
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1316 Session of
2014

INTRODUCED BY BROWNE, PILEGGI, ERICKSON, FOLMER, SCHWANK,
HUGHES, SMUCKER, BAKER, YAW, RAFFERTY, ALLOWAY, McILHINNEY,
FONTANA, TEPLITZ AND YUDICHAK, APRIL 2, 2014

REFERRED TO EDUCATION, APRIL 2, 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," in pupils and attendance, further
6 providing for cost of tuition and maintenance of certain
7 exceptional children in approved institutions; in charter
8 schools, further providing for funding for charter schools;
9 and, in reimbursements by Commonwealth and between school
10 districts, further providing for special education payments
11 to school districts and for extraordinary special education
12 program expenses.

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

15 Section 1. Section 1376 of the act of March 10, 1949
16 (P.L.30, No.14), known as the Public School Code of 1949, is
17 amended by adding a subsection to read:

18 Section 1376. Cost of Tuition and Maintenance of Certain
19 Exceptional Children in Approved Institutions.--* * *

20 (c.9) (1) Beginning in fiscal year 2014-2015, in any fiscal
21 year when there is no increase in the State allocation to
22 approved private schools under subsection (a.2), an amount equal

1 to the funds remitted to the Commonwealth by the approved
2 private schools pursuant to subsection (c.2)(5)(ii) from the
3 previous fiscal year is appropriated to the Department of
4 Education for the purpose of making payments to the approved
5 private schools for pupils who are enrolled with the approval of
6 the Department of Education.

7 (2) The funds available for payment pursuant to paragraph
8 (1) shall be distributed as follows:

9 (i) Divide the amount of funding paid to the approved
10 private school during the previous year under subsection (a.2)
11 by the total allocation of funding paid to approved private
12 schools under subsection (a.2) during the previous year.

13 (ii) Multiply the quotient from subparagraph (i) by the
14 amount of funding available for payment under paragraph (1).

15 (3) Funds distributed under this subsection shall be paid in
16 twelve (12) equal monthly payments.

17 * * *

18 Section 2. Section 1725-A(a)(3) of the act, amended June 29,
19 2002 (P.L.524, No.88), is amended and the subsection is amended
20 by adding clauses to read:

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

23 * * *

24 (3) For the 1997-1998 school year through the 2013-2014
25 school year, for special education students, the charter school
26 shall receive for each student enrolled the same funding as for
27 each non-special education student as provided in clause (2),
28 plus an additional amount determined by dividing the district of
29 residence's total special education expenditure by the product
30 of multiplying the combined percentage of section 2509.5(k)

1 times the district of residence's total average daily membership
2 for the prior school year. This amount shall be paid by the
3 district of residence of each student.

4 (3.1) (i) For the 2014-2015 school year and each year
5 thereafter, subject to the provisions in clauses (3.2) and (3.3)
6 which provide for the transition to the new student-based
7 funding methodology established in this clause, for special
8 education students, the charter school shall receive for each
9 student enrolled an amount which shall be paid by the district
10 of residence of each student to be determined as follows:

11 (A) For each student enrolled in the charter school for
12 which the annual expenditure for special education programs and
13 services is less than twenty-five thousand dollars (\$25,000),
14 which shall be known as Category 1, multiply the same funding as
15 for each non-special education student as provided in clause (2)
16 by one and fifty-one hundredths (1.51).

17 (B) For a student enrolled in the charter school for which
18 the annual expenditure for special education programs and
19 services is equal to or greater than twenty-five thousand
20 dollars (\$25,000) and less than fifty thousand dollars
21 (\$50,000), which shall be known as Category 2, multiply the same
22 funding as for each non-special education student as provided in
23 clause (2) by three and seventy-seven hundredths (3.77).

24 (C) For each student enrolled in the charter school for
25 which the annual expenditure for special education programs and
26 services is equal to or greater than fifty thousand dollars
27 (\$50,000), which shall be known as Category 3, multiply the same
28 funding as for each non-special education student as provided in
29 clause (2) by seven and forty-six hundredths (7.46).

30 (ii) Pursuant to regulations developed by the department, to

1 be eligible to receive funding for special education students
2 under subclause (i)(B) and (C), the charter school must document
3 the cost of providing special education programs and services to
4 the student and provide the documentation to the school district
5 of residence and the department.

6 (iii) The department shall annually adjust the weights
7 provided in subclause (i)(A), (B) and (C) for each school
8 district based on the percentage difference in the school
9 district's annual expenditure for special education programs and
10 services per student when compared to the Statewide average
11 annual expenditure for special education programs and services
12 per student.

13 (iv) The department shall annually adjust the dollar ranges
14 in subclause (i)(A), (B) and (C) by the Consumer Price Index for
15 All Urban Consumers for the Pennsylvania, New Jersey, Delaware
16 and Maryland areas.

17 (3.2) Notwithstanding the provisions of clause (3.1), for
18 the 2014-2015 school year, for special education students, the
19 charter school shall receive for each student enrolled an amount
20 which shall be paid by the district of residence as follows:

21 (i) If the funding for each special education student in
22 clause (3) for the 2013-2014 school year is equal to or greater
23 than the funding for the same special education student in
24 clause (3.1) for the 2014-2015 school year, the amount shall be
25 determined as follows:

26 (A) Subtract the amount of funding for each special
27 education student in clause (3.1) for the 2014-2015 school year
28 from the amount of funding for the same special education
29 student in clause (3) for the 2013-2014 school year.

30 (B) Multiply the difference in paragraph (A) by three

1 hundred and thirty-three thousandths (0.333).

2 (C) Subtract the product in paragraph (B) from the amount of
3 funding for the same special education student in clause (3) for
4 the 2013-2014 school year.

5 (ii) If the funding for each special education student in
6 clause (3) for the 2013-2014 school year is less than the amount
7 of funding for the same special education student in clause
8 (3.1) for the 2014-2015 school year, the amount shall be
9 determined as follows:

10 (A) Subtract the amount of funding for each special
11 education student in clause (3) for the 2013-2014 school year
12 from the amount of funding for the same special education
13 student in clause (3.1) for the 2014-2015 school year.

14 (B) Multiply the difference in paragraph (A) by three
15 hundred and thirty-three thousandths (0.333).

16 (C) Add the product in paragraph (B) to the amount of
17 funding for the same special education student in clause (3) for
18 the 2013-2014 school year.

19 (3.3) Notwithstanding the provisions of clause (3.1), for
20 the 2015-2016 school year, for special education students, the
21 charter school shall receive for each student enrolled an amount
22 which shall be paid by the district of residence as follows:

23 (i) If the funding for each special education student in
24 clause (3) for the 2013-2014 school year is equal to or greater
25 than the funding for the same special education student in
26 clause (3.1) for the 2015-2016 school year, the amount shall be
27 determined as follows:

28 (A) Subtract the amount of funding for each special
29 education student in clause (3.1) for the 2015-2016 school year
30 from the amount of funding for the same special education

1 student in clause (3) for the 2013-2014 school year.

2 (B) Multiply the difference in paragraph (A) by six hundred
3 and sixty-six thousandths (0.666).

4 (C) Subtract the product in paragraph (B) from the amount of
5 funding for the same special education student in clause (3) for
6 the 2013-2014 school year.

7 (ii) If the funding for each special education student in
8 clause (3) for the 2013-2014 school year is less than the
9 funding for the same special education student in clause (3.1)
10 for the 2015-2016 school year, the amount shall be determined as
11 follows:

12 (A) Subtract the amount of funding for each special
13 education student in clause (3) for the 2013-2014 school year
14 from the amount of funding for the same special education
15 student in clause (3.1) for the 2015-2016 school year.

16 (B) Multiply the difference in paragraph (A) by six hundred
17 and sixty-six thousandths (0.666).

18 (C) Add the product in paragraph (B) to the amount of
19 funding for the same special education student in clause (3) for
20 the 2013-2014 school year.

21 * * *

22 Section 3. Section 2509.5 of the act is amended by adding a
23 subsection to read:

24 Section 2509.5. Special Education Payments to School
25 Districts.--* * *

26 (bbb) (1) For the 2014-2015 school year and each year
27 thereafter, when the special education funding allocation made
28 to school districts exceeds the amount allocated under
29 subsection (aaa), the Commonwealth shall pay to each school
30 district a special education funding allocation which shall

1 consist of the following:

2 (i) An amount equal to the special education funding
3 allocation under subsection (aaa).

4 (ii) A student-based allocation to be calculated as follows:

5 (A) Multiply the sum of the school district's weighted
6 special education student headcount and its sparsity/size
7 adjustment by its market value/income aid ratio and its
8 equalized millage multiplier.

9 (B) Multiply the product in clause (A) by the difference
10 between the amount appropriated for the allocation of special
11 education funding and the sum of the amounts allocated in
12 subparagraph (i).

13 (C) Divide the product from clause (B) by the sum of the
14 products in clause (A) for all school districts.

15 (2) For the purposes of this section:

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

18 (A) Multiply the number of students who reside in the school
19 district for which the annual expenditure for special education
20 programs and services is less than twenty-five thousand dollars
21 (\$25,000), which shall be known as Category 1, by one and fifty-
22 one hundredths (1.51).

23 (B) Multiply the number of students that reside in the
24 school district for which the annual expenditure for special
25 education programs and services is greater than or equal to
26 twenty-five thousand dollars (\$25,000) but less than fifty
27 thousand dollars (\$50,000), which shall be known as Category 2,
28 by three and seventy-seven hundredths (3.77).

29 (C) Multiply the number of students who reside in the school
30 district for which the annual expenditure for special education

1 programs and services is greater than or equal to fifty thousand
2 dollars (\$50,000), which shall be known as Category 3, by seven
3 and forty-six hundredths (7.46).

4 (D) Add the products in clauses (A), (B) and (C).
5 The Department of Education shall annually adjust the dollar
6 ranges in clauses (A), (B) and (C) by the Consumer Price Index
7 for All Urban Consumers for the Pennsylvania, New Jersey,
8 Delaware and Maryland area.

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

11 (A) Divide the school district's average daily membership
12 per square mile by the State's average daily membership per
13 square mile.

14 (B) Multiply the quotient of clause (A) by five tenths
15 (0.5).

16 (C) Subtract the product in clause (B) from one (1).

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

19 (A) Divide the school district's average daily membership by
20 the average of the average daily membership of all school
21 districts.

22 (B) Multiply the quotient of clause (A) by five tenths
23 (0.5).

24 (C) Subtract the product in clause (B) from one (1).

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

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

30 (A) For a school district with a sparsity/size ratio less

1 than or equal to the sparsity/size ratio that represents the
2 seventieth (70th) percentile of the sparsity/size ratio of all
3 school districts, the school district's sparsity/size adjustment
4 shall be zero (0).

5 (B) For a school district with a sparsity/size ratio greater
6 than the sparsity/size ratio that represents the seventieth
7 (70th) percentile of the sparsity/size ratio of all school
8 districts, the school district's sparsity/size adjustment shall
9 be calculated as follows:

10 (I) Divide the school district's sparsity/size ratio by the
11 sparsity/size ratio that represents the seventieth (70th)
12 percentile of the sparsity/size ratio of all school districts.

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

14 (III) Multiply the remainder in subclause (II) by five
15 tenths (0.5).

16 (IV) Multiply the product in subclause (III) by the school
17 district's weighted special education student headcount.

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

20 (A) For a school district with an equalized millage rate
21 greater than or equal to the equalized millage rate that
22 represents the seventieth (70th) percentile of the equalized
23 millage rate of all school districts, the school district's
24 equalized millage multiplier shall be one (1).

25 (B) For a school district with an equalized millage rate
26 less than the equalized millage rate that represents the
27 seventieth (70th) percentile of the equalized millage rate of
28 all school districts, the school district's equalized millage
29 multiplier shall be calculated as follows:

30 (I) Divide the school district's equalized millage rate by

1 the equalized millage rate that represents the seventieth (70th)
2 percentile of the equalized millage rate of all school
3 districts.

4 (II) (Reserved).

5 (3) The data used to calculate the provisions contained in
6 this section shall be averaged for the three (3) most recent
7 years for which data is available as determined by the
8 Department of Education.

9 Section 4. Section 2509.8(e) of the act, added December 23,
10 2003 (P.L.304, No.48), is amended and the section is amended by
11 adding a subsection to read:

12 Section 2509.8. Extraordinary Special Education Program
13 Expenses.--* * *

14 (e) For the 2003-2004 school year [and each school year
15 thereafter] through the 2013-2014 school year, the Department of
16 Education shall set aside one percent (1%) of the special
17 education appropriation for extraordinary expenses incurred in
18 providing a special education program or service to one or more
19 students with disabilities as approved by the Secretary of
20 Education. Such special education program or service shall
21 include, but not be limited to, the transportation of students
22 with disabilities; services related to occupational therapy,
23 physical therapy, speech and language, hearing impairments or
24 visual impairments; or training in orientation and mobility for
25 children who are visually impaired or blind.

26 (f) (i) For the 2014-2015 school year and each school year
27 thereafter, an amount equal to one percent (1%) of the special
28 education appropriation shall be distributed to school districts
29 and charter schools for extraordinary expenses incurred in
30 providing a special education program or service to one or more

1 students with disabilities as approved by the Secretary of
2 Education. Such special education program or service shall
3 include, but not be limited to, the transportation of students
4 with disabilities; services related to occupational therapy,
5 physical therapy, speech and language, hearing impairments or
6 visual impairments; or training in orientation and mobility for
7 children who are visually impaired or blind.

8 (ii) Funds distributed to a school district or charter
9 school under this subsection shall be allocated for students for
10 which expenses are incurred on an annual basis that are equal to
11 or greater than seventy-five thousand dollars (\$75,000) as
12 follows:

13 (A) For a student for whom expenses are equal to or greater
14 than seventy-five thousand dollars (\$75,000) and less than or
15 equal to one hundred thousand dollars (\$100,000), subtract the
16 State subsidies paid on behalf of the student for special
17 education programs and services to the school district or, for a
18 student enrolled in a charter school, the difference in the
19 nonspecial education and special education charter school
20 payment received by the charter school where the child is
21 enrolled from the expense incurred for the student and multiply
22 the difference by the school district's or charter school's
23 market value/personal income aid ratio.

24 (B) For a student for which expenses are greater than one
25 hundred thousand dollars (\$100,000), subtract the State
26 subsidies paid on behalf of the student for special education
27 programs and services to the school district or, for a student
28 enrolled in a charter school, the difference in the nonspecial
29 education and special education charter school payment received
30 by the charter school where the child is enrolled from the

1 expense incurred for the student.

2 (iii) No school district or charter school shall in any
3 school year receive an amount under subclause (i) which exceeds
4 the total amount of funding available multiplied by the
5 percentage equal to the greatest percentage of the State's
6 special education students enrolled in a school district or
7 charter school.

8 (iv) It is the intent of the General Assembly that funds
9 necessary to implement this subsection shall be appropriated as
10 a separate line item in the General Appropriation Act entitled
11 Extraordinary Cost Fund.

12 Section 5. Section 2509.14 of the act, added April 25, 2013
13 (P.L.12, No.3), is repealed:

14 [Section 2509.14. Special Education Funding for Eligible
15 Students with Disabilities in Cost Category 3.--(a) For the
16 2014-2015 school year and each school year thereafter, the
17 Department of Education shall set aside an amount not less than
18 one percent (1%) of the State special education appropriation
19 above the level of the appropriation in the base year. The
20 Department of Education shall distribute this amount as provided
21 in subsection (b).

22 (b) For the 2014-2015 school year and each school year
23 thereafter, each school district in this Commonwealth shall
24 receive a pro rata share of the amount set aside under
25 subsection (a) based upon the number of eligible students
26 residing or enrolled in each school district and classified in
27 Cost Category 3 during the immediately preceding school year.

28 (c) The funding provided under this section shall be
29 accounted for as part of actual special education spending and
30 as part of the special education allocation received by a school

1 district, according to the definitions in section 2501. School
2 districts shall also account for the funding provided under this
3 section and the resulting services and supports for eligible
4 students through the special education plans, revisions, updates
5 and amendments required by section 2509.15.]

6 Section 6. This act shall take effect July 1, 2014, or
7 immediately, whichever occurs later.