the event that no plan of organization of administrative units is approved by the Council of Basic Education for a county prior to January 1, 1965, the Department of Public Instruction shall prepare and place upon the agenda of the Council of Basic Education a plan of organization of

administrative units for the county. When approved by the Council of Basic Education, such plan shall be deemed the approved plan of organization of administrative units for the county.

Any school district which considers itself aggrieved by a plan of organization of administrative units approved by the Council of Basic Education may appeal to the State Board of Education by filing a petition, within thirty (30) days after approval of the plan, setting forth the grounds for such appeal. A copy of such petition shall be served by registered or certified mail on the secretary of the county board of school directors. The State Board of Education, or its representative, shall fix a day and time for hearing, shall give written notice to all parties interested, and may hear and consider such testimony as it may deem advisable to enable it to make a decision. After reaching its decision, the State Board of Education shall enter such order as appears to it just and proper, either directing the Council of Basic Education to approve the plan in an amended form or confirming the plan in the form previously approved by the Council of Basic Education. The decision of the State Board of Education shall be final, unless an appeal is taken as now provided under the provisions of the "Administrative Agency Law."

Section 296. Establishment of Reorganized School Districts.--On July 1, 1966, or on the date of advance establishment, all administrative units contained in plans of organization of administrative units approved by the Council of Basic Education shall constitute and be deemed established as school districts, and shall belong to the class to which they are entitled as provided by law: Provided, however, if any

approved administrative unit includes any district or districts of the second, third, or fourth class with any district of the first class A, such district or districts of the second, third, or fourth class shall be merged into and become part of said district of the first class A, and said district of the first class A as thus enlarged shall be the reorganized district and shall be considered as having had continued existence.

Section 297. Advance Establishment.--(a) Any administrative unit contained in a plan of organization of administrative units approved by the Council of Basic Education may constitute and be deemed established as a school district on July 1, 1964, or on July 1, 1965, when the following conditions have been satisfied:

(1) All appeals to the State Board of Education from the action of the Council of Basic Education approving the plan of organization of administrative units have been finally determined;

(2) At a regular meeting or at a special meeting called for such purpose, the board of school directors of each school district composing the administrative unit has approved by majority vote the establishment in advance of July 1, 1966, of the proposed school district contained in the plan of organization of administrative units approved by the Council of Basic Education;

(3) A copy of the resolution of each school district is filed with the Department of Public Instruction; and

(4) The Superintendent of Public Instruction certifies to the Council of Basic Education that all school districts composing the administrative unit have filed resolutions with the Department of Public Instruction approving the establishment of the school district in advance of July 1, 1966. The

certification shall state the date when the school district shall be deemed established.

(b) Any school district established in advance of July 1, 1966, shall be entitled to all the benefits of this act and shall be subject to all of the provisions of this act as if the school district were constituted and deemed established on July 1, 1966: Provided, however, That in the case of school districts established on July 1, 1964, the provisions of section 303.1 of this act relating to election of school directors shall be advanced two years: And provided further, That in the case of school districts established on July 1, 1965, the provisions of section 303.1 of this act shall not be advanced.

Section 510.1. Special School Watchmen-School Districts in Townships of the Second Class.--The board of school directors of school districts in townships of the second class may, by resolution, appoint and fix the salary of special school watchmen, who shall have the duty of patrolling school grounds and protecting school property.

Section 519. Copies of School Laws.--The Superintendent of Public Instruction shall send to each member of every board of school directors in the State, a bound copy of each new edition of the School Laws, as soon as possible after the same shall have been published.]

Section 523. Educational Broadcasting.--

[(a) The State Board of Education shall adopt and amend, when necessary, a State Plan for Educational Broadcasting. The State plan shall provide for the development of educational broadcasting facilities in the Commonwealth and shall define educational broadcasting service areas which shall be served by specified broadcasting centers. The Department of Education

shall promulgate regulations to implement the State plan. Prior to adoption or amendment of the State plan, the board shall submit the plan to the Pennsylvania Public Television Network Commission and receive its comments thereon.]

* * *

[Section 705. Residences for Teachers and Janitors.--The board of directors of any school district of the fourth class, when they consider it necessary, may purchase or build a residence or residences for the use of the principal or teacher or janitor, or any of them, as shall be deemed advisable, in the same manner and upon the same procedure as other school buildings are purchased or erected. Such school districts, with the approval of the Department of Public Instruction, are authorized to expend the funds of the school district and to borrow money for the purchase or erection of such residences in the same manner as for other school buildings. Any such district may fix and charge a rental for the use of such building, which rental shall be paid into the school treasury. All property acquired under this section shall be held by the school district the same as other school property.

Section 736. Heating Stoves to be Shielded.--No board of school directors in this Commonwealth shall use a common heating stove for the purpose of heating any school room, unless such stove is in part enclosed within a shield or jacket made of galvanized iron, or other suitable material, and of sufficient height, and so placed, as to protect all pupils while seated at their desks from direct rays of heat.

Section 737. Ventilation; Thermometer.--No school room or recitation room shall be used in any public school which is not provided with ample means of ventilation, and whose windows,

when they are the only means of ventilation, shall not admit of ready adjustment both at the top and bottom, and which does not have some device to protect pupils from currents of cold air. Every school room or recitation room shall be furnished with a thermometer.

Section 738. Fireproof Construction.--All school buildings, two or more stories high, hereafter erected or leased in any school district of the first class in this Commonwealth shall be of fireproof construction; and in any school district of the second, third, or fourth class, every building more than two stories high, hereafter built or leased for school purposes, shall be of fireproof construction.

Section 739. Doors to Open Outward; Fire Escapes; etc.--All doors of entrance into any building used for public school purposes shall open outward.

In all school buildings erected after the first day of May, one thousand nine hundred twenty-five, or buildings leased or used for school purposes, all entrance and exit doors, as well as all doors leading to or from all regular, special, or general rooms, shall open outward.

Every school building shall be provided with necessary fire-escapes and safety-appliances as required by law.

On and after January 1, 1973, each new school building and every addition to an existing school building equipped with windows and with no emergency fire rescue door to the outside, shall be equipped with escape windows of such type and at such locations as may be approved by the Department of Labor and Industry.

Section 760. Completion of Abandoned WPA Projects, Districts Third and Fourth Class.--Whenever any school district of the

third or fourth class, pursuant to contract with the Works Projects Administration or any other agency of the United States Government, shall have expended money for the erection of a school building to be erected by such agency, and after the erection of such building has been begun, but before the completion thereof the project is abandoned by the Works Projects Administration or other agency of the United States Government, the board of directors of such school district may, with the approval of the Superintendent of Public Instruction, enter into a contract for the immediate continuation of the work of erecting such school building to an extent necessary to protect the work already completed from loss or damage by the elements. Such contract may be let on competitive bids solicited from at least three responsible bidders and approved by the Superintendent of Public Instruction.

Section 772. Condition of Grounds; Shade Trees.--The board of school directors in each school district shall put the grounds about every school building in a neat, proper and sanitary condition and so maintain the same and shall provide and maintain a proper number of shade trees.

Section 1208. Summer Schools, etc.--The State Board of Education shall provide for summer schools in State colleges, colleges, universities and other educational institutions, and for extension courses and correspondence courses for all teachers employed in the public school system of the Commonwealth who wish to acquire the minimum qualifications prescribed herein, or such further qualifications as may be desirable.

Section 1317.1. Possession of Telephone Pagers Prohibited.--(a) The possession by students of telephone paging devices,

commonly referred to as beepers, shall be prohibited on school grounds, at school sponsored activities and on buses or other vehicles provided by the school district.

(b) The prohibition contained in subsection (a) shall not apply in the following cases, provided that the school authorities approve of the presence of the beeper in each case:

(1) A student who is a member of a volunteer fire company, ambulance or rescue squad.

(2) A student who has a need for a beeper due to the medical condition of an immediate family member.]

Section 1337. Nonprofit School Food Program.--* * *

[(f) Studies, Appraisals and Reports to Governor. The Department of Education is hereby authorized, to the extent that funds are available for that purpose and in cooperation with other appropriate agencies and organizations, to conduct studies of methods of improving and expanding school food programs and promoting nutritional education in the schools, to conduct appraisals of the nutritive benefits of school food programs and to report its findings and recommendations, from time to time, to the Governor.

Section 1338.2. Antitruancy Programs.--The Department of Education shall formulate recommendations for the General Assembly concerning the establishment and funding of effective community-based antitruancy pilot programs. In formulating these recommendations, the Department of Education shall seek advice and counsel from educators, parents, students, district attorneys, law enforcement representatives, attendance officers, social service agencies experienced in providing services to truant children, counselors, judges, probation officers and representatives from the Pennsylvania Commission on Crime and

Delinquency and the Juvenile Court Judges' Commission.

Section 1378. Medical Care for Children Under Six with Defective Hearing.--Whenever the county medical director of the Department of Health reports to the medical examiner of any school district a case of a minor under six (6) years of age, who is totally deaf or whose hearing is impaired, who is not receiving adequate care and treatment, and whose parent or guardian is financially unable to provide the same, such medical examiner shall provide such care and treatment at the expense of the school district or of the Commonwealth, as the case may be, charged by law with the providing of medical examinations for the schools of the school district. Such care and treatment may be administered by the medical examiner or by some doctor of medicine selected by him.

Section 1308-A. Report.--The Secretary of Education shall survey all school districts and nonpublic schools to determine the extent to which additional costs have been incurred in implementing administrative and reporting requirements established for public and nonpublic schools in section 1317.2 and in sections 1304-A through 1307-A. The Secretary of Education shall issue a report to the chairman and the minority chairman of the Appropriations Committee and the Education Committee of the Senate and the Appropriations Committee and Education Committee of the House of Representatives by April 1, 1996, concerning the extent to which additional costs have been incurred by school districts and nonpublic schools.

Section 1414. Care and Treatment of Pupils.--Any school district or joint school board may provide for the care and treatment of defective eyes, ears and teeth of all children of school age within the district.

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

(c) A local education agency may submit its local wellness policy or information on other initiatives regarding child health, nutrition, food allergy reaction management and physical education to the Department of Education for inclusion in the clearinghouse established under section 1422.3(3).~~]~~ <--

~~Section 2. Section 1517(d) of the act is amended to read:~~

~~Section 1517. Fire and Emergency Evacuation Drills.--* * *~~

~~(d) (1) All school entities using or contracting for school buses for the transportation of school children shall conduct on school grounds two emergency evacuation drills on buses during each school year, the first to be conducted during the first week of the first school term and the second during the month of March, and at such other times as the chief school administrator may require. Each such drill shall include the practice and instruction concerning the location, use and operation of emergency exit doors and fire extinguishers and the proper evacuation of buses in the event of fires or accidents.~~

~~(2) Bus operators shall be provided with proper training and instructions to enable them to carry out the provisions of this subsection and may be required to attend classes and drills in connection therewith.~~

~~* * *~~

~~Section 3. Sections 1522, 1534, Article XV-B, sections 1503-E(10), 1804, 1811, 1923 and 2002-C(b), Article XXII-A and~~

~~section 2596 of the act are repealed:~~

~~†~~Section 1522. Foreign Language Academies.--(a) The Department of Education shall establish a summer foreign language academy grant program utilizing Federal education funds and matching grants for students in this Commonwealth. To the greatest extent possible, the department shall establish guidelines for the programs which involve the universities and colleges, local school districts and intermediate units. Those students who are to participate in the program shall be selected by the local school districts.

(b) At least one summer foreign language academy shall be in operation by the summer of 1993.

(c) The department shall prepare an annual report of the summer foreign language academies program which shall be submitted to the Governor, the Education Committee of the Senate and the Education Committee of the House of Representatives.

Section 1534. Monthly Reports to School Directors; Districts Second, Third and Fourth Class.--In school districts of the second, third and fourth class every teacher employed in the public schools shall, at the end of each school month, or within five days thereafter, make a report for the past month to the board of school directors. Such reports shall state correctly the number of days the schools were kept open, and, if closed on any days, the reason therefor, the number, age, and sex of all pupils, and the number of days attended by each. Such reports shall be made on blank forms to be furnished the teachers by the board of school directors. No teacher shall be paid more than one-half of his salary for the current month until such report is made. Such reports shall be filed with the secretary of the board, and shall at all times be open to inspection by the

public. Any school principal may make such report for the entire school.

ARTICLE XV-B.

READ TO SUCCEED PROGRAM.

Section 1501-B. Establishment of Program.--There is hereby established in the Department of Education the Read to Succeed Program. The program shall provide competitive grants to school districts and charter schools to build strong reading skills in Pennsylvania students. The program shall emphasize students with the greatest need for intensive reading instruction and school programs that will enable students to learn to read by the end of the third grade.

Section 1502-B. Eligibility Requirements.--(a) The Department of Education shall establish eligibility criteria to be used to select schools and students in kindergarten through third grade to participate in the Read to Succeed Program.

(b) The secretary shall establish matching requirements for grant recipients.

Section 1503-B. Program Requirements.--School districts and charter schools shall apply for grants as prescribed by the Department of Education. The application will contain the following:

(1) Identification of students with the greatest need.

(2) Methods of ongoing assessment.

(3) Reading instruction based on current reading research.

(4) Integration with the reading instruction programs and activities of the school district.

(5) Professional development plan.

(6) Opportunities for extended learning time.

(7) Coordination with community-based reading activities,

including family literacy programs.

(8) Staff and program facilities.

(9) A multiyear plan that shows how the school district or charter school will assume full financial and programmatic responsibility for the Read to Succeed Program at the conclusion of the grant period.

(10) The estimated budget for each specific program activity.

Section 1504-B. Technical Assistance and Monitoring.--The Department of Education shall provide technical assistance and establish methods to ensure the quality of the program receiving a grant, including program monitoring and onsite visitation.

Section 1505-B. Reports.--(a) A school district or charter school participating in the Read to Succeed Program shall provide program and fiscal reports as required by the Department of Education.

(b) Beginning in the year 2000, the department shall submit a report by December 31 of each year to the majority and minority chairman of the Education Committee of the Senate and the majority and minority chairman of the Education Committee of the House of Representatives.]

Section 1503-E. Department duties and powers.

The department shall:

* * *

[(10) Prepare and submit an annual report to the Education Committee of the Senate and the Education Committee of the House of Representatives regarding the administration and operation of programs and grants awarded under the grant program. The report shall include:

(i) A summary of the guidelines and criteria

established by the department and the establishment and operation of the grant program.

(ii) A listing of the sources of funding sought by the department for use in the grant program.

(iii) A listing of the number of school districts that established and implemented programs.

(iv) A description of each school district's program and the integration into the curriculum.

(v) A description of measures utilized by school districts to provide parent, professional educator and community involvement.

Section 1804. Schools or Classes; Supervisors; Principals; Instructors, etc.--In carrying out the provisions of this act, the State Board for Vocational Education shall provide for vocational schools or classes, with the necessary staffs, in accordance with the State Plan for Vocational Education, approved by the Federal Board for Vocational Education.

Principals, instructors and lecturers for the Public Service Institute shall be elected by the State Board for Vocational Education. They shall possess the qualifications established in the State Plan for Vocational Education approved by the Federal Board for Vocational Education.

Section 1811. Estimate of Expenses and Reimbursements; Appropriations.--On or before the first Wednesday of January of any year in which the regular session of the Legislature is held, the State Board for Vocational Education shall present to the Legislature an estimate of the amount of money necessary to meet the expenditures to be incurred in the administration of this act for the fiscal year beginning with the first day of the ensuing June, 1961, and beginning with the first day of July of

each year thereafter; and the amount necessary to meet the claims of school districts and unions of school districts maintaining approved vocational schools or departments, under the provisions of this act for the school year beginning with the first day of the preceding July. On the basis of such statement, the Legislature shall make an appropriation of such amounts as may be necessary to meet the expense of carrying this act into effect, and of reimbursing such school districts and unions of school districts for such school year as herein provided.

Section 1923. Teachers of Evening Schools.--All teachers of evening schools must have proper certificates as provided in this act.]

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

* * *

[(b) Reporting requirements.--A public institution of higher education shall submit to the department a series of interim reports outlining the actions that the public institution of higher education has undertaken or intends to undertake to comply with subsection (a), which shall be filed December 31, 2006, June 30, 2007, and December 31, 2007.]

* * *

[ARTICLE XXII-A.

MEDICAL EDUCATION LOAN ASSISTANCE.

(a) General Provisions.

Section 2201-A. Scope.

This article deals with medical education loan assistance.

Section 2202-A. Purpose.

The purpose of this article is to provide an incentive to

Pennsylvania students to pursue higher education and training in medicine, professional nursing, biomedicine and the life sciences in order to maintain the delivery of quality health care services in this Commonwealth.

Section 2203-A. 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:

"Accredited medical college." An institution of higher education located in this Commonwealth that is accredited by the Liaison Committee on Medical Education to provide courses in medicine and empowered to grant professional and academic degrees in medicine as defined in the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985.

"Agency." The Pennsylvania Higher Education Assistance Agency.

"Approved institution of higher learning." An institution of higher learning located in this Commonwealth and approved by the agency.

"Approved nursing program." An institution located in this Commonwealth and accredited to grant professional and academic degrees or diplomas in nursing as defined in the act of May 22, 1951 (P.L.317, No.69), known as The Professional Nursing Law.

"Degree in medicine." A degree from an accredited medical college that qualifies the degree recipient to be licensed as a physician.

"Designated area." Any of the following:

(1) A geographic area of this Commonwealth that is designated by the Secretary of Health as having a shortage of physicians.

(2) A geographic area of this Commonwealth designated by the United States Department of Health and Human Services as a medically underserved area or designated to have a medically underserved population.

"Eligible applicant." An individual who holds an undergraduate degree from an institution of higher learning and is enrolled in:

(1) an accredited medical college; or

(2) an approved institution of higher learning for purposes of obtaining a graduate degree in biomedicine or life sciences.

"Guarantor." An insurance company or not-for-profit guarantor whose primary purpose is to provide default coverage and loss prevention services to an offeror of unsecured student loans.

"Licensed health care facility." A health care facility that is enrolled in the Commonwealth's medical assistance program and is licensed under Article X of the act of June 13, 1967 (P.L.31, No.21), known as the Public Welfare Code, or the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

"Nursing school applicant." An individual who is a resident of this Commonwealth and is enrolled in an approved nursing program.

"Offeror." An institution that makes unsecured loans to eligible students in cooperation with the agency.

"Physician." An individual licensed to practice medicine and surgery within the scope of the act of October 5, 1978 (P.L.1109, No.261), known as the Osteopathic Medical Practice Act, or the act of December 20, 1985 (P.L.457, No.112), known as the Medical Practice Act of 1985.

"Registered nurse." An individual licensed to practice professional nursing under the act of May 22, 1951 (P.L.317, No.69), known as The Professional Nursing Law.

"Work requirement for nurses." Postgraduate, full-time employment in direct patient care with a licensed health care facility located in this Commonwealth in an occupation related to an approved course of study. The term does not include a paid student internship, a paid fellowship, volunteer service or employment before graduation.

(b) Program.

Section 2211-A. Pennsylvania Medical Education Loan Assistance Program.

The agency shall establish and administer the Pennsylvania Medical Education Loan Assistance Program as set forth in sections 2212-A and 2213-A to provide financial assistance to individuals who acquire the required degree or diploma in medicine, professional nursing, biomedicine or life sciences and to recruit these individuals to practice their professions in Pennsylvania.

Section 2212-A. Loan guarantor program.

(a) Establishment of program.--The agency shall administer a loan guarantor program on a Statewide basis. The agency shall utilize funds in the Medical School Loan Account to encourage eligible applicants to attend an accredited medical college or an approved institution of higher learning.

(b) Loan Guarantor Program.--The Loan Guarantor Program shall provide for the following:

(1) Life of loan servicing.

(2) Contracting for insurance with a guarantor, approved by the agency, which offers a low-cost loan with competitive

interest rates and loan fees to eligible applicants.

(3) Predetermining the eligibility of applicants who receive a loan from an offeror to attend an accredited medical school or an approved institution of higher learning that is insured by a guarantor.

(4) Evaluating the benefit package of a guarantor for adequacy, accessibility and availability of funds necessary to provide adequate loss prevention.

(c) Low-cost loans.--An eligible applicant shall apply to an offeror for a low-cost loan to attend an accredited medical college or an approved institution of higher learning. A low-cost loan made under this subsection shall be guaranteed by an approved guarantor through a contract with the agency. Low-cost loans made under this subsection shall provide reduced interest rates and loan fees to eligible applicants compared to loans made for the same purpose that are not guaranteed by this article.

(d) Loan requirements.--Loans provided under this section shall cover up to 100% of the actual cost of tuition, room and board at an accredited medical college or an approved institution of higher learning and the actual cost of course-required textbooks and supplies for the recipient.

(e) Default.--If a recipient fails to repay a loan received under this section, the agency shall collect the loan pursuant to one of the following:

(1) Section 4.3 of the act of August 7, 1963 (P.L.549, No.290), referred to as the Pennsylvania Higher Education Assistance Agency Act.

(2) A process established by the applicable guarantors.

(3) Any other collection procedure or process deemed

appropriate by the agency.

(f) Medical Education Loan Loss Account.--An account is hereby established within the agency to receive funds appropriated for purposes of this section. Moneys in the account are hereby appropriated to the agency to provide the loan guarantor program. When funds in the account are expended, no additional loans shall be offered.

(g) Interest rate reduction.--The agency or an offeror may modify loans under this section to further reduce interest rates as follows:

(1) The agency or the offeror may reduce the interest rate of the loan by not less than 1% if the loan recipient, upon completion of a graduate degree in biomedicine or life sciences or upon licensure as a physician, agrees to practice medicine or be employed to conduct research on a full-time basis in Pennsylvania for a period of three consecutive years.

(2) The agency or the offeror may reduce the interest rate of the loan by not less than 2% if the loan recipient, upon licensure as a physician, agrees to practice medicine for not less than three consecutive years in a designated area.

(h) Contract.--In addition to the requirements of subsection (g), in order to be eligible for an interest rate reduction, a loan recipient shall enter into a contract with the agency or an offeror or its assigns at the time the loan is made. The contract shall include the following:

(1) The loan recipient practicing in a designated area shall agree to treat patients eligible for medical assistance and Medicare.

(2) The loan recipient shall permit the agency or the offeror to monitor the recipient's practice or employment to determine compliance with the terms of the contract and this article.

(3) The agency shall certify compliance with the terms of the contract.

(4) Upon the loan recipient's death or total or permanent disability, the agency or the offeror shall nullify the service obligation of the recipient.

(5) If the loan recipient is convicted of or pleads guilty or no contest to a felony or if the licensing board has determined that the recipient has committed an act of gross negligence in the performance of service obligations or has suspended or revoked the license to practice, the agency or the offeror shall terminate the loan recipient's participation in the program and seek repayment of the amount of the loan on the date of the conviction, determination, suspension or revocation.

(6) A loan recipient who fails to comply with a contract shall pay to the agency or the offeror the amount of loan received under the original contract as of the time of default. Providing false information or misrepresentation on an application or verification of service shall constitute default.

(i) Accountability.--In July 2004, the agency shall conduct a performance review of the program and services provided. The performance review shall include the following:

(1) The goals and objectives of the program.

(2) A determination of whether the goals and objectives were achieved by the agency-participating guarantor and

offeror.

(3) The specific methodology used to evaluate the results.

(4) Recommendations for improvement.

Section 2213-A. Loan forgiveness program.

(a) Establishment of program.--The agency shall administer a loan forgiveness program for nursing school applicants on a Statewide basis. The agency may provide loan forgiveness as provided in subsection (b) for recipients of loans who by contract with the agency agree to practice professional nursing in this Commonwealth upon attainment of the required license.

(b) Loan forgiveness.--Agency-administered, federally insured student loans for higher education provided to a nursing school applicant may be forgiven by the agency as follows:

(1) The agency may forgive 50% of the loan, not to exceed $50,000, if a loan recipient enters into a contract with the agency that requires the recipient upon successful completion of an approved nursing program and licensure as a registered nurse to practice nursing in this Commonwealth for a period of not less than three consecutive years.

(2) Loan forgiveness awards made pursuant to paragraph (1) shall be forgiven over a period of three years at an annual rate of 33 1/3% of the award and shall be made from funds appropriated for this purpose.

(3) The contract entered into with the agency pursuant to paragraph (1) shall be considered a contract with the Commonwealth and shall include the following terms:

(i) An unlicensed recipient shall apply for a registered nurse's license to practice in this Commonwealth at the earliest practicable opportunity upon

successfully completing a degree in nursing.

(ii) Within six months after licensure, a recipient shall engage in the practice of nursing in this Commonwealth according to the terms of the loan forgiveness award.

(iii) The recipient shall agree to practice in a licensed health care facility in the provision of direct patient care on a full-time basis.

(iv) The recipient shall permit the agency to determine compliance with the work requirement for nurses and all other terms of the contract.

(v) Upon the recipient's death or total or permanent disability, the agency shall nullify the service obligation of the recipient.

(vi) If the recipient is convicted of or pleads guilty or no contest to a felony or if the licensing board has determined that the recipient has committed an act of gross negligence in the performance of service obligations or has suspended or revoked the license to practice, the agency shall have the authority to terminate the recipient's service in the program and demand repayment of the amount of the loan as of the date of the conviction, determination, suspension or revocation.

(vii) Loan recipients who fail to begin or complete the obligations contracted for shall pay to the agency the amount of the loan received under the terms of the contract pursuant to this section. Providing false information or misrepresentation on an application or verification of service shall be deemed a default.

Determination as to the time of default shall be made by the agency.

(4) Notwithstanding 42 Pa.C.S. § 8127 (relating to personal earnings exempt from process), the agency may seek garnishment of wages in order to collect the amount of the loan following default under paragraph (3)(vii).

Section 2214-A. Tax applicability.

Loan forgiveness repayments received by a student shall not be considered taxable income for purposes of Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

(c) Miscellaneous Provisions.

Section 2231-A. Annual report.

(a) Development of report.--The agency shall publish a report by September 1, 2002, and every year thereafter for the immediately preceding fiscal year. The report shall include information regarding the operation of the programs established under this article, including:

(1) The number and amount of loan guarantees and loan contracts executed and renewed for eligible applicants in medicine, biomedicine or life sciences and the nursing loan forgiveness program.

(2) The number and amount of nursing loan forgiveness contracts executed and renewed for nursing school applicants.

(3) The number of defaulted nursing loan forgiveness contracts, reported by cause.

(4) The number of nurses participating in the nursing loan forgiveness program, reported by type of institution attended, including four-year educational institutions, community colleges, independent two-year colleges, private

licensed schools, hospital-based courses of study and certificate programs.

(5) The number and type of enforcement actions taken by the agency.

(b) Submission.--The annual report shall be submitted to the Governor, the chair and minority chair of the Appropriations Committee of the Senate, the chair and minority chair of the Appropriations Committee of the House of Representatives, the chair and minority chair of the Education Committee of the Senate, the chair and minority chair of the Education Committee of the House of Representatives, the chair and minority chair of the Public Health and Welfare Committee of the Senate and the chair and minority chair of the Health and Human Services Committee of the House of Representatives.

Section 2232-A. Appeals.

The provisions of this article shall be subject to 22 Pa. Code Ch. 121 (relating to student financial aid).

Section 2233-A. Regulations.

The agency shall adopt regulations and procedures necessary to carry out the purposes of this article.

Section 2234-A. Funding.

Loan guarantor program payments and loan forgiveness repayments shall be made only to the extent that funds are appropriated for that purpose and are sufficient to cover administration of the programs. The receipt of a loan under this article shall not constitute an entitlement derived from the Commonwealth or a claim on any funds of the Commonwealth.

Section 2596. Special Study on the Revenue Impact of Out-of-State Tax Credits.--(a) The Department of Education shall undertake a special study to assess the revenue impact on

Pennsylvania school districts of residents who work in bordering states. Particular emphasis shall be placed on districts meeting the following criteria:

(1) Districts that levy a local earned income tax under the act of December 31, 1965 (P.L.1257, No.511), known as "The Local Tax Enabling Act"; and

(2) Districts that include as resident taxpayers individuals who are subject to state and/or local income taxes at their out-of-State place of employment and who, therefore, claim tax credits in Pennsylvania as a result of these levies.

(b) The assessment shall include:

(1) Identification of all districts which meet the above criteria.

(2) Compilation of data indicating, on a per district basis, the number of resident taxpayers claiming a tax credit for out-of-State payments.

(3) Analysis of the individual taxpayer data in order to assess the effect on the local and State revenues for each affected school district.

(c) The Secretary of Education shall present a report summarizing the results of this study to the Chairman and the Minority Chairman of the House Education Committee and the Chairman and the Minority Chairman of the Senate Education Committee no later than April 1, 1989.]

Section ~~4~~ 2. This act shall take effect in 60 days. **<--**