
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2553 Session of
2018

INTRODUCED BY B. O'NEILL, McCARTER, DALEY, DeLUCA, EVERETT,
KORTZ, LONGIETTI, NEILSON, OBERLANDER, SCHLOSSBERG, STURLA,
TOOHIL AND WATSON, JULY 10, 2018

REFERRED TO COMMITTEE ON EDUCATION, JULY 10, 2018

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) of the act of March 10, 1949
10 (P.L.30, No.14), known as the Public School Code of 1949, is
11 amended 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 (1) There shall be no tuition charge for a resident or
15 nonresident student attending a charter school.

16 (2) For non-special education students, the charter school
17 shall receive for each student enrolled no less than the
18 [budgeted] total expenditure per average daily membership of the
19 prior school year, as defined in section 2501(20), minus the

1 [budgeted] revenues received by a school district under section
2 2599.6(a)(2) and expenditures of the district of residence for
3 funds from Federal sources; pre-kindergarten programs; early
4 intervention programs; nonpublic school programs; adult
5 education programs; community/junior college programs; student
6 transportation services; for special education programs;
7 facilities acquisition, construction and improvement services;
8 and other financing uses, including debt service and fund
9 transfers as provided in the Manual of Accounting and Related
10 Financial Procedures for Pennsylvania School Systems established
11 by the department. This amount shall be calculated by the
12 department pursuant to clause (2.1) and paid by the district of
13 residence of each student.

14 (2.1) On or before April 30 of each school year, the
15 department shall calculate and post on its publicly accessible
16 Internet website the per student amounts payable by a student's
17 school district of residence under clauses (2) and (3) using the
18 district's annual financial report filed under section 218 and
19 the district's average daily membership calculated under section
20 2501(3) and 22 Pa. Code § 329.3 (relating to computations) for
21 the prior school year. The department shall also post on its
22 publicly accessible Internet website each district's average
23 daily membership and the data from each district's annual
24 financial report as used to calculate the per student amounts
25 under this clause. Until the department calculates and posts the
26 per student amounts under this clause, the per student amounts
27 payable by a student's district of residence shall be the per
28 student amounts calculated and posted by the department for the
29 prior school year. The amounts calculated by the department are
30 not subject to clause (6).

1 (3) For special education students, the charter school shall
2 receive for each student enrolled the same funding as for each
3 non-special education student as provided in clause (2), plus an
4 additional amount determined by dividing the district of
5 residence's total special education expenditure [by the product
6 of multiplying the combined percentage of section 2509.5(k)
7 times the district of residence's total average daily membership
8 for the prior school year.] minus the expenditures of the
9 district of residence for funds from Federal sources and for
10 early intervention programs by the district of residence's
11 average daily membership of special education students as
12 calculated by the department. This amount shall be calculated by
13 the department pursuant to clause (2.1) and paid by the district
14 of residence of each student.

15 (4) A charter school may request the intermediate unit in
16 which the charter school is located to provide services to
17 assist the charter school to address the specific needs of
18 exceptional students. The intermediate unit shall assist the
19 charter school and bill the charter school for the services. The
20 intermediate unit may not charge the charter school more for any
21 service than it charges the constituent districts of the
22 intermediate unit.

23 (5) (i) Payments shall be made to the charter school in
24 twelve (12) [equal] monthly payments using the most currently
25 available per student amounts calculated and posted by the
26 department pursuant to clause (2.1), by the fifth day of each
27 month, within the operating school year. All payments made
28 during an operating school year shall be adjusted using the most
29 currently available per student amounts calculated and posted by
30 the department pursuant to clause (2.1). A student enrolled in a

1 charter school shall be included in the average daily membership
2 of the student's district of residence for the purpose of
3 providing basic education funding payments and special education
4 funding pursuant to Article XXV. If a school district fails to
5 make a payment to a charter school as prescribed in this clause,
6 the secretary shall deduct and pay the estimated amount, as
7 documented by the charter school on forms prescribed by the
8 department, from any and all State payments made to the district
9 after receipt of documentation from the charter school. A
10 charter school may only seek deduction and payment by the
11 secretary under this clause for estimated amounts owed to the
12 charter school for students enrolled in the most current school
13 year and due as of the date the request is submitted to the
14 secretary.

15 (ii) No later than October 1 of each year, a charter school
16 shall submit to the school district of residence of each student
17 final documentation of payment to be made based on the average
18 daily membership for the students enrolled in the charter school
19 from the school district for the previous school year[.] and the
20 most currently available per student amounts calculated and
21 posted by the department pursuant to clause (2.1). All payments
22 made during the prior school year shall be adjusted using the
23 most currently available per student amounts calculated and
24 posted by the department pursuant to clause (2.1). If a school
25 district fails to make payment to the charter school, the
26 secretary shall deduct and pay the amount as documented by the
27 charter school from any and all State payments made to the
28 district after receipt of documentation from the charter school
29 from the appropriations for the fiscal year in which the final
30 documentation of payment was submitted to the school district of

1 residence. The secretary shall not make a deduction unless the
2 charter school provides the secretary with documentation
3 demonstrating that the charter school presented the school
4 district with a request for payment by the charter school on or
5 before October 1 and that the school district did not make a
6 payment as prescribed by this clause within thirty (30) days of
7 the receipt of the information. If a charter school does not
8 submit final documentation of payment to be made to a school
9 district on or before October 1 as required by this clause, the
10 secretary shall not deduct funds from State payments to the
11 district and shall proceed to adjudicate the charter school's
12 payment request in a proceeding under 1 Pa. Code Part II
13 (relating to general rules of administrative practice and
14 procedure), or other applicable regulations promulgated or
15 adopted by the department. Following issuance of a final order,
16 deduction and payment may be made by the department from any and
17 all State payments due to a school district in any school year.
18 All requests for payment under this clause must be submitted to
19 the department no later than April 25 of each year. The
20 secretary shall prioritize payments under this clause before
21 payments under subclause (i).

22 (iii) The secretary shall not process a deduction for a
23 closed charter school.

24 (6) Within thirty (30) days after the secretary makes the
25 deduction described in clause (5), a school district may notify
26 the secretary that the deduction made from State payments to the
27 district under this subsection is inaccurate. The secretary
28 shall provide the school district with an opportunity to be
29 heard concerning whether the charter school documented that its
30 students were enrolled in the charter school, the period of time

1 during which each student was enrolled, the school district of
2 residence of each student and whether the amounts deducted from
3 the school district were accurate. If the secretary determines
4 that a school district or charter school has engaged in
5 arbitrary, dilatory, obdurate or vexatious conduct with respect
6 to any matter heard under this clause, the secretary may impose
7 against such party the costs incurred by the department in
8 hearing the matter and may also impose reasonable counsel fees
9 and other taxable costs against such party and in favor of the
10 appropriate prevailing party in the proceeding.

11 * * *

12 Section 2. This act shall take effect immediately.