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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1513 Session of  
2023

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INTRODUCED BY WHITE, M. MACKENZIE, STAATS, KEEFER, ROZZI,  
TOPPER, BERNSTINE, KAUFFMAN, HAMM, R. MACKENZIE, MERCURI,  
O'NEAL, MARCELL, ROWE AND STRUZZI, JUNE 26, 2023

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REFERRED TO COMMITTEE ON EDUCATION, JUNE 26, 2023

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in educational tax credits, further  
6 providing for definitions, for qualification and application  
7 by organizations, for limitations and for opportunity  
8 scholarships and providing for economically disadvantaged  
9 school scholarships.

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

12 Section 1. The definition of "economically disadvantaged  
13 school" in section 2002-B of the act of March 10, 1949 (P.L.30,  
14 No.14), known as the Public School Code of 1949, amended July 8,  
15 2022 (P.L.620, No.55), is amended to read:

16 Section 2002-B. Definitions.

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

20 \* \* \*

21 "Economically disadvantaged school." Any school within this

1 Commonwealth at which at least 51% of the students attending the  
2 school in the immediately preceding school year received a  
3 scholarship [of at least \$1,000] pursuant to this article[.] in  
4 the following amounts:

5 (1) for a prekindergarten, kindergarten or elementary  
6 school, at least \$500; and

7 (2) for a secondary school, at least \$1,000.

8 \* \* \*

9 Section 2. Section 2003-B(d.3) (2) and (4) of the act,  
10 amended July 8, 2022 (P.L.620, No.55), are amended and the  
11 subsection is amended by adding a paragraph to read:

12 Section 2003-B. Qualification and application by organizations.

13 \* \* \*

14 (d.3) Scholarship organization for economically  
15 disadvantaged schools.--

16 \* \* \*

17 (2) A scholarship organization must agree to distribute  
18 scholarships to applicants of economically disadvantaged  
19 schools not later than [February 1] December 15 of the  
20 applicable school year.

21 \* \* \*

22 (4) A scholarship organization for economically  
23 disadvantaged schools shall annually report the following  
24 information to the department by [November 1] January 15 of  
25 each year:

26 [(i) Scholarship awards by family household income.]

27 (ii) The school district where the scholarship  
28 recipient currently resides.

29 [(iii) The school that the student attended in the  
30 year prior to the scholarship award.]

1 (iv) The total number, amount and average  
2 scholarship awarded.

3 (4.1) A scholarship organization for economically  
4 disadvantaged schools shall contribute at least 99% of its  
5 annual receipts for economically disadvantaged schools for  
6 scholarships.

7 \* \* \*

8 Section 3. Sections 2006-B(a) and 2009-B(f) of the act,  
9 amended July 8, 2022 (P.L.620, No.55), are amended to read:  
10 Section 2006-B. Limitations.

11 (a) Amount.--

12 (1) The total aggregate amount of all tax credits  
13 approved for contributions from business firms to scholarship  
14 organizations, educational improvement organizations and pre-  
15 kindergarten scholarship organizations shall not exceed  
16 ~~[\$340,000,000]~~ \$465,000,000 in a fiscal year. The following  
17 shall apply:

18 (i) No less than ~~[\$263,000,000]~~ \$358,000,000 of the  
19 total aggregate amount shall be used to provide tax  
20 credits for contributions from business firms to  
21 scholarship organizations.

22 (ii) No less than \$44,500,000 of the total aggregate  
23 amount shall be used to provide tax credits for  
24 contributions from business firms to educational  
25 improvement organizations.

26 (iii) The total aggregate amount of all tax credits  
27 approved for contributions from business firms to pre-  
28 kindergarten scholarship organizations shall not exceed  
29 \$20,500,000 in a fiscal year.

30 (iv) No less than ~~[\$12,000,000]~~ \$52,000,000 of the

1 total aggregate amount shall be used to provide tax  
2 credits for contributions from business firms to increase  
3 the scholarship or pre-kindergarten scholarship by up to  
4 \$2,000 or, in the case of a scholarship for a student  
5 attending a secondary school, by up to \$4,000, for a  
6 student attending an economically disadvantaged school,  
7 to the extent that the total amount of scholarships, pre-  
8 kindergarten scholarships and opportunity scholarships  
9 will not exceed the lesser of \$8,500 or the school's  
10 tuition.

11 (2) The total aggregate amount of all tax credits  
12 approved for contributions from business firms to opportunity  
13 scholarship organizations shall not exceed [~~\$65,000,000~~  
14 \$80,000,000 in a fiscal year.

15 \* \* \*

16 Section 2009-B. Opportunity scholarships.

17 \* \* \*

18 [(f) Designation, reports and notices.--

19 (1) Each school that desires to be designated as an  
20 economically disadvantaged school for a school year shall  
21 report the following information to the department by the  
22 January 1 preceding the applicable school year:

23 (i) The total number of students who attend the  
24 school as of the date of the report and are the  
25 recipients of a scholarship under this article.

26 (ii) The total number of students attending the  
27 school as of the date of the report.

28 (2) The information required under paragraph (1) shall  
29 be submitted on a form provided by the department. No later  
30 than the October 15 preceding each school year, the

1 department shall annually distribute or make available  
2 electronically to each school in this Commonwealth the forms  
3 on which the reports are required to be made.

4 (3) No later than March 1 after a school has submitted  
5 to the department the information required under paragraph  
6 (1), the department shall notify the school whether the  
7 school meets the requirements of, and will be designated as,  
8 an economically disadvantaged school for the applicable  
9 school year.

10 (4) The department shall annually transmit notice of a  
11 list of each school designated as an economically  
12 disadvantaged school under this section to the Legislative  
13 Reference Bureau for publication in the Pennsylvania  
14 Bulletin. The list shall be posted and updated as necessary  
15 on the department's publicly accessible Internet website.

16 (5) (i) Each school that has been designated by the  
17 department as an economically disadvantaged school for an  
18 applicable school year shall notify the department by no  
19 later than November 30 of the applicable school year of  
20 the following information for each recipient of a  
21 scholarship registered to attend the school for the  
22 applicable school year:

23 (A) The recipient's name and address.

24 (B) The grade of the recipient for the school  
25 year with respect to which the scholarship and  
26 tuition grant shall be received.

27 (C) The type and amount of scholarships under  
28 this article entitled to educational tax credits that  
29 were received by the recipient.

30 (D) The names and address of the recipient's

1 parents or guardians.

2 (E) The amount of tuition charged.

3 (ii) The information submitted in this paragraph  
4 shall be provided to the scholarship organization for  
5 economically disadvantaged schools who shall distribute  
6 the money in accordance with section 2003-B(d.3).

7 (iii) Information submitted by a school designated  
8 by the department as an economically disadvantaged school  
9 shall remain confidential and shall not be subject to the  
10 act of February 14, 2008 (P.L.6, No.3), known as the  
11 Right-to-Know Law. The information can be used for  
12 administration of the program.]

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

14 Section 2009.1-B. Economically disadvantaged school  
15 scholarships.

16 (a) Reports.--

17 (1) Each school that desires to be designated as an  
18 economically disadvantaged school for a school year must  
19 report the following information to the scholarship  
20 organization for economically disadvantaged schools by the  
21 January 1 preceding the applicable school year:

22 (i) The total number of students who attend the  
23 school as of the date of the report and are the  
24 recipients of a scholarship under this article in an  
25 amount, exclusive of any amount received under section  
26 2006-B(a)(1)(iv), for a prekindergarten, kindergarten or  
27 elementary school of at least \$500 and for a secondary  
28 school of at least \$1,000.

29 (ii) The total number of students attending the  
30 school as of the date of the report.

1           (2) The information required under paragraph (1) shall  
2 be submitted on a form provided by the scholarship  
3 organization for economically disadvantaged schools. No later  
4 than the October 15 preceding each school year, the  
5 scholarship organization for economically disadvantaged  
6 schools shall annually distribute or make available  
7 electronically to each school in this Commonwealth the forms  
8 on which the reports are required to be made.

9           (3) The scholarship organization for economically  
10 disadvantaged schools shall submit the school's information  
11 to the department by the February 1 preceding the school  
12 year.

13 (b) Notice of designation.--

14           (1) No later than March 1 after the scholarship  
15 organization for economically disadvantaged schools has  
16 submitted the information received under subsection (a)(1) to  
17 the department, the department shall notify the school and  
18 the scholarship organization for economically disadvantaged  
19 schools whether the school meets the requirements of, and  
20 will be designated as, an economically disadvantaged school  
21 for the applicable school year.

22           (2) The department shall annually transmit notice of a  
23 list of each school designated as an economically  
24 disadvantaged school under this section to the Legislative  
25 Reference Bureau for publication in the next available issue  
26 of the Pennsylvania Bulletin. The list shall be posted and  
27 updated as necessary on the department's publicly accessible  
28 Internet website.

29 (c) Administration.--

30           (1) Each school that has been designated by the

1 department as an economically disadvantaged school for an  
2 applicable school year shall notify the scholarship  
3 organization for economically disadvantaged schools no later  
4 than November 15 of the applicable school year of the  
5 following information for each recipient of a scholarship  
6 registered to attend the school for the applicable school  
7 year:

8 (i) The recipient's name and address.

9 (ii) The grade of the recipient for the school year  
10 with respect to which the scholarship and tuition grant  
11 shall be received.

12 (iii) The type and amount of scholarships under this  
13 article entitled to educational tax credits that were  
14 received by the recipient, exclusive of any amount  
15 received under section 2006-B(a)(1)(iv).

16 (iv) The names and addresses of the recipient's  
17 parents or guardians.

18 (v) The amount of tuition charged.

19 (2) The scholarship organization for economically  
20 disadvantaged schools shall distribute the money on a pro  
21 rata basis among all students in accordance with section  
22 2003-B(d.3).

23 (3) Information submitted under this section by a school  
24 designated as an economically disadvantaged school shall  
25 remain confidential and shall not be accessible for  
26 inspections and duplication in accordance with the act of  
27 February 14, 2008 (P.L.6, No.3), known as the Right-to-Know  
28 Law. The information may be used for administration of the  
29 program.

30 (c) References.--A scholarship award under this article paid



1 to an economically disadvantaged school may be referred to as a  
2 scholarship supplement.

3 Section 5. This act shall take effect July 1, 2023, or  
4 immediately, whichever is later.