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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 816 Session of  
2021

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INTRODUCED BY STURLA, HILL-EVANS, MADDEN, SANCHEZ, SCHLOSSBERG,  
N. NELSON, LONGIETTI AND KINKEAD, MARCH 8, 2021

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REFERRED TO COMMITTEE ON EDUCATION, MARCH 8, 2021

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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 preliminary provisions, further  
6 providing for Basic Education Funding Commission; and, in  
7 reimbursements by Commonwealth and between school districts,  
8 further providing for student-weighted basic education  
9 funding and providing for student-weighted basic education  
10 funding for school year 2019-2020 and each school year  
11 thereafter.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. Section 123(h) of the act of March 10, 1949  
15 (P.L.30, No.14), known as the Public School Code of 1949, is  
16 amended by adding clauses to read:

17 Section 123. Basic Education Funding Commission.--\* \* \*

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

1 \* \* \*

2 (8.1) Whether a school district has a high level of students  
3 who are chronically absent.

4 (8.2) Whether a school district has a high level of students  
5 in foster care.

6 (8.3) Whether a school district has a high level of students  
7 who are homeless.

8 \* \* \*

9 Section 2. Section 2502.53 heading and (b) introductory  
10 paragraph of the act, amended June 5, 2020 (P.L.223, No.30), are  
11 amended to read:

12 Section 2502.53. Student-Weighted Basic Education Funding  
13 for School Years 2015-2016 Through 2018-2019.--\* \* \*

14 (b) For the 2015-2016 school year [and each school year  
15 thereafter] through the 2018-2019 school year, except the 2019-  
16 2020 school year which shall be governed by subsection (b.1),  
17 the Commonwealth shall pay to each school district a basic  
18 education funding allocation which shall consist of the  
19 following:

20 \* \* \*

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

22 Section 2502.55. Student-Weighted Basic Education Funding  
23 for School Year 2019-2020 and Each School Year Thereafter.--(a)  
24 The General Assembly finds and declares that the student-  
25 weighted basic education funding formula is the result of the  
26 work of the Basic Education Funding Commission established  
27 pursuant to section 123.

28 (b) For the 2019-2020 school year and each school year  
29 thereafter, the Commonwealth shall pay to each school district a  
30 basic education funding allocation which shall consist of the

1 following:

2 (1) An amount equal to the sum of the school district's  
3 basic education funding allocation for the 2013-2014 school  
4 year.

5 (2) A student-based allocation to be calculated as follows:

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

9 (ii) Multiply the product in subparagraph (i) by the  
10 difference between the amount appropriated for the allocation of  
11 basic education funding to school districts and the amount  
12 appropriated for the allocation in paragraph (1).

13 (iii) Divide the product in subparagraph (ii) by the sum of  
14 the products in subparagraph (i) for all school districts.

15 (c) For the purpose of this section:

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

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

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

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

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

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

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

29 (B) Multiply the product in clause (A) by three-tenths  
30 (0.3).

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

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

7 (B) Multiply the product in clause (A) by three-tenths  
8 (0.3).

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

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

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

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

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

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

25 (D) Multiply the product in clause (C) by seven-tenths  
26 (0.7).

27 (viii) The school district's chronic absenteeism percentage  
28 calculated as follows:

29 (A) Multiply the school district's chronic absenteeism  
30 percentage by its average daily membership.

1 (B) Multiply the product in clause (A) by five-tenths (0.5).

2 (ix) Except if the school district has ten (10) or fewer  
3 foster students, the school district's foster student percentage  
4 calculated as follows:

5 (A) Multiply the school district's foster student percentage  
6 by its average daily membership.

7 (B) Multiply the product in clause (A) by five-tenths (0.5).

8 (x) Except if the school district has ten (10) or fewer  
9 homeless students, the school district's homeless student  
10 percentage calculated as follows:

11 (A) Multiply the school district's homeless student  
12 percentage by its average daily membership.

13 (B) Multiply the product in clause (A) by five-tenths (0.5).

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

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

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

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

22 (C) Multiply the quotient in clause (B) by one thousand  
23 (1,000).

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

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

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

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

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

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

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

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

11 (ii) Multiply the sum of the school district's market value  
12 and personal income valuation by the Statewide median of  
13 subparagraph (i).

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

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

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

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

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

26 (5) The data used to calculate the factors and indexes in  
27 this section shall be based on the most recent years for which  
28 data is available as determined by the Department of Education  
29 and be fixed as of the first day of June preceding the school  
30 year in which the allocation occurs. Data fixed on the first day

1 of June shall be revised by the Department of Education if it is  
2 subsequently found to be incorrect.

3 (6) The student-based allocations calculated under paragraph  
4 (2) (viii), (ix) and (x) shall only be directed toward support  
5 services deemed necessary by the school district.

6 (d) The Department of Education shall publish the  
7 allocations calculated under this section for each school  
8 district on the Department of Education's publicly accessible  
9 Internet website, including the student-based allocations  
10 calculated under subsection (c) (2) (viii), (ix) and (x) for each  
11 school district.

12 (e) For purposes of this section:

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

20 (2) "Chronic absenteeism" shall mean students who have been  
21 enrolled in school for sixty (60) or more school days and absent  
22 for more than ten percent (10%) of school days during the school  
23 year or eighteen (18) days in a 180-day school year.

24 (3) "Current expenditures" shall mean the General Fund  
25 expenditures in functional classifications of instruction,  
26 support services and operation of noninstructional services.  
27 Beginning with the 2016-2017 school year, "current expenditures"  
28 shall mean the General Fund expenditures in functional  
29 classifications of instruction, support services and operation  
30 of noninstructional services, minus General Fund revenues for

1 tuition from patrons.

2 (4) "Foster student" shall mean a student who is placed away  
3 from the student's parents or guardians at a home that is  
4 administered by a State agency and who receives 24-hour  
5 substitute care. The term includes, but is not limited to, a  
6 student who is placed in a foster family home, foster home of a  
7 relative, group home, emergency shelter, residential facility,  
8 child care institution or pre-adoptive home.

9 (5) "Homeless student" shall mean any of the following:

10 (i) A student who is sharing housing with other persons due  
11 to the student's loss of housing, economic hardship or a similar  
12 reason.

13 (ii) A student who is living in a motel, hotel or camping  
14 ground due to the lack of alternative adequate accommodations.

15 (iii) A student who is living in an emergency or  
16 transitional shelter.

17 (iv) A student who is abandoned in a hospital.

18 (v) A student who has a primary nighttime residence that is  
19 a public or private place not designed for or ordinarily used as  
20 a regular sleeping accommodation for individuals.

21 (vi) A student who is living in a car, park, public space,  
22 abandoned building, substandard housing, bus or train station or  
23 similar settings.

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

28 (7) "Local tax-related revenue" shall mean the sum of school  
29 district revenues for State property tax reduction allocation,  
30 taxes levied and assessed, delinquencies on taxes levied and



1 assessed, revenue from local government units and other local  
2 revenues not specified elsewhere, as designated in the Manual of  
3 Accounting and Financial Reporting for Pennsylvania Public  
4 Schools. Beginning with the 2016-2017 school year, revenues  
5 received by a school district from the sales and use tax and the  
6 cigarette tax shall be included when determining a school  
7 district's local tax-related revenue under this section.

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

12 (9) "Median household income index" shall mean a number  
13 calculated as follows:

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

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

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

25 (11) "Size ratio" shall mean a number calculated as follows:

26 (i) Divide the average of a school district's three (3) most  
27 recent years' average daily membership by the Statewide average  
28 of the three (3) most recent years' average daily membership for  
29 all school districts.

30 (ii) Multiply the amount in subparagraph (i) by five-tenths

1 (0.5).

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

3 (12) "Sparsity ratio" shall mean a number calculated as

4 follows:

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

9 (ii) Divide the State total average daily membership by the  
10 State total square miles.

11 (iii) Divide the quotient in subparagraph (i) by the  
12 quotient in subparagraph (ii).

13 (iv) Multiply the quotient in subparagraph (iii) by five-  
14 tenths (0.5).

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

16 (13) "Sparsity/size ratio" shall mean a number calculated by  
17 adding the following amounts:

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

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

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