

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1338 Session of  
2008

INTRODUCED BY MUSTO, STACK, STOUT, TARTAGLIONE, FONTANA,  
C. WILLIAMS, MELLOW, WASHINGTON, FERLO, COSTA, FUMO, WOZNIAK,  
HUGHES, O'PAKE, BOSCOLA, LAVALLE AND KITCHEN, APRIL 2, 2008

REFERRED TO EDUCATION, APRIL 2, 2008

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 basic education funding  
6 for student achievement and for accountability to  
7 Commonwealth taxpayers.

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

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

13 Section 2502.48. Basic Education Funding for Student  
14 Achievement.--(a) The Department of Education shall annually  
15 calculate a base cost per student. In the 2008-2009 school year,  
16 the base cost per student shall be eight thousand three dollars  
17 (\$8,003) increased by the index. In the 2009-2010 school year  
18 and each school year thereafter, the Department of Education  
19 shall increase the prior year's base cost per student by the  
20 index.

(b) The Department of Education shall annually calculate an adequacy target for each school district by determining the sum of the following:

(1) A base cost calculated by taking the product of the base cost per student and the school district's modified ADM.

(2) A poverty supplement calculated by taking the product of:

(i) the base cost per student;

(ii) the number of students enrolled in the school district on October 31 of the funding year who were eligible for free or reduced price meals under the school lunch program; and

(iii) forty-three one-hundredths (.43).

(3) A district size supplement calculated by taking the maximum of zero and the product of:

(i) the base cost per student;

(ii) the school district's funding year adjusted average daily membership; and

(iii) the sum of four hundred eighty-three one-thousands (.483) and the product of the natural logarithm of the school district's funding year adjusted average daily membership and negative five one-hundredths (-.05);

(4) An English language learner supplement calculated by taking the product of:

(i) the base cost per student;

(ii) the number of enrolled students identified as limited English proficient in the funding year in the school district; and

(iii) the sum of three and seven hundred fifty-three one-thousandths (3.753) and the product of the natural logarithm of the school district's funding year adjusted average daily

1 membership and negative twenty-three one-hundredths (-.23),  
2 provided that such amount shall be no less than one and forty-  
3 eight one-hundredths (1.48) and no greater than two and forty-  
4 three one-hundredths (2.43).

5 (5) An adjustment for geographic price differences  
6 calculated as follows:

7 (i) Add the amounts under paragraphs (1), (2), (3) and (4).

8 (ii) Multiply:

9 (A) the sum under subparagraph (i); by

10 (B) the school district's location cost metric.

11 (iii) Subtract:

12 (A) the sum under subparagraph (i); from

13 (B) the product under subparagraph (ii).

14 (c) The Department of Education shall determine a State  
15 funding target for each school district by calculating the  
16 product of:

17 (1) the difference between the school district's adequacy  
18 target and its actual spending for the funding year minus any  
19 amount provided under subsection (d)(3) in the funding year, or  
20 zero, whichever is greater;

21 (2) the school district's market value/income aid ratio for  
22 the school year in which funding occurs; and

23 (3) the lesser of one (1) and the school district's funding  
24 year equalized millage divided by the equalized millage that  
25 represents the seventy-fifth percentile of the equalized millage  
26 of all school districts in the funding year.

27 (d) The Commonwealth shall pay to each school district a  
28 basic education funding allocation calculated as follows:

29 (1) The amount equal to the school district's basic  
30 education funding allocation under sections 2502.13(m), 2502.47

and 2504.4(a.3) plus, in the 2009-2010 school year and each school year thereafter, the amount of transition funding in the 2008-2009 school year under subsection (e).

(2) If a school district has been declared a Commonwealth partnership school district under Article XVII-B, an amount equal to four million dollars (\$4,000,000).

(3) (i) Except as provided in subparagraph (iii), for a school district with 2006-2007 equalized millage that is greater than or equal to the equalized millage that represents the eightieth percentile of the equalized millage of all school districts:

(A) In the 2008-2009 school year, sixteen and seventy-five one hundredths percent (16.75%) of the State funding target.

(B) In the 2009-2010 school year, forty-seven percent (47%) of the State funding target.

(C) In the 2010-2011 school year, seventy-two and nine-tenths percent (72.9%) of the State funding target.

(D) In the 2011-2012 school year and each school year thereafter, the State funding target.

(ii) Except as provided in subparagraph (iii), for a school district with 2006-2007 equalized millage that is less than the equalized millage that represents the eightieth percentile of the equalized millage of all school districts:

(A) In the 2008-2009 school year, ten percent (10%) of the State funding target.

(B) In the 2009-2010 school year, fifteen and one-half percent (15.5%) of the State funding target.

(C) In the 2010-2011 school year, twenty-seven and nine-tenths percent (27.9%) of the State funding target.

(D) In the 2011-2012 school year, thirty-five percent (35%)

1 of the State funding target.

2 (E) In the 2012-2013 school year, sixty-nine and four-tenths  
3 percent (69.4%) of the State funding target.

4 (F) In the 2013-2014 school year and each school year  
5 thereafter, the State funding target.

6 (iii) The equalized millage used for a school district of  
7 the first class shall be the school district's municipal  
8 equalized millage.

9 (e) The Department of Education shall provide transition  
10 funding in the 2008-2009 school year to any school district  
11 where the amount determined under subsection (d)(3) provides an  
12 amount less than one and one-half percent (1.5%) of the amount  
13 provided under subsection (d)(1). The amount of transition  
14 funding shall be the amount required so that the sum of  
15 subsection (d)(3) and this paragraph equals one and one-half  
16 percent (1.5%) of the amount provided under subsection (d)(1).

17 (f) For the purpose of this section, the following terms  
18 shall have the meanings given to them in this subsection:

19 (1) "Actual Spending." An amount equal to a school  
20 district's total expenditures to include General Fund  
21 expenditures in all functional classifications, as designated in  
22 the Manual of Accounting and Related Financial Procedures for  
23 Pennsylvania School Systems, except for special education; adult  
24 education; higher education; student transportation; community  
25 services; scholarships and awards; facilities acquisition;  
26 construction and improvement services; other expenditures and  
27 financing uses; and tuition for patrons.

28 (2) "Adjusted Average Daily Membership" or "Adjusted ADM."  
29 The average daily membership adjusted by the weight for each  
30 level of instruction as follows:

(i) Half-time prekindergarten and half-time kindergarten:  
.50.

(ii) Full-time prekindergarten, full-time kindergarten,  
elementary and secondary: 1.00.

(3) "Funding Year." The most recent school year for which  
all school districts were required by the Department of  
Education to submit an annual financial report prior to the date  
the executive budget is proposed.

(4) "Index." As established by the Department of Education  
in each calendar year for the subsequent fiscal year, the  
average of:

(i) The amount determined by the Department of Labor and  
Industry in the same manner as it determines the average weekly  
wage under section 404(e)(2) of the act of December 5, 1936 (2nd  
Sp.Sess., 1937 P.L.2897, No.1), known as the "Unemployment  
Compensation Law," except that it shall be calculated for the  
preceding calendar year.

(ii) The most recent official figures reported by the United  
States Department of Labor, Bureau of Labor Statistics for the  
previous twelve-month period beginning July 1 and ending June 30  
for the Employment Cost Index Series for Elementary and  
Secondary Schools.

(5) "Location Cost Metric." An index of geographic cost  
differences for each county published by the Department of  
Education in the Pennsylvania Bulletin.

(6) "Modified Average Daily Membership" or "Modified ADM."  
The sum of the following products:

(i) fifty-two one-hundredths (.52) and the school district's  
adjusted average daily membership in the funding year;

(ii) twenty-six one-hundredths (.26) and the school

district's adjusted average daily membership in the school year prior to the funding year;

(iii) thirteen one-hundredths (.13) and the school district's adjusted average daily membership two (2) school years prior to the funding year;

(iv) six one-hundredths (.06) and the school district's adjusted average daily membership three (3) school years prior to the funding year; and

(v) three one-hundredths (.03) and the school district's adjusted average daily membership four (4) school years prior to the funding year.

Section 2502.49. Accountability to Commonwealth Taxpayers.--

(a) In any school district where the amount of basic education funding allocated pursuant to section 2502.48 exceeds the amount of basic education funding allocated to the school district in the prior fiscal year by more than the index, the board of school directors shall use one hundred percent (100%) of the portion of the increase that exceeds the index as follows:

(1) At least eighty percent (80%) of such funds shall be used to offer any of the following for the first time or to expand any of the following:

(i) Programs that increase the amount of student instructional time, which may include tutoring, an extension of the school day or school calendar or intensive support for students who have limited English proficiency.

(ii) Implementation of new curricula or course offerings that increase the number of students who graduate from high school prepared for college and high-skill careers.

(iii) Training of professional employees in the delivery of a curriculum that increases the number of students who graduate

from high school prepared for college and high-skill careers, in strategies for addressing the learning needs of students at risk of academic failure or needing remediation or in strategies to ensure that students stay in school until graduation and successfully transition to postsecondary education or the work force.

(iv) Reduction of class size.

(v) Prekindergarten or full-day kindergarten.

(vi) Incentives for the most effective highly qualified teachers and principals to work in a school identified for improvement or corrective action.

(vii) Incentives for the adoption of performance contracts by superintendents, assistant superintendents and principals.

(2) No more than ten percent (10%) of such funds may be used to maintain existing programs that meet the criteria of paragraph (1) or for one-time costs necessary to the delivery of instruction that shall include books, materials or other supplies.

(3) No more than ten percent (10%) of such funds may be used for other programs or activities that are essential to achieving or maintaining academic performance targets and that are based on sound research or for one-time costs necessary to the delivery of instruction that shall include books, materials or other supplies.

(b) The following shall apply:

(1) A school district subject to this section shall submit a plan to the Department of Education no later than August 1, 2008, and no later than April 15 of each year thereafter, detailing its intended use of funds subject to this section in the subsequent fiscal year. If a general appropriation bill that



includes basic education funding for the applicable fiscal year  
has not been enacted prior to the deadline, a school district  
shall base its plan on the amount of basic education funding  
proposed in an executive budget and posted on the department's  
Internet website.

(2) The department shall review all plans and may provide  
recommendations to school districts within forty-five (45) days  
of receipt of the plan.

(3) Within ninety (90) days of receipt of a plan submitted  
by a school district identified for warning, improvement or  
corrective action or a school district with one or more schools  
identified for improvement or corrective action, the department  
shall approve or disapprove the plan. The department shall  
provide a written explanation to the board of school directors  
of any school district whose plan is disapproved.

(4) A school district whose plan has been disapproved shall  
amend and resubmit its plan as necessary until approved by the  
department.

(c) The department shall approve any school district  
achievement plan that:

(1) meets the requirements of this section;  
(2) addresses the academic challenges identified in the  
school district's most recent student achievement results, with  
specific focus on individual schools, grade levels and  
populations of students that demonstrate inadequate levels of  
student achievement; and

(3) in the determination of the department, describes  
programs and strategies that are most likely to improve student  
achievement in the school district.

(d) For any school district where approval of a plan is

1 required pursuant to subsection (b), and notwithstanding any  
2 other provision of law to the contrary, the department shall  
3 withhold the portion of the increase in basic education funding  
4 which exceeds the index until such a time as a plan is approved.

5 (e) The Department of Education shall:

6 (1) Provide technical assistance to any school district upon  
7 request for the development of a plan pursuant to this section.

8 (2) Determine the form and manner in which school districts  
9 shall submit a plan pursuant to this section.

10 (3) Review all plans submitted to the department and approve  
11 or disapprove plans as required pursuant to this section.

12 (f) For the purpose of this section, "index" shall be as  
13 established by the Department of Education in each calendar year  
14 for the subsequent fiscal year and defined as the average of the  
15 following:

16 (1) That amount determined by the Department of Labor and  
17 Industry in the same manner that it determines the average  
18 weekly wage under section 404(e)(2) of the act of December 5,  
19 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the  
20 "Unemployment Compensation Law," except that it shall be  
21 calculated for the preceding calendar year.

22 (2) The most recent official figures for the previous  
23 twelve-month period beginning July 1 and ending June 30 for the  
24 Employment Cost Index Series for Elementary and Secondary  
25 Schools, reported by the United States Department of Labor,  
26 Bureau of Labor Statistics.

27 Section 2. This act shall take effect July 1, 2008, or  
28 immediately, whichever is later.