

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2106 Session of
1999

INTRODUCED BY COLAFELLA, MICOZZIE, MANDERINO, BELFANTI, BEBKO-JONES, BELARDI, BUXTON, CALTAGIRONE, CAWLEY, CORRIGAN, CURRY, DALEY, FEESE, GEORGE, HANNA, HARHAI, HESS, JAMES, LaGROTTA, LAUGHLIN, LYNCH, MICHLOVIC, OLIVER, ROONEY, STABACK AND YOUNGBLOOD, DECEMBER 8, 1999

REFERRED TO COMMITTEE ON EDUCATION, DECEMBER 8, 1999

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," providing for equity funding for
6 school districts.

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

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding a
11 section to read:

12 Section 2502.37. Keystone Equity and Educational Performance
13 System.--(a) For the purposes of this article the following
14 terms shall have the following meanings:

15 "Adjusted for Inflation." Adjusted in accordance with the
16 Consumer Price Index for All Urban Consumers and other factors
17 reflecting changes in the cost of education around the State,
18 according to a formula calculated by the Department of

1 Education.

2 "Average Per Pupil Adequacy Expenditure." The ratio of
3 aggregate expenditures to aggregate full-time equivalent
4 enrollments of all high achievement school districts.

5 "Current Per Pupil Expenditure." The total amount expended
6 by a school district per pupil for the immediately preceding
7 school year as reported to and finally determined by the
8 Department of Education.

9 "Equalized Assessed Property Valuation." The assessed
10 property values for each local jurisdiction, equalized to
11 account for differing local assessment practices according to
12 the methodologies developed by the Department of Revenue.

13 "Full-time Equivalent Enrollment." An enrollment figure
14 calculated by adding the following three factors:

15 (1) The average of the total of all students enrolled in
16 grades one through twelve (1-12) in regular-day school programs
17 on the first day of school during the previous school year and
18 the enrollment figure for the same grade levels on the first day
19 of school after January 1 during the previous school year.

20 (2) The average of the total of one-half of the number of
21 students enrolled in half-day kindergarten and the total number
22 of students enrolled in full-day kindergarten, on the first day
23 of school during the previous school year and the corresponding
24 enrollment figures on the first day of school after January 1
25 during the previous school year.

26 (3) The average of the total number of full-time equivalent
27 students enrolled in evening high school programs on the first
28 day of school during the previous school year and the
29 corresponding enrollment figures on the first day of school
30 after January 1 during the previous school year.

1 "High Achievement School District." A school district in
2 which at least one half of the schools in the school district
3 had at least twenty-five percent (25%) of the eighth grade
4 students tested in the preceding year under the Pennsylvania
5 System of School Assessment scoring in the highest quartile in
6 reading and math.

7 "Per Pupil Performance Equivalency Expenditure." The annual
8 per pupil expenditure determined by the Department of Education
9 under this article.

10 "Student Living in or Near Poverty." A student who is
11 eligible to receive free or reduced price lunches under the
12 National School Lunch Act Of 1946 (60 Stat. 230, 42 U.S.C. §
13 1751 et seq.).

14 (b) For the 2000-2001 school year and every school year
15 thereafter, the Department of Education shall determine a per
16 pupil performance equivalency expenditure for each school
17 district by dividing the highest amount calculated under Tier I,
18 Tier II or Tier III by full-time equivalent enrollment.

19 (1) Tier I.--Tier I amounts shall be determined by
20 multiplying the sum of subclauses (i) and (ii) by the average
21 per pupil adequacy expenditure.

22 (i) The full-time equivalent enrollment in the school
23 district less the sum of the number of students living in or
24 near poverty, the number of limited English proficient students,
25 and the number of special education and learning-disabled
26 children enrolled in a school district.

27 (ii) The sum of the number of students living in or near
28 poverty multiplied by 1.2, the number of limited English
29 proficient students multiplied by 1.1, the number of special
30 education students multiplied by 2.3, and the number of

1 learning-disabled children multiplied by 1.15.

2 (2) Tier II.--Tier II amounts shall be determined by
3 multiplying the per pupil amount derived under Tier I by one of
4 the following subclauses:

5 (i) 1.042 if the percent of students living in or near
6 poverty in the district is equal to or greater than fifty
7 percent (50%).

8 (ii) 1.021 if the percent of students living in or near
9 poverty in the district is between forty-nine percent (49%) and
10 twenty-six percent (26%).

11 (iii) 1.000 if the percent of students living in or near
12 poverty in the district is equal to or less than twenty-five
13 percent (25%).

14 (3) Tier III.--Tier III amounts shall be determined by
15 multiplying the per pupil amount under Tier II by one of the
16 following subclauses:

17 (i) 1.000 if the enrollment is equal to or more than 100,000
18 students.

19 (ii) 1.021 if the enrollment is between 99,999 and 5,000
20 students.

21 (iii) 1.042 if the enrollment is equal to or less than 4,999
22 students.

23 (c) Each school district shall be paid in the manner
24 provided in section 2517 from appropriations made to the
25 Department of Education in amounts equal to the following:

26 (1) For the school years 2000-2001, 2001-2002 and 2002-2003,
27 a school district shall be paid the amount the school district
28 received in the 1999-2000 school year and the sum of the
29 following:

30 (i) For the school year 2000-2001, one-third of the

difference between the per pupil performance equivalency expenditure and the current per pupil expenditure multiplied by the full-time equivalent enrollment.

(ii) For the school year 2001-2002, two-thirds of the difference between the per pupil performance equivalency expenditure and the current per pupil expenditure multiplied by the full-time equivalent enrollment.

(iii) For the school year 2002-2003, the difference between the per pupil performance equivalency expenditure and the current per pupil expenditure multiplied by the full-time equivalent enrollment.

(2) For the school years 2000-2001, 2001-2002 and 2002-2003, no school district shall receive less than one percent (1%) more than the school district received in the preceding school year.

(3) For the school year 2003-2004 and every school year thereafter, a school district shall be paid in the manner provided in section 2517 from appropriations made to the Department of Education an amount equal to the sum of the following, provided that no payment shall be less than the amount the school district received for the preceding school year:

(i) The amount the school district received for the preceding school year.

(ii) The difference between the per pupil performance equivalency expenditure and the current per pupil expenditure multiplied by the full-time equivalent enrollment.

(d) (1) For the 2000-2001 school year and each school year thereafter, if any school district shall receive funding from the Keystone Equity and Educational Performance System authorized by this section such that the total amount of revenue

1 available to be expended by a school district per pupil is more
2 than two times the average per pupil adequacy expenditure, such
3 school district must reduce or eliminate local taxes. Local
4 taxes to be reduced or eliminated shall include property taxes
5 and nuisance taxes.

6 (2) No school district, regardless of the amount received
7 from the Keystone Equity and Educational Performance System
8 authorized by this section shall be authorized to provide tax
9 rebates to taxpayers beyond the complete elimination of all
10 local taxes.

11 (e) (1) For the 2000-2001 school year and each school year
12 thereafter, all funds received by a school district from the
13 Keystone Equity and Educational Performance System authorized by
14 this section shall be used or paid out pursuant to section 610.

15 (2) (i) No school district shall use funds appropriated to
16 it from the Keystone Equity and Educational Performance System
17 authorized by this section to increase the fund balance of the
18 school district unless the fund balance of the school district
19 is less than five percent (5%) of the total school district
20 budget for the preceding school district fiscal year.

21 (ii) In the event the fund balance of the school district is
22 less than five percent (5%) of the total school district budget
23 for the preceding school district fiscal year, funds received by
24 the school district from the Keystone Equity and Educational
25 Performance System authorized by this section may be used to
26 increase the fund balance of the school district to no more than
27 five percent (5%) of the total school district budget for the
28 preceding school district fiscal year.

29 Section 2. Section 2517 of the act is amended to read:

30 Section 2517. Payments.--(a) The amount apportioned and

1 allotted to each school district shall be divided into three
2 payments and the Secretary of Education shall draw his
3 requisition three times annually upon the State Treasurer in
4 favor of each district for the amount to which it is entitled.
5 The first two payments shall be estimates based on but not to
6 exceed thirty percent (30%) each of the total amount apportioned
7 and allocated to the school district during the previous school
8 year for the same purposes. The final payment shall be the
9 balance of the apportionment due for the applicable school year.
10 Payment thereof shall be made to all school districts on the
11 first day of October, February and June, except any school
12 district whose fiscal year and calendar year are identical at
13 the effective date of this amendatory act shall continue to
14 receive payments as heretofore.

15 (b) Subsection (a) of this section shall apply to payments
16 to which a school district is entitled under any provision of
17 sections 2502, 2592, 2502.3 or 2502.4 of the act for any school
18 year up to or including 1980-1981.

19 (c) For the 1981-1982 school year through the 1990-1991
20 school year, the amount apportioned and allotted to each school
21 district shall be divided into six payments and the Secretary of
22 Education shall draw his requisition six times upon the State
23 Treasurer in favor of each district for the amount to which it
24 is entitled. The first five payments shall be estimates based on
25 but not to exceed fifteen percent (15%) each of the total net
26 amount apportioned and allocated to the school district for the
27 payment year. The final payment shall be the balance of the
28 apportionment due for the applicable school year. Payment
29 thereof shall be made to all school districts on the fourth
30 Thursday of August, October, December, February and April and

1 the first day of June. For the 1991-1992 school year and every
2 school year thereafter, the amount apportioned and allotted to
3 each school district shall be divided into six payments and the
4 Secretary of Education shall draw his requisition six times upon
5 the State Treasurer in favor of each district for the amount to
6 which it is entitled. The first five payments shall be estimates
7 based on but not to exceed fifteen percent (15%) each of the
8 total net amount apportioned and allocated to the school
9 district for the payment year. The final payment shall be the
10 balance of the apportionment due for the applicable school year.
11 Payment thereof shall be made to all school districts on the
12 last Thursday of August, October, December, February and April
13 and the first day of June.

14 (d) Subsection (c) of this section shall apply to:

15 (1) All payments to which a school district is entitled
16 under any provision of sections 2502, 2502.3, 2502.4, 2502.8,
17 2502.9 and 2592 for the school year 1981-1982.

18 (2) Payments to which a school district is entitled under
19 any provision of sections 2502, 2502.8 and 2502.11 for the
20 school year 1982-1983 and the school year 1983-1984.

21 (3) Payments to which a school district is entitled under
22 any provision of sections 2502, 2502.8, 2502.11, 2502.13 and
23 2502.20 for the school year 1984-1985 and each school year
24 thereafter.

25 (4) Payments to which a school district is entitled under
26 any provision of section 2502.37.

27 Section 3. This act shall take effect immediately.