

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2174 Session of 2014

INTRODUCED BY CHRISTIANA, AUMENT, MUSTIO, SANKEY, GIBBONS AND DENLINGER, APRIL 10, 2014

REFERRED TO COMMITTEE ON EDUCATION, APRIL 10, 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," further providing for funding for  
6 charter schools.

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

9 Section 1. Section 1725-A of the act of March 10, 1949  
10 (P.L.30, No.14), known as the Public School Code of 1949,  
11 amended or added June 19, 1997 (P.L.225, No.22), June 22, 2001  
12 (P.L.530, No.35) and June 29, 2002 (P.L.524, No.88), is amended  
13 to read:

14 Section 1725-A. Funding for Charter [Schools] School  
15 Entities.--(a) Funding for a charter school entity shall be  
16 provided in the following manner:

17 (1) There shall be no tuition charge for a resident or  
18 nonresident student attending a charter school entity.

19 (2) [For] (i) Through and including the 2014-2015 school  
20 year, for non-special education students, the charter school

1 entity shall receive for each student enrolled no less than the  
2 budgeted total expenditure per average daily membership of the  
3 prior school year, as defined in section 2501(20), minus the  
4 budgeted expenditures of the district of residence for nonpublic  
5 school programs; adult education programs; community/junior  
6 college programs; student transportation services; for special  
7 education programs; facilities acquisition, construction and  
8 improvement services; and other financing uses, including debt  
9 service and fund transfers as provided in the Manual of  
10 Accounting and Related Financial Procedures for Pennsylvania  
11 School Systems established by the department. This amount shall  
12 be paid by the district of residence of each student.

13 (ii) Beginning in the 2015-2016 school year, for non-special  
14 education students, the following shall apply:

15 (A) A charter school or regional charter school shall  
16 receive for each student enrolled no less than the budgeted  
17 total expenditure per average daily membership of the prior  
18 school year, as defined in section 2501(20), minus the budgeted  
19 expenditures of the district of residence for nonpublic school  
20 programs; adult education programs; community/junior college  
21 programs; student transportation services; special education  
22 programs; facilities acquisition, construction and improvement  
23 services; and other financing uses, including debt service and  
24 fund transfers as provided in the Manual of Accounting and  
25 Related Financial Procedures for Pennsylvania School Systems  
26 established by the department. This amount shall be paid by the  
27 district of residence of each student.

28 (B) A cyber charter school shall receive for each student  
29 enrolled an amount equal to the cyber charter school's per pupil  
30 expenditure for non-special education students for the prior

1 school year, as certified to the department not later than  
2 August 1 of each year on a form to be developed by the  
3 department. This amount shall be paid by the department, subject  
4 to audit by the department. In the case of a cyber charter  
5 school in its first year of operation, the cyber charter school  
6 shall receive for each student enrolled an amount equal to the  
7 blended average of per pupil expenditures for non-special  
8 education students for all cyber charter schools for the prior  
9 school year.

10 (3) For special education students, the charter school  
11 entity shall receive for each student enrolled the following:

12 (i) Through and including the 2014-2015 school year, the  
13 same funding as for each non-special education student as  
14 provided in [clause (2)] clause (2)(i), plus an additional  
15 amount determined by dividing the district of residence's total  
16 special education expenditure by the product of multiplying the  
17 combined percentage of section 2509.5(k) times the district of  
18 residence's total average daily membership for the prior school  
19 year. This amount shall be paid by the district of residence of  
20 each student.

21 (ii) Beginning in the 2015-2016 school year, the following:

22 (A) For charter schools and regional charter schools, the  
23 same funding as for each non-special education student as  
24 provided in clause (2)(ii)(A), plus an additional amount  
25 determined by dividing the district of residence's total special  
26 education expenditure by the product of multiplying the combined  
27 percentage of section 2509.5(k) times the district of  
28 residence's total average daily membership for the prior school  
29 year. This amount shall be paid by the district of residence of  
30 each student.

1 (B) For cyber charter schools, the following:

2 (I) Subject to subclause (II), the same funding as for each  
3 non-special education student as provided in clause (2)(ii)(B),  
4 plus an additional amount determined by dividing the district of  
5 residence's total special education expenditure by the product  
6 of multiplying the combined percentage of section 2509.5(k)  
7 times the district of residence's total average daily membership  
8 for the prior school year. This amount shall be paid by the  
9 department, subject to audit by the department.

10 (II) Beginning on the effective date of final-omitted  
11 regulations which the State Board of Education shall promulgate  
12 pursuant to the act of June 25, 1982 (P.L.633, No.181), known as  
13 the "Regulatory Review Act," which regulations shall set forth a  
14 formula for reimbursing cyber charter schools for their actual  
15 costs of providing special education services, an amount  
16 calculated pursuant to said formula. In developing the formula  
17 and promulgating the regulations required under this subclause,  
18 the State Board of Education shall work in cooperation with the  
19 department and with organizations representing special education  
20 students and cyber charter schools. This amount shall be paid by  
21 the department, subject to audit by the department.

22 (4) A charter school entity may request the intermediate  
23 unit in which the charter school entity is located to provide  
24 services to assist the charter school entity to address the  
25 specific needs of exceptional students. The intermediate unit  
26 shall assist the charter school entity and bill the charter  
27 school entity for the services. The intermediate unit may not  
28 charge the charter school entity more for any service than it  
29 charges the constituent districts of the intermediate unit.

30 (5) Payments shall be made to the charter school entity in

1 twelve (12) equal monthly payments, by the fifth day of each  
2 month, within the operating school year.

3 (5.1) A student enrolled in a charter school or regional  
4 charter school shall be included in the average daily membership  
5 of the student's district of residence for the purpose of  
6 providing basic education funding payments and special education  
7 funding pursuant to Article XXV. If a school district fails to  
8 make a payment to a charter school or regional charter school as  
9 prescribed in [this] clause (5), the secretary shall deduct the  
10 estimated amount, as documented by the charter school or  
11 regional charter school, from any and all State payments made to  
12 the district after receipt of documentation from the charter  
13 school or regional charter school.

14 (5.2) A student enrolled in a cyber charter school shall not  
15 be included in the average daily membership of the student's  
16 district of residence for the purpose of providing basic  
17 education funding payments and special education funding  
18 pursuant to Article XXV. The district of residence of a student  
19 enrolled in a cyber charter school shall not be required to make  
20 any payments to the cyber charter school under this section.

21 (6) Within thirty (30) days after the secretary makes the  
22 deduction described in clause [(5)] (5.1), a school district may  
23 notify the secretary that the deduction made from State payments  
24 to the district under this subsection is inaccurate. The  
25 secretary shall provide the school district with an opportunity  
26 to be heard concerning whether the charter school or regional  
27 charter school documented that its students were enrolled in the  
28 charter school or regional charter school, the period of time  
29 during which each student was enrolled, the school district of  
30 residence of each student and whether the amounts deducted from

1 the school district were accurate.

2 (b) The Commonwealth shall provide temporary financial  
3 assistance to a school district due to the enrollment of  
4 students in a charter school or regional charter school who  
5 attended a nonpublic school in the prior school year in order to  
6 offset the additional costs directly related to the enrollment  
7 of those students in a public charter school or regional charter  
8 school. The Commonwealth shall pay the school district of  
9 residence of a student enrolled in a nonpublic school in the  
10 prior school year who is attending a charter school or regional  
11 charter school an amount equal to the school district of  
12 residence's basic education subsidy for the current school year  
13 divided by the district's average daily membership for the prior  
14 school year. This payment shall occur only for the first year of  
15 the attendance of the student in a charter school or regional  
16 charter school, starting with school year 1997-1998. Total  
17 payments of temporary financial assistance to school districts  
18 on behalf of a student enrolling in a charter school or regional  
19 charter school who attended a nonpublic school in the prior  
20 school year shall be limited to funds appropriated for this  
21 program in a fiscal year. If the total of the amount needed for  
22 all students enrolled in a nonpublic school in the prior school  
23 year who enroll in a charter school or regional charter school  
24 exceeds the appropriation for the temporary financial assistance  
25 program, the amount paid to a school district for each  
26 qualifying student shall be pro rata reduced. Receipt of funds  
27 under this subsection shall not preclude a school district from  
28 applying for a grant under subsection (c).

29 (c) The Commonwealth shall create a grant program to provide  
30 temporary transitional funding to a school district due to the

1 budgetary impact relating to any student's first-year attendance  
2 at a charter school or regional charter school. The department  
3 shall develop criteria which shall include, but not be limited  
4 to, the overall fiscal impact on the budget of the school  
5 district resulting from students of a school district attending  
6 a charter school or regional charter school. The criteria shall  
7 be published in the Pennsylvania Bulletin. This subsection shall  
8 not apply to a public school converted to a charter school under  
9 section 1717-A(b). Grants shall be limited to funds appropriated  
10 for this purpose.

11 (d) It shall be lawful for any charter school entity to  
12 receive, hold, manage and use, absolutely or in trust, any  
13 devise, bequest, grant, endowment, gift or donation of any  
14 property, real or personal and/or mixed, which shall be made to  
15 the charter school entity for any of the purposes of this  
16 article.

17 (e) It shall be unlawful for any trustee of a charter school  
18 entity or any board of trustees of a charter school entity or  
19 any other person affiliated in any way with a charter school  
20 entity to demand or request, directly or indirectly, any gift,  
21 donation or contribution of any kind from any parent, teacher,  
22 employe or any other person affiliated with the charter school  
23 entity as a condition for employment or enrollment and/or  
24 continued attendance of any pupil. Any donation, gift or  
25 contribution received by a charter school entity shall be given  
26 freely and voluntarily.

27 (f) If insufficient funds are appropriated to the department  
28 in any fiscal year to make payments pursuant to this section,  
29 the amount of such payments shall be reduced on a pro rata  
30 basis.

1       (g) As used in this section, the phrase "charter school  
2 entity" shall mean a charter school, regional charter school or  
3 cyber charter school.

4       Section 2. This act shall take effect in 60 days.