

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2628 Session of
2020

INTRODUCED BY STEPHENS, WHITE, MILLARD, WILLIAMS, FLYNN,
SCHLOSSBERG, ZABEL, MOUL, CIRESI, HENNESSEY, DeLUCA AND
STAATS, JUNE 29, 2020

REFERRED TO COMMITTEE ON EDUCATION, JUNE 29, 2020

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 reimbursements by Commonwealth and
6 between school districts, further providing for student-
7 weighted basic education funding and providing for student-
8 weighted basic education funding formula.

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

11 Section 1. Section 2502.53 heading and (b) introductory
12 paragraph of the act of March 10, 1949 (P.L.30, No.14), known as
13 the Public School Code of 1949, are amended to read:

14 Section 2502.53. Student-Weighted Basic Education Funding
15 for School Years 2015-2016 Through 2018-2019.--* * *

16 (b) For the 2015-2016 school year [and each school year
17 thereafter] through the 2018-2019 school year, the Commonwealth
18 shall pay to each school district a basic education funding
19 allocation which shall consist of the following:

20 * * *

Section 2. The act is amended by adding a section to read:

Section 2502.55. Student-Weighted Basic Education Funding

Formula.--(a) The General Assembly finds and declares that, in fulfillment of its duties to maintain and support a thorough and efficient system of public education to serve the needs of the Commonwealth under section 14 of Article III of the Constitution of Pennsylvania, the student-weighted basic education funding formula is the result of the work of the Basic Education Funding Commission established pursuant to section 123.

(b) For the 2019-2020 school year and each school year thereafter, the Commonwealth shall pay to each school district a basic education funding allocation to be calculated as follows:

(1) Multiply the school district's student-weighted average daily membership by the median household income index and local effort capacity index.

(2) Multiply the product in paragraph (1) by the amount appropriated for the allocation of basic education funding to school districts.

(3) Divide the product in paragraph (2) by the sum of the products in paragraph (1) for all school districts.

(c) For the purpose of this section:

(1) Student-weighted average daily membership for a school district shall be the sum of the following:

(i) The average of the school district's three most recent years' average daily membership.

(ii) The acute poverty average daily membership calculated as follows:

(A) Multiply the school district's acute poverty percentage by its average daily membership.

(B) Multiply the product in clause (A) by six-tenths (0.6).

(iii) The poverty average daily membership calculated as follows:

(A) Multiply the school district's poverty percentage by its average daily membership.

(B) Multiply the product in clause (A) by three-tenths (0.3).

(iv) The concentrated poverty average daily membership for qualifying school districts with an acute poverty percentage equal to or greater than thirty percent (30%), to be calculated as follows:

(A) Multiply the school district's acute poverty percentage by its average daily membership.

(B) Multiply the product in clause (A) by three-tenths (0.3).

(v) The number of the school district's limited English-proficient students multiplied by six-tenths (0.6).

(vi) The average daily membership for the school district's students enrolled in charter schools and cyber charter schools multiplied by two-tenths (0.2).

(vii) The sparsity/size adjustment for qualifying school districts with a sparsity/size ratio greater than the sparsity/size ratio that represents the seventieth percentile sparsity/size ratio for all school districts calculated as follows:

(A) Divide the school district's sparsity/size ratio by the sparsity/size ratio that represents the seventieth percentile for all school districts.

(B) Subtract one (1) from the quotient in clause (A).

(C) Multiply the sum of subparagraphs (i), (ii), (iii), (iv), (v) and (vi) by the amount in clause (B).

(D) Multiply the product in clause (C) by seven-tenths (0.7).

(2) Local effort index for a school district shall be calculated as follows:

(i) Determine the school district's local effort factor calculated as follows:

(A) Multiply the school district's median household income by its number of households.

(B) Divide the school district's local tax-related revenue by the product in clause (A).

(C) Multiply the quotient in clause (B) by one thousand (1,000).

(D) Divide the product in clause (C) by the Statewide median of clause (C).

(ii) Determine the school district's excess spending factor, to be calculated as follows:

(A) Divide the school district's current expenditures by the sum of its average daily membership and the amounts in paragraph (1)(ii), (iii), (iv), (v), (vi) and (vii).

(B) Divide the quotient in clause (A) by the Statewide median of clause (A).

(C) Divide one (1) by the quotient in clause (B).

(iii) Multiply the school district's local effort factor by the lesser of one (1) or the school district's excess spending factor.

(3) Local capacity index for a qualifying school district shall be calculated as follows:

(i) Divide the school district's local tax-related revenue by the sum of its market value and personal income valuation.

(ii) Multiply the sum of the school district's market value

and personal income valuation by the Statewide median of
subparagraph (i).

(iii) Determine the school district's local capacity per
student by dividing the product in subparagraph (ii) by the sum
of its average daily membership and the amounts in paragraph (1)
(ii), (iii), (iv), (v), (vi) and (vii).

(iv) If the school district's local capacity per student is
less than the Statewide median of subparagraph (iii):

(A) Divide the school district's local capacity per student
by the Statewide median.

(B) Subtract the quotient in clause (A) from one (1).

(4) Local effort capacity index for a school district shall
equal the sum of its local effort index and local capacity
index.

(5) The data used to calculate the factors and indexes in
this section shall be based on the most recent years for which
data is available as determined by the Department of Education
and be fixed as of the first day of June preceding the school
year in which the allocation occurs. Data fixed on the first day
of June shall be revised by the Department of Education if it is
subsequently found to be incorrect.

(d) For purposes of this section:

(1) "Acute poverty percentage" shall mean the number of
children six (6) to seventeen (17) years of age living in a
household where the ratio of income to poverty is less than one
hundred percent (100%) of the Federal poverty guidelines divided
by the total number of children six (6) to seventeen (17) years
of age as determined by the most recent five-year estimate of
the United States Census Bureau's American Community Survey.

(2) "Current expenditures" shall mean the General Fund

expenditures in functional classifications of instruction,
support services and operation of noninstructional services.
Beginning with the 2018-2019 school year, "current expenditures"
shall mean the General Fund expenditures in functional
classifications of instruction, support services and operation
of noninstructional services, minus General Fund revenues for
tuition from patrons.

(3) "Households" shall mean the number of households in each
school district as determined by the most recent five-year
estimate of the United States Census Bureau's American Community
Survey.

(4) "Local tax-related revenue" shall mean the sum of school
district revenues for State property tax reduction allocation,
taxes levied and assessed, delinquencies on taxes levied and
assessed, revenue from local government units and other local
revenues not specified elsewhere, as designated in the Manual of
Accounting and Financial Reporting for Pennsylvania Public
Schools. Beginning with the 2018-2019 school year, revenues
received by a school district from the sales and use tax and the
cigarette tax shall be included when determining a school
district's local tax-related revenue under this section.

(5) "Median household income" shall mean the median
household income for school districts and the State as
determined by the most recent five-year estimate of the United
States Census Bureau's American Community Survey.

(6) "Median household income index" shall mean a number
calculated as follows:

(i) Divide a school district's median household income by
the State median household income.

(ii) Divide one (1) by the quotient in subparagraph (i).

1 (7) "Poverty percentage" shall mean the number of children
2 six (6) to seventeen (17) years of age living in a household
3 where the ratio of income to poverty is between one hundred
4 percent (100%) and one hundred eighty-four percent (184%) of the
5 Federal poverty guidelines divided by the total number of
6 children six (6) to seventeen (17) years of age as determined by
7 the most recent five-year estimate of the United States Census
8 Bureau's American Community Survey.

9 (8) "Size ratio" shall mean a number calculated as follows:

10 (i) Divide the average of a school district's three (3) most
11 recent years' average daily membership by the Statewide average
12 of the three (3) most recent years' average daily membership for
13 all school districts.

14 (ii) Multiply the amount in subparagraph (i) by five-tenths
15 (0.5).

16 (iii) Subtract the amount in subparagraph (ii) from one (1).

17 (9) "Sparsity ratio" shall mean a number calculated as
18 follows:

19 (i) Divide the average of a school district's three (3) most
20 recent years' average daily membership by its total square miles
21 as reported in the latest decennial census as reported by the
22 United States Census Bureau.

23 (ii) Divide the State total average daily membership by the
24 State total square miles.

25 (iii) Divide the quotient in subparagraph (i) by the
26 quotient in subparagraph (ii).

27 (iv) Multiply the quotient in subparagraph (iii) by five-
28 tenths (0.5).

29 (v) Subtract the product in subparagraph (iv) from one (1).

30 (10) "Sparsity/size ratio" shall mean a number calculated by

1 adding the following amounts:

2 (i) The sparsity ratio multiplied by four-tenths (0.4).

3 (ii) The size ratio multiplied by six-tenths (0.6).

4 Section 3. This act shall take effect in 60 days.