
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1143 Session of
2015

INTRODUCED BY ROEBUCK, YOUNGBLOOD, DERMODY, HANNA, FRANKEL,
GOODMAN, MARKOSEK, STURLA, COHEN, SCHREIBER, BROWNLEE,
PASHINSKI, KINSEY, O'BRIEN, DEAN, SCHWEYER, M. DALEY, KIM,
SCHLOSSBERG, McNEILL, FABRIZIO, CARROLL, DAVIDSON, KAVULICH,
DeLISSIO, THOMAS, C. PARKER AND ROZZI, MAY 12, 2015

REFERRED TO COMMITTEE ON EDUCATION, MAY 12, 2015

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 charter schools, further providing
6 for school staff and for funding for charter schools;
7 providing for refund of excess revenue to school districts;
8 further providing for applicability of other provisions of
9 this act and of other acts and resolutions; in reimbursements
10 by Commonwealth and between school districts, providing for
11 basic education funding for 2014-2015 school year and for
12 basic education accountability for 2014-2015 school year;
13 and, in reimbursements by Commonwealth and between school
14 districts, further providing for payments to intermediate
15 units and for special education payments to school districts
16 and providing for further limitation on new applications for
17 Department of Education approval of public school building
18 projects and for safe schools advocate.

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

21 Section 1. Section 1724-A(c) of the act of March 10, 1949
22 (P.L.30, No.14), known as the Public School Code of 1949,
23 amended June 30, 2011 (P.L.112, No.24), is amended to read:

24 Section 1724-A. School Staff.--* * *

1 (c) All employes of a charter school shall be enrolled in
2 the Public School Employees' Retirement System in the same
3 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
4 mandatory and optional membership) unless at the time of the
5 application for the charter school the sponsoring district or
6 the board of trustees of the charter school has a retirement
7 program which covers the employes or the employe is currently
8 enrolled in another retirement program. [The Commonwealth shall
9 make contributions on behalf of charter school employes enrolled
10 in the Public School Employees' Retirement System.] The charter
11 school shall be considered a public school [district] as defined
12 in 24 Pa.C.S. § 8102 (relating to definitions) and shall make
13 quarterly payments by employers to the Public School Employees'
14 Retirement System and monthly payments on account of Social
15 Security as established under 24 Pa.C.S. Pt. IV (relating to
16 retirement for school employees). [The market value/income aid
17 ratio used in calculating payments as prescribed in this
18 subsection shall be the market value/income aid ratio for the
19 school district in which the charter school is located or, in
20 the case of a regional charter school, shall be a composite
21 market value/income aid ratio for the participating school
22 districts as determined by the department.] Except as otherwise
23 provided, employes of a charter school shall make regular member
24 contributions as required for active members under 24 Pa.C.S.
25 Pt. IV. If the employes of the charter school participate in
26 another retirement plan, then those employes shall have no
27 concurrent claim on the benefits provided to public school
28 employes under 24 Pa.C.S. Pt. IV. [For purposes of this
29 subsection, a charter school shall be deemed to be a "public
30 school" as defined in 24 Pa.C.S. § 8102 (relating to

1 definitions).] Notwithstanding any other provision of law to the
2 contrary, nothing in this article shall be construed to require
3 the Commonwealth to make payments to charter schools or
4 contributions on behalf of charter school employes from
5 appropriated funds, as provided in 24 Pa.C.S. §§ 8326 (relating
6 to contribution by the Commonwealth) and 8535 (relating to
7 payments to school entities by the Commonwealth) on account of
8 charter school employes enrolled in the Public School Employees'
9 Retirement System and 24 Pa.C.S. § 8329(a) (relating to payments
10 on account of social security deductions from appropriations) on
11 account of Social Security payments made by a charter school.

12 * * *

13 Section 2. Section 1725-A(a)(2) and (3) of the act, amended
14 June 29, 2002 (P.L.524, No.88), are amended to read:

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

17 * * *

18 (2) For non-special education students[, the]:

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

1 residence of each student.

2 (ii) For the 2015-2016 school year, a cyber charter school
3 shall receive five thousand nine hundred fifty dollars (\$5,950)
4 for each non-special education student enrolled. For the 2016-
5 2017 school year and each school year thereafter, the amount per
6 non-special education student shall be adjusted by the index
7 calculated under section 2501(28).

8 (3) For special education students[, the]:

9 (i) A charter school shall receive for each student enrolled
10 the same funding as for each non-special education student as
11 provided in clause (2)(i), plus an additional amount determined
12 by dividing the district of residence's total special education
13 expenditure by the product of multiplying the combined
14 percentage of section 2509.5(k) times the district of
15 residence's total average daily membership for the prior school
16 year. This amount shall be paid by the district of residence of
17 each student.

18 (ii) For the 2015-2016 school year and each school year
19 thereafter, a cyber charter school shall receive for each
20 special education student enrolled the same amount as for each
21 non-special education student as under clause (2)(ii), plus an
22 additional amount to be paid by the district of residence of
23 each student calculated as follows:

24 (A) For each special education student enrolled in the cyber
25 charter school for which the annual expenditure is less than
26 twenty-five thousand dollars (\$25,000), which shall be known as
27 Category 1, multiply the same funding as for each non-special
28 education student by fifty-one hundredths (.51).

29 (B) For each special education student enrolled in the cyber
30 charter school for which the annual expenditure is equal to or

1 greater than twenty-five thousand dollars (\$25,000) and less
2 than fifty thousand dollars (\$50,000), which shall be known as
3 Category 2, multiply the same funding as for each non-special
4 education student by two and seventy-seven hundredths (2.77).

5 (C) For each special education student enrolled in the cyber
6 charter school for which the annual expenditure is equal to or
7 greater than fifty thousand dollars (\$50,000), which shall be
8 known as Category 3, multiply the same funding as for each non-
9 special education student by six and forty-six hundredths
10 (6.46).

11 * * *

12 Section 3. The act is amended by adding a section to read:

13 Section 1733-A. Annual Reconciliation Based on Audited
14 Charter School Expenditures.--(a) For the 2014-2015 school year
15 and each school year thereafter, a charter school shall refund
16 any revenue in excess of its audited total expenditures as
17 reported on the annual financial report within thirty (30) days
18 of the submission deadline under section 218. Each school
19 district that paid tuition to the charter school shall receive a
20 refund calculated as follows:

21 (1) Subtract audited total expenditures from total revenues.

22 (2) Multiply the difference in clause (1) by the amount of
23 tuition revenue received from the school district.

24 (3) Divide the product in clause (2) by the total tuition
25 revenue received from all school districts.

26 (b) By November 30 of each year, each charter school shall
27 provide the department and all school districts that paid
28 tuition to the charter school in the prior school year with
29 information certifying compliance with this section. The
30 certification shall be provided in a form and manner prescribed

1 by the department.

2 (c) Nothing shall prohibit a charter school from returning a
3 portion of or all of an unassigned fund balance to school
4 districts that paid tuition.

5 Section 4. Section 1749-A(a)(1) of the act, added June 29,
6 2002 (P.L.524, No.88), is amended to read:

7 Section 1749-A. Applicability of other provisions of this act
8 and of other acts and regulations.

9 (a) General requirements.--Cyber charter schools shall be
10 subject to the following:

11 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
12 436, 443, 510, 518, 527, 708, 752, 753, 755, 771, 776, 777,
13 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1301,
14 1302, 1310, 1317.2, 1318, 1330, 1332, 1303-A, 1518, 1521,
15 1523, 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A,
16 1719-A, 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, 1725-A,
17 1727-A, 1729-A, 1730-A, 1731-A(a)(1) and (b), 1733-A and
18 2014-A and Articles XII-A, XIII-A and XIV.

19 * * *

20 Section 5. The act is amended by adding sections to read:

21 Section 2502.53. Basic Education Funding for 2014-2015
22 School Year.--(a) For the 2014-2015 school year, the
23 Commonwealth shall pay to each school district a basic education
24 funding allocation which shall consist of the following:

25 (1) An amount equal to its basic education funding
26 allocation for the 2013-2014 school year, under section 1722-
27 J(16) of the act of April 9, 1929 (P.L.343, No.176), known as
28 "The Fiscal Code."

29 (2) An amount equal to its basic education formula
30 enhancement allocation paid in the 2014-2015 school year.

1 (3) An amount equal to its allocation under section 1722-
2 J(21) of "The Fiscal Code."

3 (4) An amount equal to its original accountability block
4 grant allocation in 2010-2011 under section 2599.2 minus its
5 allocation under section 1722-J(21)(i) of "The Fiscal Code."

6 (5) An amount equal to its original educational assistance
7 program funding allocation in 2010-2011 under section 1722-L(9)
8 of "The Fiscal Code".

9 (6) An amount on account of tuition costs for resident
10 students enrolled in a charter school approved under section
11 1717-A or 1718-A or a cyber charter school approved under
12 section 1741-A calculated as follows:

13 (i) Multiply the tuition to Pennsylvania charter schools and
14 cyber charter schools as reported on the school district's 2013-
15 2014 annual financial report by one hundred fifty million
16 dollars (\$150,000,000).

17 (ii) Divide the product in paragraph (i) by the sum of
18 products in paragraph (i) for all school districts.

19 (7) An amount to further restore basic education funding
20 calculated as follows:

21 (i) Subtract its basic education funding allocation for the
22 2009-2010 school year under section 1722-L(a)(14) of "The Fiscal
23 Code" from its basic education allocation for the 2013-2014
24 school year under section 1722-J(16) of "The Fiscal Code."

25 (ii) If the difference in paragraph (i) is less than zero
26 (\$0), multiply the difference in paragraph (i) by fifty-three
27 million, eight hundred seventy-nine thousand dollars
28 (\$53,879,000).

29 (iii) Divide the product in paragraph (ii) by the sum of the
30 differences in paragraph (i) for all school districts where the

1 difference is less than zero (\$0).

2 (b) For the 2014-2015 school year and each school year
3 thereafter, the Commonwealth shall pay to each school entity
4 that received educational assistance funding in 2010-2011 under
5 section 1722-L(9) of "The Fiscal Code" and that did not receive
6 an allocation under subsection (a) an amount equal to its
7 educational assistance funding received in 2010-2011 under
8 section 1722-L(9) of "The Fiscal Code".

9 Section 2502.54. Basic Education Accountability for 2014-
10 2015 School Year.--(a) Each school district shall develop and
11 make available to the public before approval by the board of
12 school directors an accountability plan for the use of the
13 increase in basic education funding allocated for the 2014-2015
14 school year, describing:

15 (1) the intended investment; and

16 (2) how the funds will increase opportunities for student
17 success, including specific performance targets.

18 (b) The accountability plan shall describe the school
19 district's intended investment in the following eligible uses
20 for the portion of the percentage increase that exceeds the
21 index:

22 (1) High-quality early childhood programs, including
23 prekindergarten and full-day kindergarten.

24 (2) Additional instructional time for students through
25 extension of the school day and year.

26 (3) Summer learning programs.

27 (4) Professional development, curriculum, classroom
28 materials and other strategies necessary to successfully
29 implement high academic standards for all students and prepare
30 students for college and careers.

1 (5) Reduced class size in prekindergarten through third
2 grade.

3 (6) Academic and other enrichment programs and courses, such
4 as music, arts, world languages and library services.

5 (7) Community partnerships and wraparound programs that
6 provide health and human services to students and their
7 families, which may include trauma-informed education and
8 positive behavioral support.

9 (8) Offering or partnering with an institution of higher
10 education to make available advanced courses, including dual
11 enrollment, that prepare students for college.

12 (9) Personalized help and interventions for struggling
13 students.

14 (10) College and career counseling in middle and high
15 schools.

16 (11) Secondary career and technical education aligned with
17 employer needs in science, technology, engineering and
18 mathematics and other high-demand and emerging occupations.

19 (12) Alternative school settings and programs.

20 (13) Hybrid and innovative learning options.

21 (14) Restoration of other cuts to programs and personnel
22 which were the result of reductions in State or other funding.
23 Personnel covered under Article X are not eligible.

24 (c) The accountability plan shall establish quantitative
25 goals for student performance linked to the increased
26 investment, which may include:

27 (1) Percent of additional students proficient or advanced in
28 reading by the end of third grade.

29 (2) Percent of additional students who graduate from high
30 school on track for success in college and careers.

1 (3) Improvements in high school graduation and dropout
2 rates.

3 (4) Improvements in student attendance and truancy rates.

4 (5) Reductions in achievement gaps.

5 (6) Successful program completion for English language
6 learners.

7 (7) Rates of matriculation for students in college, job
8 training and/or apprenticeship programs.

9 (8) Rates of retention and successful completion for
10 students in college, job training and/or apprenticeship
11 programs.

12 (9) Employment rates and wages for graduates.

13 (d) After approval by the school board, the school district
14 shall submit its accountability plan to the Department of
15 Education for review and approval. By June 1, 2015, or within
16 fifteen (15) days of receipt of an accountability plan,
17 whichever is later, the Department of Education shall approve
18 the plan as submitted, approve the plan with amendments
19 requiring further action by the school district or reject for
20 noncompliance the submitted plan. Plans requiring further action
21 and plans rejected for noncompliance shall be revised and
22 resubmitted within 15 days of notification by the Department of
23 Education. The department shall publish guidelines on its
24 publicly accessible Internet website detailing the criteria by
25 which a plan will be reviewed and approved.

26 Section 6. Section 2509.1 of the act is amended by adding a
27 subsection to read:

28 Section 2509.1. Payments to Intermediate Units.--* * *

29 (c.2) (1) For the 2015-2016 school year, five and two-
30 tenths percent (5.2%) of the State special education

1 appropriation shall be paid to intermediate units on account of
2 special education services.

3 (2) Thirty-five percent (35%) of the amount under paragraph
4 (1) shall be distributed equally among all intermediate units.

5 (3) Sixty-five percent (65%) of the amount under paragraph
6 (1) shall be distributed to each intermediate unit in proportion
7 to the number of average daily membership of the component
8 school districts of each intermediate unit as compared to the
9 Statewide total average daily membership.

10 * * *

11 Section 7. Section 2509.5(aaa) of the act, amended July 9,
12 2013 (P.L.408, No.59), is amended and the section is amended by
13 adding a subsection to read:

14 Section 2509.5. Special Education Payments to School
15 Districts.--* * *

16 (aaa) During the 2009-2010 [through the 2013-2014 school
17 years] school year and each school year thereafter, each school
18 district shall be paid the amount it received during the 2008-
19 2009 school year under subsection (zz). If insufficient funds
20 are appropriated, the payments shall be made on a pro rata
21 basis.

22 (bbb) (1) During the 2014-2015 school year and each school
23 year thereafter, a student-based allocation equal to the
24 difference between the total amount allocated for special
25 education payments for school districts and the total amounts
26 paid under subsection (aaa) shall be used to provide additional
27 funding to school districts. Each school district shall receive
28 a student-based allocation calculated as follows:

29 (i) Multiply the sum of the school district's weighted
30 special education student headcount and its sparsity/size

1 adjustment calculated under paragraph (2)(v) by its market
2 value/income aid ratio and its equalized millage multiplier
3 calculated under paragraph (2)(vi).

4 (ii) Multiply the product under subparagraph (i) by the
5 total amount available for the student-based allocation.

6 (iii) Divide the product under subparagraph (ii) by the sum
7 of the products under subparagraph (i) for all school districts.

8 (2) For the purposes of paragraph (1)(i):

9 (i) The weighted special education student headcount shall
10 be calculated for each school district as follows:

11 (A) Multiply the number of special education students who
12 reside in the school district for which the annual expenditure
13 is less than twenty-five thousand dollars (\$25,000), which shall
14 be known as Category 1, by one and fifty-one hundredths (1.51).

15 (B) Multiply the number of special education students who
16 reside in the school district for which the annual expenditure
17 is equal to or greater than twenty-five thousand dollars
18 (\$25,000), but less than fifty thousand dollars (\$50,000), which
19 shall be known as Category 2, by three and seventy-seven
20 hundredths (3.77).

21 (C) Multiply the number of special education students who
22 reside in the school district for which the annual expenditure
23 is equal to or greater than fifty thousand dollars (\$50,000),
24 which shall be known as Category 3, by seven and forty-six
25 hundredths (7.46).

26 (D) Add the products under clauses (A), (B) and (C).

27 (ii) The sparsity ratio shall be calculated for each school
28 district as follows:

29 (A) Divide the school district's average daily membership
30 per square mile by the Commonwealth's average daily membership

1 per square mile.

2 (B) Multiply the quotient under clause (A) by one-half
3 (0.5).

4 (C) Subtract the product under clause (B) from one (1).

5 (iii) The size ratio for each school district shall be
6 calculated as follows:

7 (A) Divide the school district's average daily membership by
8 the average of the average daily membership of all school
9 districts.

10 (B) Multiply the quotient under clause (A) by one-half
11 (0.5).

12 (C) Subtract the product under clause (B) from one (1).

13 (iv) The sparsity/size ratio for each school district shall
14 be calculated by adding forty percent (40%) of the sparsity
15 ratio and sixty percent (60%) of the size ratio.

16 (v) The sparsity/size adjustment for each school district
17 shall be calculated as follows:

18 (A) For a school district with a sparsity/size ratio less
19 than or equal to the sparsity/size ratio that represents the
20 seventieth percentile of the sparsity/size ratio of all school
21 districts, the school district's sparsity/size adjustment shall
22 be zero (0).

23 (B) For a school district with a sparsity/size ratio greater
24 than the sparsity/size ratio that represents the seventieth
25 percentile of the sparsity/size ratio of all school districts,
26 the school district's sparsity/size adjustment shall be
27 calculated as follows:

28 (I) Divide the school district's sparsity/size ratio by the
29 sparsity/size ratio that represents the seventieth percentile of
30 the sparsity/size ratio of all school districts.

1 (II) Subtract one (1) from the quotient under subclause (I).

2 (III) Multiply the remainder under subclause (II) by one-
3 half (0.5).

4 (IV) Multiply the product under subclause (III) by the
5 school district's weighted special education student headcount.

6 (vi) The equalized millage multiplier for each school
7 district shall be calculated as follows:

8 (A) For a school district with an equalized millage rate
9 greater than or equal to the equalized millage rate that
10 represents the seventieth percentile of the equalized millage
11 rate of all school districts, the school district's equalized
12 millage multiplier shall be one (1).

13 (B) For a school district with an equalized millage rate
14 less than the equalized millage rate that represents the
15 seventieth percentile of the equalized millage rate of all
16 school districts, the school district's equalized millage
17 multiplier shall be calculated by dividing the school district's
18 equalized millage rate by the equalized millage rate that
19 represents the seventieth percentile of the equalized millage
20 rate of all school districts.

21 (vii) The dollar ranges for the annual expenditure amounts
22 designated as Category 1, Category 2 and Category 3 under
23 subparagraph (i) shall be based on the information reported to
24 the department under section 1372(8).

25 (viii) The data used to calculate the weighted special
26 education student headcount under subparagraph (i) shall be
27 based on information from the most recent year for which data is
28 available as determined by the Department of Education. The data
29 used to calculate the provisions under subparagraphs (ii),
30 (iii), (iv), (v) and (vi) shall be averaged for the three most

1 recent years for which data is available as determined by the
2 Department of Education.

3 Section 8. The act is amended by adding sections to read:

4 Section 2574.4. Further Limitation on New Applications for
5 Department of Education Approval of Public School Building
6 Projects.--For the 2015-2016 fiscal year, the Department of
7 Education may not accept or approve new school building
8 construction or reconstruction project applications. Completed
9 school building construction or reconstruction project
10 applications received by the Department of Education before July
11 1, 2015, are not subject to this provision.

12 Section 2599.6. Safe Schools Advocate.--Beginning July 1,
13 2015, the safe school advocate for each school district of the
14 first class will be transferred to the Department of Education
15 and the advocate shall maintain an office within the school
16 district.

17 Section 9. This act shall take effect immediately.