

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1738 Session of
2013

INTRODUCED BY O'NEILL, CLYMER, ROEBUCK, SANTARSIERO, READSHAW,
BARBIN, V. BROWN, COHEN, CUTLER, DAVIS, DeLUCA, DUNBAR,
FARRY, FLECK, GINGRICH, GODSHALL, GRELL, GROVE, HARHART,
HELM, HENNESSEY, KORTZ, KOTIK, LONGIETTI, MACKENZIE, MENTZER,
MILLARD, R. MILLER, MILNE, MIRABITO, MURT, QUINN, REESE,
ROSS, SAYLOR, SCHLOSSBERG, SONNEY, STEPHENS, SWANGER, TOEPEL,
TRUITT, WATSON, M. K. KELLER, COX, NEILSON, MOUL, FEE,
R. BROWN AND EVERETT, OCTOBER 2, 2013

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
JANUARY 14, 2014

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," providing for basic education funding
6 commission.

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

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding a
11 section to read:

12 Section 123. Basic Education Funding Commission.--(a) There
13 is hereby established a Basic Education Funding Commission.

14 (b) The commission shall review and make recommendations
15 related to basic education funding as provided in this section.

16 (c) (1) The commission shall consist of the following

1 members:

2 (i) The chair and minority chair of the Education Committee
3 of the Senate and the chair and minority chair of the Education
4 Committee of the House of Representatives or their designees.

5 (ii) Two (2) legislators from each of the four (4)
6 legislative caucuses, to be appointed by the President pro
7 tempore of the Senate and the Speaker of the House of
8 Representatives, in consultation with the Majority Leader and
9 Minority Leader of the Senate and the Majority Leader and
10 Minority Leader of the House of Representatives.

11 (iii) The Secretary of Education or a designee.

12 (iv) The Deputy Secretary for Elementary and Secondary
13 Education or a designee.

14 (v) An individual appointed by the Governor from within the
15 Governor's Administration.

16 (2) The commission shall appoint a member to serve as chair
17 of the commission.

18 (d) The commission shall hold its first meeting within
19 forty-five (45) days of the effective date of this section,
20 regardless of whether the Governor or all legislative caucuses
21 have actually approved members to the commission.

22 (e) The commission shall hold meetings at the call of the
23 chair.

24 (f) The members may not receive compensation for their
25 services, but shall be reimbursed for all necessary travel and
26 other reasonable expenses incurred in connection with the
27 performance of their duties as members of the commission.

28 (g) The General Assembly shall provide administrative
29 support, meeting space and any other assistance required by the
30 commission to carry out its duties under this section in

cooperation with the department. The department shall provide the commission with data, research and other information upon request by the commission.

(h) The commission shall develop a basic education funding formula and identify factors that may be used to determine the distribution of basic education funding among the school districts in this Commonwealth. The factors identified under this subsection may include all of the following:

(1) The market value/personal income aid ratio averaged for each of the three (3) most recent years for each school district.

(2) The equalized millage rate averaged for each of the three (3) most recent years for each school district.

(3) Geographic price differences identified for each school district.

(4) Whether a school district has experienced exceptionally high enrollment growth.

(5) Whether a school district has an exceptionally high level of local support.

(6) Whether a school district has a high level of its students in poverty as identified as eligible for free or reduced price meals under the National School Lunch Program.

(7) Whether a school district has students identified as limited English proficient.

(8) Whether the district has a scarce or dense population in relation to the district size.

(9) Other factors related to the distribution of basic education funding.

(i) The commission shall have all of the following powers and duties:

- 1 (1) Review and make findings and recommendations related to
2 basic education funding in this Commonwealth.
- 3 (2) Consult with and utilize experts to assist the
4 commission in carrying out the duties under this subsection.
- 5 (3) Receive input from interested parties, including, but
6 not limited to, school districts and charter and cyber charter
7 school operators.
- 8 (4) Hold public hearings in different regions of this
9 Commonwealth.
- 10 (5) Review and consider basic education funding formulas and
11 factors utilized throughout the United States.
- 12 (6) In identifying the basic education funding factors under
13 subsection (h) and in completing the report required under this
14 subsection, consider the impact these factors may have on the
15 distribution of basic education funding among the school
16 districts.
- 17 (7) Review the administration of State and regional basic
18 education programs and services to determine if cost savings may
19 be achieved and make recommendations to implement the savings.
- 20 (8) Prior to recommending a basic education funding formula
21 under this section, consider the potential consequences of a
22 basic education funding formula that does not allocate to each
23 school district at least the same level or proportion of State
24 basic education funding as the school district received in the
25 prior school year.
- 26 (9) Prior to recommending a basic education funding formula
27 under this section, consider nationally accepted accounting and
28 budgeting standards.
- 29 (10) Develop a proposed basic education funding formula and
30 factors pursuant to subsection (h).

1 (11) Draft proposed regulations and proposed legislation
2 based on the commission's findings.

3 (12) Issue a report of the commission's findings and
4 recommendations to the Governor, the President pro tempore of
5 the Senate, the Majority Leader and Minority Leader of the
6 Senate, the Education Committee of the Senate, the Speaker of
7 the House of Representatives, the Majority Leader and Minority
8 Leader of the House of Representatives, the Education Committee
9 of the House of Representatives, the Secretary of Education and
10 the State Board of Education not later than one year after the
11 effective date of this section.

12 (j) The basic education formula developed by the commission
13 shall not go into effect unless the formula is approved by an
14 act of the General Assembly enacted after the effective date of
15 this section.

16 (k) Every five (5) years the commission shall be
17 reconstituted in accordance with subsection (c) and shall meet
18 and hold public hearings to review the operation of the basic
19 education funding provisions of this section, shall make a
20 further report and shall issue the report to the recipients
21 listed in subsection (i)(11). When in receipt of a further
22 report recommending changes to the basic education funding
23 formula, the General Assembly shall consider and take action to
24 enact the formula into law in accordance with subsection (j).

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25 (l) The General Assembly shall, through the annual
26 appropriations process, determine the level of State funding for
27 basic education.

28 (m) As used in this section, the following words and phrases
29 shall have the meanings given to them in this subsection unless
30 the context clearly indicates otherwise:

1 "Commission." The Basic Education Funding Commission
2 established under this section.
3 "Department." The Department of Education of the
4 Commonwealth.
5 Section 2. This act shall take effect immediately.