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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 540 Session of  
2021

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INTRODUCED BY TOMLINSON, MENSCH, FONTANA AND STEFANO,  
APRIL 9, 2021

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REFERRED TO EDUCATION, APRIL 9, 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 charter schools, further providing  
6 for funding for charter schools.

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

9 Section 1. Section 1725-A(a)(3) of the act of March 10, 1949  
10 (P.L.30, No.14), known as the Public School Code of 1949, is  
11 amended and the subsection is amended by adding clauses to read:

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

14 \* \* \*

15 (3) For the 1997-1998 school year through the 2021-2022  
16 school year, for special education students, the charter school  
17 shall receive for each student enrolled the same funding as for  
18 each non-special education student as provided in clause (2),  
19 plus an additional amount determined by dividing the district of  
20 residence's total special education expenditure by the product

1 of multiplying the combined percentage of section 2509.5(k)  
2 times the district of residence's total average daily membership  
3 for the prior school year. This amount shall be paid by the  
4 district of residence of each student.

5 (3.1) (i) For the 2022-2023 school year and each school  
6 year thereafter, subject to the provisions in clause (3.2),  
7 which provides for the transition to the new student-based  
8 funding methodology established in this clause, for special  
9 education students, the charter school shall receive for each  
10 student enrolled an amount which shall be paid by the school  
11 district of residence of each student to be determined as  
12 follows:

13 (A) For each special education student enrolled in the  
14 charter school for which the annual expenditure is reported  
15 under section 1372 in Category 1, multiply the same funding as  
16 for each non-special education student as provided in clause (2)  
17 by one and fifty-one hundredths (1.51).

18 (B) For each special education student enrolled in the  
19 charter school for which the annual expenditure is reported  
20 under section 1372 in Category 2, multiply the same funding as  
21 for each non-special education student as provided in clause (2)  
22 by three and seventy-seven hundredths (3.77).

23 (C) For each special education student enrolled in the  
24 charter school for which the annual expenditure is reported  
25 under section 1372 in Categories 3A and 3B, multiply the same  
26 funding as for each non-special education student as provided in  
27 clause (2) by seven and forty-six hundredths (7.46).

28 (ii) Pursuant to guidelines developed by the department, to  
29 be eligible to receive funding for special education students  
30 under subclause (i) (B) and (C), the charter school must document

1 the cost of providing an education to the student and provide  
2 the documentation to the department.

3 (iii) For each factor provided in subclause (i) (A), (B) and  
4 (C) for each school district, the department shall annually make  
5 the following adjustment:

6 (A) Divide the school district's total expenditure for  
7 special education programs and services, excluding gifted  
8 education, by the number of special education students who  
9 reside in the school district.

10 (B) Divide total expenditure for special education programs  
11 and services, excluding gifted education, for all school  
12 districts by the total number of special education students  
13 residing in all school districts.

14 (C) Divide the quotient in unit (A) by the quotient in unit  
15 (B).

16 (D) If the quotient in unit (C) is greater than one (1),  
17 multiply the quotient by the weight to determine the school  
18 district adjustment.

19 (E) In no case shall the adjustment made in subclause (i) (A)  
20 and (B) result in a payment that exceeds the maximum amount  
21 within the designated category's dollar range and in no case  
22 shall the adjustment in subclause (i) (C) result in a payment  
23 that exceeds the actual cost of providing an education to the  
24 student as determined under subclause (ii).

25 (3.2) To transition to the new student-based funding  
26 methodology for special education students under clause (3.1), a  
27 charter school shall receive for each student enrolled an amount  
28 to be paid by the school district of residence and determined as  
29 follows:

30 (i) For each special education student under clause (3.1) (i)

1 (A) in Category 1, the following shall apply:

2 (A) Determine the number of special education students under  
3 clause (3.1) (i) (A) from the school district who were enrolled in  
4 a charter school with individualized education plans as required  
5 under the Individuals with Disabilities Education Act (Public  
6 Law 91-230, 20 U.S.C. § 1400 et seq.) as of May 31, 2021.

7 (B) Divide the number determined in unit (A) by the total  
8 number of students enrolled in a charter school from the school  
9 district under clause (3.1) (i) (A) as of October 1.

10 (C) Multiply the lesser of the quotient in unit (B) or one  
11 (1) by the amount for the same special education student  
12 determined in clause (3) for the 2021-2022 school year.

13 (D) Subtract the lesser of the quotient in unit (B) or one  
14 (1) from one (1) and multiply the difference by the amount for  
15 the same special education student in clause (3.1) (i) (A).

16 (E) Add the amounts in units (C) and (D) to determine the  
17 amount paid by the school district.

18 (ii) For each special education student under clause (3.1)  
19 (i) (B) in Category 2, the following shall apply:

20 (A) Determine the number of special education students under  
21 clause (3.1) (i) (B) from the school district who were enrolled in  
22 a charter school with individualized education plans as of May  
23 31, 2021.

24 (B) Divide the number determined in unit (A) by the total  
25 number of students enrolled in a charter school from the school  
26 district under clause (3.1) (i) (B) as of October 1.

27 (C) Multiply the lesser of the quotient in unit (B) or one  
28 (1) by the amount for the same special education student  
29 determined in clause (3) for the 2021-2022 school year.

30 (D) Subtract the lesser of the quotient in unit (B) or one

1 (1) from one (1) and multiply the difference by the amount for  
2 the same special education student in clause (3.1)(i)(B).

3 (E) Add the amounts in units (C) and (D) to determine the  
4 amount paid by the school district.

5 (iii) For each special education student under clause (3.1)  
6 (i)(C) in Category 3, the following shall apply:

7 (A) Determine the number of special education students under  
8 clause (3.1)(i)(C) from the school district who were enrolled in  
9 a charter school with individualized education plans as of May  
10 31, 2021.

11 (B) Divide the number determined in unit (A) by the total  
12 number of students enrolled in a charter school from the school  
13 district under clause (3.1)(i)(C) as of October 1.

14 (C) Multiply the lesser of the quotient in unit (B) or one  
15 (1) by the amount for the same special education student  
16 determined in clause (3) for the 2021-2022 school year.

17 (D) Subtract the lesser of the quotient in unit (B) or one  
18 (1) from one (1) and multiply the difference by the amount for  
19 the same special education student in clause (3.1)(i)(C).

20 (E) Add the amounts in units (C) and (D) to determine the  
21 amount paid by the school district.

22 (iv) In no case shall a payment made under subclause (iii)  
23 exceed the amount allowed for the same student under clause  
24 (3.1).

25 (v) At such time that the amount determined under subclause  
26 (i) for a student in Category 1 is greater than the amount  
27 determined for a student under clause (3) for the 2021-2022  
28 school year, payment made by the school district of residence  
29 shall be based on the provisions under clause (3.1), and the  
30 transition under this clause shall expire.

1        (vi) The department shall develop guidelines to collect the  
2 enrollment data required under this clause and calculate  
3 estimated payments until such time as actual enrollments are  
4 determined.

5            \* \* \*

6        Section 2. This act shall take effect June 30, 2021, or  
7 immediately, whichever is later.