



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 315

PRINTER'S NO. 1310

PRIME SPONSOR: Culver

COST / (SAVINGS)

FUND	FY 2025/26	FY 2026/27
General Fund	See fiscal impact	See fiscal impact
Professional Educator Discipline Account	\$10,850	See fiscal impact
Public School Employees' Retirement Fund	\$0	\$0
School Safety and Security Fund	See fiscal impact	See fiscal impact

SUMMARY:

Senate Bill 315 amends the Public School Code by providing funding distributions related to the 2025-2026 budget and numerous policy changes.

ANALYSIS:

The provisions summarized below take effect immediately upon enactment unless otherwise noted.

The following changes are made to the Public School Code:

Section 122 extends the date upon which the Special Education Funding Commission shall be reconstituted from January 15, 2026, to January 25, 2027. The commission shall issue a report recommending changes to the laws governing special education funding no later than November 30, 2027. Under current law, the Independent Fiscal Office (IFO) is required to complete a survey of school districts' special education costs in conjunction with each reconstitution of the commission. This legislation broadens the scope of the IFO survey to include charter schools, regional charter schools, and cyber charter schools.

Fiscal impact: The rescheduled reconstitution of the commission will shift the nominal impact on commonwealth funds from 2025-2026 and 2026-2027 to 2026-2027 and 2027-2028. Members of the commission will serve without compensation but will be reimbursed for all necessary expenses. These costs can be absorbed within the existing general operations budgets of the Pennsylvania Department of Education (PDE), the Budget Office, and the legislature. The Independent Fiscal Office is not expected to need more resources to complete the survey.

Section 133 provides that the length of a school year for a school employee must meet both of the following requirements: a minimum of 180 days of instruction and 900 hours of instruction at the elementary level or 990 hours of instruction at the secondary level.

Fiscal impact: Public School Employees' Retirement System (PSERS) staff indicated that this change would not impose an administrative cost to the system and would have no fiscal impact to the Public School Employees' Retirement Fund as the pre-Act 56 of 2023 status quo, from which no school entities have deviated yet, is maintained.

Section 511.1, titled Admission Fees for School-Sponsored Activities, is created to require school entities, nonpublic schools, or the Pennsylvania Interscholastic Athletic Association (PIAA) to accept cash as a form of payment for admission to a school-sponsored activity. These entities are prohibited from imposing a surcharge or additional fee for accepting cash, although the PIAA may require exact amounts for cash payments.

Fiscal impact: These changes have no impact on commonwealth funds. PIAA's Policies and Procedures Handbook already aligns with this policy. The cost to school entities or nonpublic schools will vary depending upon current practice, but any added operational costs are expected to be minimal.

Section 913-A provides another pathway for an individual to qualify to be an intermediate unit executive director or assistant executive director by allowing an individual with a graduate degree in business, finance, or management and at least four years of relevant experience in those fields to be eligible for a commission qualification letter from PDE. This aligns with the superintendent and assistant superintendent eligibility criteria in section 1003(b).

Fiscal impact: These changes have no impact on commonwealth funds.

Article XII relates to the certification of teachers. The changes to this article fall under six broad topics:

- Makes updates to the certification pathway that is based on credential review and adequate work experience, including:
 - Renaming “intern” certificates as “experience-based” certificates.
 - Extending the term during which an Experience-Based Certificate is valid from three to five years.
 - An individual issued a Career and Technical Experience-Based Certificate has up to five years to complete 18 semester hours within an approved career and technical educator preparation program.
- Establishes new grade spans and age levels for Instructional Certificates, which are currently provided under 22 Pa. Code § 49.85.
 - The grade spans and age levels for Instructional Certificates shall be as follows:
 - Primary – prekindergarten, kindergarten, grades 1 through 6 or ages 3 through 11
 - Secondary – grades 7 through 12 or ages 11 through 21
 - Specialized areas – prekindergarten through grade 12 or ages 3 through 21
 - No later than July 1, 2028, educator preparation programs are required to have all new candidates pursuing the new certification bands. Educator preparation programs may permit an individual enrolled in a program prior to July 1, 2028, and remaining continuously enrolled, to complete the program for the current grade level limitations.
- Reduces the educator certification fees and educator discipline fees by:
 - Prohibiting the fees assessed by PDE for the issuance of certificates qualifying persons to teach from exceeding \$50 for any applicant. This provision (section 1203.1) shall take effect in 30 days upon enactment of this legislation.
 - Prohibiting PDE from requiring the payment of certification fees or educator discipline fees by an applicant who is a member (including a spouse) of the U.S. Armed Forces or a veteran (including a spouse). This provision (section 1216.1) shall take effect in 30 days upon enactment of this legislation.
 - Requiring PDE to grant an inactive certification at no cost to the professional educator. This provision (section 1205.2(k)) shall take effect in 60 days upon enactment of this legislation.
- Allows educators with inactive certificates to return to the classroom more easily. These provisions (section 1205.2(k)(2) and (2.2)) take effect in 60 days upon enactment of this legislation.
 - Permitting them to have completed the 30 hours of continuing professional development within the preceding 18 months instead of the current 12-month requirement.
 - Permitting those with an offer of employment from a school entity to complete the 30 hours of continuing professional development within their first two years of employment.

- Clarifies that the assessment of basic skills as defined in regulations (22 Pa. Code Section 49.1) is not required for admission into a preparation program or for certification given the expiration of the statutory requirement in section 1207.3 on June 30, 2025. The effective date of this provision (section 1207.5) shall be retroactive to July 1, 2025.
- Provides career and technical administrative director certification flexibility by allowing educators who have a superintendent's letter of eligibility and who meet the necessary educational or experience requirements to be employed as a career and technical administrative director.

Fiscal Impact: PDE assesses fees related to the reviewal of applicant eligibility for and the issuance of certificates qualifying persons to teach. Certification fees currently range from \$0 to \$160 per applicant and are deposited in the General Fund. The requirements that PDE grant an Inactive certification at no cost, a Veteran certification at no cost, and other teacher certification fees at a cost not exceeding \$50 will reduce the General Fund certification revenue for fiscal year 2025-26 by an estimated \$903,820 or 40% compared to the \$2.3 million collected in fiscal year 2024-25. Certification applicants must also pay a professional educator discipline fee add-on, ranging from \$0 to \$100, that is deposited in the Professional Educator Discipline Account. The requirement for PDE to eliminate the discipline fee for veterans, which currently ranges from \$0 to \$25, will reduce the Professional Educator Discipline Account fee revenue for fiscal year 2025-26 by an estimated \$10,850 or 0.5%. This revenue loss will carry into future fiscal years and may change based upon the number of applications and the fees PDE charges within the new limit.

Article XIII, Subarticle B, relates to enforcing pupil attendance. The policy changes include:

- Revising the procedure by schools when a child is truant or habitually truant to include the following:
 - A child who is habitually truant is prohibited from transferring, during the school year, to a cyber charter school unless a judge determines that the transfer is in the best interest of the child. This provision (section 1333(c.1)) shall take effect in 30 days upon enactment of this legislation.
 - The notification sent to the parent of a child who is truant must include notice that a child who is habitually truant may not transfer to a cyber charter school as well as resources available to help return the child to compliant compulsory school attendance and opportunities for further academic recovery. This provision (section 1333(a)(2.1) and (2.2)) shall take effect in 30 days upon enactment of this legislation.
 - Regardless of whether a child who is habitually truant transfers schools, the school in which the child is currently enrolled must provide an attendance improvement plan and pursue remedies to the child's habitual truancy until the child is no longer truant or is no longer of compulsory school age. This provision (section 1333.1(d.1)) shall take effect August 1, 2026.
- Providing new requirements for the court regarding penalties for violating compulsory school attendance requirements, including:
 - If a judge enters a sentence after the completion of the school year, the penalties shall be limited to community service or completion of an attendance improvement plan. This provision (section 1333.2(i)) shall take effect in 60 days upon enactment of this legislation.
 - At the time of conviction of a child for a violation of compulsory school attendance requirements, the court shall determine if the child can transfer to a cyber charter school. This provision (section 1333.3(i)) shall take effect in 30 days upon enactment of this legislation.
 - If the court requires a person convicted of violating compulsory school attendance to perform community service or complete an attendance improvement course, program, or plan, the court shall relinquish jurisdiction of the matter upon completion of the penalty. This provision (section 1333.3(j)) shall take effect in 60 days upon enactment of this legislation.
- Requiring that the Joint State Government Commission's (JSGC) study of truancy procedure occur at

regular intervals at least every five years.

- Requiring PDE, in cooperation with the Department of Human Services, to develop best practices for student supports to prevent truancy and habitual truancy. This provision (section 1333.5) shall take effect August 1, 2026.
- Establishing new requirements related to student attendance reporting. These provisions (section 1327.2(c) and section 1339), which shall take effect August 1, 2026, include:
 - All school entities shall report, and PDE shall post, quarterly reports related to the enforcement of compulsory attendance. A school administrator, employee, or representative of an educational entity who knowingly falsifies data reported to the department shall be guilty of a misdemeanor of the third degree.
 - Brick-and-mortar and cyber charter schools must report all unexcused absences directly to PDE through the Pennsylvania Information Management System (PIMS).
 - Cyber charter schools must submit information related to the completion of weekly benchmarks annually through PIMS. For students who have been found to be truant or habitually truant, cyber charter schools must submit this information monthly.
- Providing additional attendance policy requirements for charter schools. These provisions (section 1327.2(a) and (a.1)), which shall take effect in 60 days upon enactment of this legislation, include:
 - Brick-and-mortar and cyber charter schools must establish a policy designed to accurately determine when a child has an unexcused or excused absence or is present for instruction.
 - Cyber charter schools must add the following to their attendance policies:
 - A policy to determine when a child has an absence or is present for synchronous instruction.
 - A policy to determine when a child has an absence or is present for asynchronous instruction. To be present for asynchronous instruction, a child must complete weekly benchmarks. The weekly benchmarks must be sufficient to demonstrate the student is making adequate and consistent progress toward completion of each course. If a student does not complete the weekly benchmark, the student shall receive an absence or other consequence in accordance with the cyber charter school's attendance policy.

Fiscal impact: These changes have no impact on commonwealth funds. PDE is expected to be able to fulfill the additional administrative responsibilities using existing staff and budget resources. The JSGC, which receives a state General Fund appropriation (\$1.7 million in 2024-2025) to conduct research for the General Assembly, is expected to be able to conduct a study of truancy procedure using existing budget resources.

School districts and charter schools are not expected to be significantly financially impacted by these changes, as they are already required under current law to provide parental notification if a student is truant, implement school attendance improvement programs, and report on attendance.

Section 1372 codifies PDE's guidelines regarding how school entities report expenditures related to special education students.

Fiscal impact: These changes have no impact on commonwealth funds, as the structures for collecting and reporting this information already exist.

Section 1301-A, Article XIII-B, Article XIII-C, Article XIII-D, and Article XIII-E include changes to school safety practices and the 2025-2026 fiscal year distribution formulas for money appropriated for school safety. The policy changes include:

- Changing the term “chief executive officer of a charter school” to “chief administrator of a charter school” within the definition of “chief school administrator” to align with other sections of the Public School Code.
- Adding a member to the School Safety and Security Committee (SSSC) who is a recognized subject matter expert in cyber security and adding cyber security measures as an eligible use of grant funding received by school entities.
- Establishing an Office of School Safety within the Pennsylvania Commission on Crime and Delinquency (PCCD), which administers the SSSC.
- Requiring the SSSC to review samples of registered assessment providers’ assessments at least once every three years and remove substandard providers from the SSSC’s registered provider list.
- Allowing the SSSC to use unexpended, uncommitted, or unencumbered money in the School Safety and Security Fund for administrative costs related to school safety duties, including training requirements.
- Requiring school safety and security coordinators to meet with school leadership at least quarterly, to include school safety and security meeting attendance summaries in their yearly reports to the board, and to seek input from school employees on the required school safety trainings.
- Requiring the establishment of protocols for timely coordination and consultation between threat assessment teams and law enforcement.
- Requiring the SSSC to adopt minimum standards for training of school security personnel and allowing the SSSC to approve entities to provide the training.
- Updating the statutory name “Safe2Say Program” to “Safe2Say Something Program” to align with the colloquial name. This provision (section 1303-D(a)) shall take effect in 60 days upon enactment of this legislation.
- Requiring the Office of the Attorney General to develop a Safe2Say Something training program for school entities, to include in the annual Safe2Say Something Program reports information related to the number trainings provided, and to track which school entities are in noncompliance with the final disposition reports required for Safe2Say reports. These provisions (section 1303-D(c)(11), (12) and (13), (d) and (e)) shall take effect in 60 days upon enactment of this legislation.

For the 2025-2026 fiscal year, of the money appropriated to the School Safety and Security Fund:

- \$100 million will be used for school safety and mental health grants as follows:
 - Each school district receives a base amount of \$100,000 (\$50 million encumbered)
 - Each intermediate unit, area career and technical center, charter school, and cyber charter school shall receive a flat \$70,000 (\$19.5 million encumbered)
 - The balance (\$30.5 million) is prorated to school districts based upon their share of total average daily membership.
- \$20.7 million will be used for targeted school safety grants to school entities and nonpublic schools which shall be used to fund programs that address school violence and mental health.

Fiscal impact: These changes have no impact on commonwealth funds. The formula allocates funds that will be appropriated separately in the General Appropriation Act. PCCD is given new authority to use unspent grant funds to cover administrative costs related to the SSSC, and the Office of the Attorney General receives a state General Fund appropriation (\$2.6 million in 2024-2025) to support its school safety responsibilities. The costs to school entities related to added responsibilities for the school safety

coordinator are expected to be nominal.

Article XIV-A – Drug and Alcohol Recovery High School Program – is amended to increase from 20 to 35 the maximum number of students that may be enrolled in the recovery high school under the program at any one time.

Fiscal impact: Current law requires PDE to pay sixty percent of the regular education tuition rate established under the Public School Code. The statutory tuition rate for the 2025-2026 school year is \$24,100 per student and is expected to increase to \$24,800 for 2026-27 and \$25,400 for 2027-28. If the program increases enrollment from 20 to 35 students, PDE would be required to pay an additional \$216,900 for recovery high school tuition for a full school year in fiscal year 2025-26. Relative to the 20-student baseline, the estimated maximum added cost is \$223,200 and 228,600 for fiscal years 2026-27 and 2027-28, respectively. Aggregate costs to the resident school districts could increase by about \$150,000 if 35 students enroll.

Article XV-N – Evidence-Based Reading Instruction – is amended to establish new requirements regarding evidence-based reading instruction curricula and professional development.

- New requirements for school districts, intermediate units, area career and technical schools, charter schools, cyber charter schools, and regional charter schools:
 - By March 31, 2026, report to PDE the reading instruction curricula in use by the school entity during the 2025-2026 school year.
 - No later than the beginning of the 2027-2028 school year:
 - Adopt an evidence-based reading instruction curriculum.
 - Approve a professional development training program from the list developed by PDE and demonstrate that each educator is in the process of completing the approved professional development. The completion deadline is the beginning of the 2028-2029 school year).
 - By July 31, 2027, and each year thereafter, report to PDE the evidence-based reading curricula adopted by the school as well as the number of educators who have received professional development and the type of professional development received.
 - Beginning with the 2027-2028 school year, screen each student enrolled in kindergarten through third grade for reading competency three times each school year using a universal reading screener from the list developed by PDE. If a student is identified by a screener as having a reading deficiency, the following apply:
 - The student shall remain identified as having a reading deficiency until the student performs at or above an identified threshold level.
 - The school entity must notify the student’s parents.
 - The school entity shall provide a reading intervention plan for the student.
 - Beginning July 31, 2028, and each July 31 thereafter, submit a detailed report to PDE containing information necessary to assess the effectiveness of this article.
- New requirements for PDE under this article include:
 - Beginning November 30, 2028, and each November 30 thereafter, produce an annual report that provides information reported by school entities.
 - Monitor and enforce school entity compliance with this article.
 - Contingent upon available funding, PDE may establish a grant program to aid schools with

costs associated with the implementation of this article.

Fiscal note: The establishment of the grant program under PDE is subject to available funding. Because this legislation does not include an appropriation of funds, there is no fiscal impact related to the grant program.

To the extent that the grant program administered by PDE does not help school entities cover the costs associated with implementing the requirements under this article, the burden to pay for curricula, screeners, and professional development will fall on school entities. School entities may be financially impacted beginning in the 2026-2027 school year. Costs will vary depending on the school entity's current practices regarding implementing evidence-based reading instruction and screening.

Section 1607 requires PDE, subject to available funding, to conduct a feasibility study assessing the educational, financial, administrative, and community impacts of consolidating Duquesne City School District with another school district. The feasibility study shall analyze at least three nearby school districts as consolidation options.

Fiscal impact: This change has no fiscal impact on the commonwealth because it directs resources to the extent that funds are appropriated or available.

Section 1617 requires high school students, unless exempted, to file a Free Application for Federal Student Aid (FAFSA) with the United States Department of Education or submit an opt-out form, as made available by PDE, prior to completing high school. The Pennsylvania Higher Education Assistance Agency (PHEAA) must provide schools with information indicating whether a student has completed the FAFSA, provided the agency has access to the information. No student shall be prevented from graduating or be penalized by the school for failing to complete the FAFSA or opt-out form.

Fiscal impact: This change has no fiscal impact on the commonwealth. PDE and PHEAA are expected to be able to fulfill the additional responsibilities required under this section using existing staff and budget resources.

Section 1604-A requires, beginning January 1, 2026, all the open meetings of the PIAA to be live-streamed, free of charge, with recordings made available on the PIAA's website within 10 days of the meeting.

Fiscal impact: This change has no fiscal impact on the commonwealth.

Section 1725.1-A relates to cyber charter school funding and payments. A cyber charter school student's school district of residence is responsible for the statutorily set tuition rate. The nonspecial education tuition rate is based upon the school district of residence's selected expenditures per student. Selected expenditures are the total expenditures net of deductions for spending categories that cyber charter schools receive directly (e.g., federal funding), that are accounted for separately (i.e., special education), or that cyber charters are not responsible for (e.g., pupil transportation). The changes in subsection (j) reduce the cyber charter nonspecial education tuition rate by adding additional spending category deductions for tax assessment and collection services, 60% of student activities, and 60% of operations and maintenance of plant services. Additionally, nonspecial education cyber charter school costs and cyber charter school average daily membership is excluded from the calculation. The changes in subsection (k) require PDE to make the redirection payments based upon the rates required to be posted by each school district.

Fiscal impact: These changes will have no impact on Commonwealth funds. Beginning in fiscal year 2025-2026, school districts will realize savings in the form of lower cyber charter school tuition payments. The amount saved by school districts will be a revenue loss for cyber charter schools, relative to current law. Based on tuition rate component data from 2024-2025 (the most recent data available) and average daily membership data from 2023-2024 (most recent data available), it is estimated that school districts would have saved \$178 million in aggregate, or 14.6%, in 2024-2025 had these changes been in place. Depending upon the growth in school districts' expenditures or

changes in cyber charter school enrollments, the total dollar amount of savings in 2025-2026 may be greater than what is reflected in the estimate based on the most recent data. However, the proportion of savings in 2025-2026 is likely to be similar to the estimated 14.6% figure.

Section 1748-A relates to enrollment and notification for cyber charter schools. Policy changes under this section, which shall take effect in 60 days upon enactment of this legislation, include the following:

- Requiring the parent/guardian of a student enrolled in a cyber charter school to submit continued proof of the student's residence to the cyber charter school and the student's school district of residence by November 1 and March 1 of each school year. Parents/guardians of homeless students are not subject to his requirement.
- Expanding from 7 to 10 days the window of time for residency dispute notifications and responses between school districts, cyber charter schools, and PDE.
- Prohibiting a cyber charter school from retaliating against an employee who has made a good faith report that a student does not reside within the school district that has been notified that it is the student's school district of residence.
- Requiring PDE to add proof of residency to the form notifying a school district of the enrollment of a resident student in a cyber charter school.

Fiscal impact: These changes will have no impact on commonwealth funds.

Section 1748.1-A establishes new wellness check policies for cyber charter schools. These policy changes include:

- Requiring cyber charter schools to, at least once during any week, ensure that each enrolled student is visibly seen and communicated with in real time by a teacher or other representative of the charter school.
- Requiring each cyber charter school to submit to PDE a wellness check policy that demonstrates compliance with wellness check requirements under this section.
- Providing that PDE may require proof of compliance with wellness check requirements to ensure the well-being of a student enrolled in a cyber charter school.
- Outlining actions that may be taken by PDE if a cyber charter school fails to comply with wellness check requirements, including: imposing additional reporting requirements, mandating child abuse prevention training for staff, requiring the school to meet in person with each student at least once during the following school year, and prohibiting the school from being awarded a State grant by PDE until the school demonstrates compliance.

Fiscal impact: These changes have no impact on commonwealth funds as PDE is expected to be able to fulfill its new administrative responsibilities within existing budget and staff resources. Cyber charter schools are not expected to be financially impacted by these changes, as they are already required under current law to conduct wellness checks, and therefore, the structures for conducting these checks are already in place.

Section 1850.4 is amended to extend from five years to ten years the period for which an area career and technical board may designate and spend funds in a capital reserve fund for purchasing equipment or maintaining facilities.

Fiscal impact: This change has no impact on commonwealth funds. There is no adverse fiscal impact for area career and technical centers, as it provides more flexibility in capital reserve planning.

Section 1855 requires PDE's calculations for the distribution of Career and Technical Equipment (CTE)

Grants to be fixed as of the first day of June preceding the school year in which the allocation occurs. Calculations must be revised by PDE if the data based on the first day of June is incorrect.

Fiscal impact: These changes have no impact on commonwealth funds.

Sections 1857 and 1858 convert the Cosmetology Training Through Career and Technical Center Program and the Barber Training Through Career and Technical Center Program from pilot programs into permanent programs. The effective date of these provisions shall be retroactive to July 1, 2025.

Fiscal impact: This change will have no impact on commonwealth funds.

Article XVIII-B – Nursing Shortage Assistance Program – establishes a program to be administered by PHEAA to award grants to qualified nursing servicers to assist nurses with securing employment and repaying student loan expenses. Each qualified nursing servicer shall submit an annual report to the agency summarizing the effectiveness of the servicer’s program.

Fiscal impact: The provision of grants to qualified nursing servicers under this program is subject to available funding. Because this legislation does not include an appropriation of funds to PHEAA for the purposes of this program, there is no fiscal impact related to the grant program.

Section 1913-A provides the distribution formula for community college funding in 2025-2026.

Fiscal impact: The change to this section sets forth a distribution of \$277.3 million in state General Fund funding for community colleges. This amount represents no change over the prior fiscal year, and each community college will receive an amount equal to the amount received in 2024-2025.

Article XX-A – The State System of Higher Education – is amended to revise provisions related to the Grow Pennsylvania Merit Scholarship Program, renamed under this legislation to the Grow Pennsylvania Tuition Waiver Program. The underlying program allows qualifying out-of-state students to receive the in-state PASSHE tuition rate in exchange for an agreement to work in an in-demand occupation in Pennsylvania after graduation for the number of years the student received the discount. The changes clarify that a recipient must agree to reside and work in Pennsylvania and permit PHEAA to charge interest, capped at the three-month U.S. Treasury bill rate, for tuition waiver money that must be repaid if the agreement is breached.

Fiscal note: The fiscal impact of this change is indeterminate. Any reimbursements, including interest, for breaches of agreement will be paid from the recipient of the tuition waiver to PHEAA.

Section 2006-B increases from \$540 million to \$590 million the maximum total aggregate amount of all Educational Improvement Tax Credits (EITC) that shall not be exceeded in a fiscal year. Specifically, within the EITC programs, the additional \$50 million is allotted for the economically disadvantaged schools program, bringing that subtotal to \$110 million.

Fiscal impact: These changes have a negative fiscal impact on the commonwealth’s General Fund. The revenue loss will be the lesser of the actual amount of additional tax credits utilized or \$50 million.

Section 2006-H clarifies that an institution of higher education only has to make financial aid exit counseling available to students with education loans the institution is aware of, rather than for all students who do not opt out. *Fiscal impact: The change to this section will have no fiscal impact on the commonwealth. For institutions of higher education, changes to this section are not expected to have a negative financial impact as current law requires exit counseling to be made available to each student, and therefore, the structures for providing counseling already exist.*

Article XX-I – Miscellaneous Provisions Relating to Institutions of Higher Education – is amended to implement miscellaneous provisions including:

- Repealing section 2002-I, relating to the requirement of the repealed Higher Education Funding

Commission to develop a performance-based funding model.

- Specifying that a public institution of higher education may not reduce a student’s institutional financial aid as a result of the student receiving a Grow PA scholarship. This is accomplished by repealing and replacing the definition of “private scholarship” with a new definition for “scholarship” in section 2003-I.
- Authorizing interinstitutional cooperation regarding campus police or public safety officers.
- Establishing a three-year State Scholarship Extension Pilot Program under PHEAA to allow no more than 50 students per year to renew a State scholarship beyond the scholarship’s renewal limit.

Fiscal impact: The requirement for PHEAA to establish the State Scholarship Extension Pilot Program will increase the pool of students eligible to receive a state grant by 50 students. In 2023-2024, PHEAA made 110,306 awards, with the average full year award being \$4,133. Using the average award, the pilot program may cost about \$200,000, understanding that the cost will depend upon the students selected and the institutions they attend. The provision of grants to students by PHEAA is subject to available funding. Funding for the state grant program will be appropriated separately in the General Appropriation Act.

Amendments to Article XX-L, Subarticle C – Institutions of Higher Education – implement the recommendations of the Performance-Based Funding Council related to a new performance-based funding model for Pennsylvania State University, University of Pittsburgh, and Temple University. Funds appropriated from the newly established State-related University Performance Fund by a two-thirds vote will be distributed to these three universities using the performance-based funding formula.

The Performance-Based Funding Council is reconstituted to oversee the performance-based funding formula by annually assigning performance goals and weights. The Council is also charged with making further legislative recommendations related to performance-based funding.

Each year, from 95% of the available funds, the Council will establish a maximum allocation that each university can earn. A university’s maximum allocation will be based upon its share of the total weighted student count and an equal share of the funding. Using in-state students, the weighted student count includes: full-time, undergraduate students; Pell-grant recipients; community college transfers; students from low-matriculation high schools; students who earned a high-demand degree; and students who have earned 60 credits by the start of their third year. The portion of the maximum allocation that each university earns is based upon its performance (i.e., its progress toward the goals set by the Council) in the following metrics: 4-year graduation rate, 6-year graduation rate, 6-year graduation rate of Pell-grant recipients, and the high-demand degree rate.

The remaining 5% of the available funds is designated as the improvement and affordability allocation. Universities earn points by improving in the identified metrics and keeping tuition increases below the higher education price index. The share of these funds is based upon each university’s share of the total improvement and affordability points.

Fiscal impact: The amendments to Article XX-L establish the mechanisms by which performance-based funding payments will be made to state-related universities but do not appropriate money to the fund or to state-related universities. Therefore, these amendments will have no fiscal impact on the commonwealth.

Article XX-L, Subarticle D – Grow Pennsylvania Scholarship Grant Program – is amended to provide the following policy changes:

- Revising grant priority. The dates under current law by which applications for the program must open are repealed. Renewal applicants shall be given the opportunity of first priority in awarding grants for their renewal applications.

- Providing that PHEAA must prepare and submit a report on the program annually. The requirement under current law that the report must be submitted by December 31 of each year is repealed.

Fiscal impact: While increasing the maximum total household income eligibility threshold will increase the number of students eligible to receive a scholarship, this change has no fiscal impact on the commonwealth because the provision of scholarships under this program is subject to available funding, and this legislation does not include an appropriation of funds.

Article XXII-B – Ready-to-Succeed Scholarship – is amended to increase the maximum total household income eligibility threshold for receipt of a scholarship by \$25,000, from \$175,000 to \$200,000.

Fiscal impact: This change has no fiscal impact on the commonwealth because the provision of scholarships under this program is subject to available funding, and this legislation does not include an appropriation of funds. However, raising the maximum total household income eligibility threshold will increase the number of students eligible to receive a scholarship. With the \$200,000 household income limit, it is estimated that the program would need a \$55.1 million appropriation level for fiscal year 2025-26 to fully meet demand.

Section 2329 provides the distribution of state aid for public libraries for fiscal year 2025/26.

Fiscal impact: The change to this section will have no fiscal impact on the commonwealth because it directs funds to the extent that they are appropriated for the public library subsidy.

Section 2502.56 provides a \$5 million supplemental Basic Education Funding (BEF) payment to a school district that meets certain requirements (William Penn School District). This payment will become part of the school district’s base BEF allocation each year thereafter.

Fiscal impact: This change has no impact on commonwealth funds. The formula allocates funds that will be appropriated separately in the General Appropriation Act. If the 2025-2026 appropriation does not increase by at least \$5 million, other school districts will be negatively impacted.

Section 2509.8 requires that, for the 2025-2026 school year, \$5 million from uncommitted, unexpended funds available in the special education appropriation shall be distributed to brick-and-mortar charter schools located in Philadelphia for extraordinary expenses incurred in providing a special education program or service.

Fiscal impact: This change will have no adverse fiscal impact on the commonwealth because the money being used to fund the \$5 million distribution to charter schools has already been appropriated in previous fiscal years. As of November 2025, the total available uncommitted, unexpended funds appropriated for special education is \$28.5 million. There may be a revenue loss to the extent that the \$5 million in undistributed funds would have lapsed back to the General Fund.

Section 2510.3 permits PDE, for fiscal year 2025-2026, to use up to \$7 million in undistributed funds to assist school districts in financial recovery or financial watch status.

Fiscal impact: The change to this section will have no fiscal impact on the commonwealth because it only allows PDE to shift existing funding. There may be a revenue loss to the extent that the potential undistributed funds would have lapsed back to the General Fund.

Section 2599.6 updates for fiscal year 2025-2026 formulas for an adequacy supplement and a tax equity supplement within the Ready-to-Learn Block Grant. In 2025-2026, each school entity will receive the same amount it received in 2024-2025 as a foundation amount. In addition to the foundation amount, a school district will receive a supplemental amount for fiscal year 2025-2026, calculated as follows:

- For adequacy supplements, each school district will receive a payment equal to the product of the school district’s share of the statewide adequacy gap and \$526,440,000

- For tax equity supplements, each school district will receive a payment equal to the product of the school district's share of the statewide tax equity gap and \$32,202,200
- Each school district that receives less than \$50,000 in combined adequacy and tax equity supplements shall receive a minimum allocation supplement payment equal to the difference between the sum of their adequacy and tax equity supplements and \$50,000.

No school district that receives adequacy or tax equity supplements in 2025-2026 shall seek a referendum exception under the Taxpayer Relief Act for the 2026-2027 school year. This prohibition does not apply to school districts receiving the minimum allocation supplement. Additionally, a provision is added to clarify that a school district is not required to apply for and receive the additional adequacy and tax equity funds for which it is eligible.

Fiscal impact: This section prescribes adequacy, tax equity, and other supplements, but it does not include an appropriation of funds. To fund the Ready to Learn Block Grant foundation amount, the appropriation must be \$818.4 million. To fully fund the adequacy supplement in 2025-2026, \$526.4 million is needed. To fully fund the tax equity supplement in 2025-2026, \$32.2 million is needed. To fully fund the additional supplements, \$6.4 million is needed.

Section 2608-J delays the opening of PlanCon 2.0 and the maintenance program until July 1, 2026.

Fiscal Impact: The change to this section will have no fiscal impact on the commonwealth as the adjustment factor for PlanCon 2.0 is currently zero (preventing a state obligation).

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House Appropriations Committee (D)

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Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.