

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, YUDICHAK, BRUBAKER, DINNIMAN, MENSCH AND BREWSTER, APRIL 2, 2014

AS AMENDED ON THIRD CONSIDERATION, JUNE 17, 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 exceptional children, education and training,
7 for cost of tuition and maintenance of certain exceptional
8 children in approved institutions; in charter schools,
9 further providing for funding for charter schools; and, in
10 reimbursements by Commonwealth and between school districts,
11 further providing for special education payments to school
12 districts and for extraordinary special education program
13 expenses AND REPEALING PROVISIONS RELATING TO SPECIAL <--
14 EDUCATION FUNDING FOR ELIGIBLE STUDENTS WITH DISABILITIES IN
15 COST CATEGORY 3.

16 The General Assembly of the Commonwealth of Pennsylvania
17 hereby enacts as follows:

18 Section 1. Section 1372(8) of the act of March 10, 1949
19 (P.L.30, No.14), known as the Public School Code of 1949, added
20 May 10, 2000 (P.L.44, No.16), is amended to read:

21 Section 1372. Exceptional Children; Education and
22 Training.--* * *

23 (8) Reporting of Expenditures Relating to Exceptional

1 Students. By December 31, 2000, and each year thereafter, each
2 school district shall compile information listing the number of
3 students with disabilities for which expenditures are between
4 twenty-five thousand dollars (\$25,000) and fifty thousand
5 dollars (\$50,000), between fifty thousand dollars (\$50,000) and
6 seventy-five thousand dollars (\$75,000) and over seventy-five
7 thousand dollars (\$75,000) for the prior school year. The
8 information shall be submitted to the department in a form
9 prescribed by the department. By February 1, 2001, and each year
10 thereafter, the department shall submit to the chairman and
11 minority chairman of the Education and Appropriations Committees
12 of the Senate and the chairman and minority chairman of the
13 Education and Appropriations Committees of the House of
14 Representatives a report listing this information by school
15 district. The department shall annually adjust the dollar ranges
16 by the Consumer Price Index for All Urban Consumers for the
17 Pennsylvania, New Jersey, Delaware and Maryland area. THE <--
18 DEPARTMENT SHALL DEVELOP GUIDELINES FOR SCHOOL DISTRICTS TO
19 REPORT EXPENDITURES FOR STUDENTS WITH DISABILITIES AS REQUIRED
20 BY THIS SECTION NO LATER THAN AUGUST 1, 2014.

21 Section 2. Section 1376 of the act is amended by adding a
22 subsection to read:

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

25 (c.9) (1) Beginning in fiscal year 2014-2015, in any fiscal
26 year when there is no increase in the State allocation to
27 approved private schools under subsection (a.2), an amount equal
28 to the funds remitted to the Commonwealth by the approved
29 private schools pursuant to subsection (c.2)(5)(ii) from the
30 previous fiscal year is appropriated to the Department of

1 Education for the purpose of making payments to the approved
2 private schools for pupils who are enrolled with the approval of
3 the Department of Education.

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

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

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

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

14 * * *

15 Section 3. Section 1725-A(a)(3) of the act, amended June 29,
16 2002 (P.L.524, No.88), is amended and the subsection is amended
17 by adding clauses to read:

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

20 * * *

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

1 (3.1) (i) For the 2014-2015 school year and each SCHOOL <--
2 year thereafter, subject to the provisions in ~~clauses~~ CLAUSE <--
3 ~~(3.2), (3.3), (3.4), (3.5) and (3.6)~~ which provide PROVIDES for <--
4 the transition to the new student-based funding methodology
5 established in this clause, for special education students, the
6 charter school shall receive for each student enrolled an amount
7 which shall be paid by the district of residence of each student
8 to be determined as follows:

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

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

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

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

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

3 (B) IF THERE IS A DISAGREEMENT BETWEEN THE DEPARTMENT AND A <--
4 CHARTER SCHOOL WITH REGARD TO THE COST OF PROVIDING AN EDUCATION
5 TO A STUDENT AS DOCUMENTED IN UNIT (A), A CHARTER SCHOOL MAY
6 REQUEST THAT THE COSTS ATTRIBUTED TO THE STUDENT BE REVIEWED BY
7 A SPECIAL EDUCATION COST REVIEW PANEL. THE SPECIAL EDUCATION
8 COST REVIEW PANEL SHALL BE MADE UP OF INDIVIDUALS EXPERIENCED IN
9 PROVIDING SERVICES TO STUDENTS WITH DISABILITIES AND SHALL
10 CONSIST OF A REPRESENTATIVE OF THE STUDENT'S SCHOOL DISTRICT OF
11 RESIDENCE, A REPRESENTATIVE OF THE CHARTER SCHOOL AND A THIRD
12 PARTY AGREED UPON BY BOTH THE STUDENT'S SCHOOL DISTRICT OF
13 RESIDENCE AND THE CHARTER SCHOOL. IF THE PARTIES CANNOT AGREE
14 UPON THE THIRD PARTY PANEL MEMBER WITHIN FIFTEEN DAYS FROM THE
15 DATE OF THE APPEAL, THE DEPARTMENT SHALL APPOINT THE PANEL
16 MEMBER. WITHIN THIRTY DAYS FROM THE DATE OF THE APPEAL, THE
17 SPECIAL EDUCATION COST REVIEW PANEL SHALL RENDER A DECISION
18 WHICH SHALL BE BINDING FOR THE REMAINDER OF THE SCHOOL YEAR.
19 UNTIL A DECISION ON THE APPEAL IS MADE BY THE PANEL, THE CHARTER
20 SCHOOL SHALL BE PAID THE RATE BASED UPON THE DEPARTMENT'S
21 ORIGINAL DETERMINATION WITH REGARD TO THE COST OF PROVIDING AN
22 EDUCATION TO THE STUDENT.

23 (iii) The department shall annually adjust the weights <--
24 provided in subclause (i) (A), (B) and (C) for each school
25 district based on the percentage difference in the school
26 district's average annual expenditure for special education
27 students when compared to the Statewide average annual
28 expenditure for special education students. FOR EACH WEIGHT <--
29 PROVIDED IN SUBCLAUSE (I) (A), (B) AND (C) FOR EACH SCHOOL
30 DISTRICT, THE DEPARTMENT SHALL ANNUALLY MAKE THE FOLLOWING

1 ADJUSTMENT:

2 (A) DIVIDE THE SCHOOL DISTRICT'S TOTAL EXPENDITURE FOR
3 SPECIAL EDUCATION PROGRAMS AND SERVICES EXCLUDING GIFTED
4 EDUCATION BY THE NUMBER OF SPECIAL EDUCATION STUDENTS WHO RESIDE
5 IN THE SCHOOL DISTRICT.

6 (B) DIVIDE TOTAL EXPENDITURE FOR SPECIAL EDUCATION PROGRAMS
7 AND SERVICES EXCLUDING GIFTED EDUCATION FOR ALL SCHOOL DISTRICTS
8 BY THE TOTAL NUMBER OF SPECIAL EDUCATION STUDENTS RESIDING IN
9 ALL SCHOOL DISTRICTS.

10 (C) DIVIDE THE QUOTIENT IN UNIT (A) BY THE QUOTIENT IN UNIT
11 (B).

12 (D) IF THE QUOTIENT IN UNIT (C) IS GREATER THAN ONE (1),
13 MULTIPLY THE QUOTIENT BY THE WEIGHT TO DETERMINE THE SCHOOL
14 DISTRICT ADJUSTMENT.

15 (E) IN NO CASE SHALL THE ADJUSTMENT MADE IN SUBCLAUSE (I) (A)
16 AND (B) RESULT IN A PAYMENT THAT EXCEEDS THE MAXIMUM AMOUNT
17 WITHIN THE CATEGORY'S DOLLAR RANGE AND IN NO CASE SHALL THE
18 ADJUSTMENT IN SUBCLAUSE (I) (C) RESULT IN A PAYMENT THAT EXCEEDS
19 THE ACTUAL COST OF PROVIDING AN EDUCATION TO THE STUDENT AS
20 DETERMINED UNDER SUBCLAUSE (II).

21 (iv) The department shall annually adjust the dollar ranges
22 in subclause (i) (A), (B) and (C) by the Consumer Price Index for
23 All Urban Consumers for the Pennsylvania, New Jersey, Delaware
24 and Maryland area.

25 (v) The annual expenditure amounts used to calculate funding
26 under subclause (i) (A), (B) and (C) shall be based on the
27 amounts used in making reports to the department under section
28 1372(8).

29 ~~(3.2) Notwithstanding the provisions of clause (3.1), for~~ <--
30 ~~the 2014-2015 school year, for special education students, the~~

~~1 charter school shall receive for each student enrolled an amount
2 which shall be paid by the district of residence as follows:~~

~~3 (i) If the funding for each special education student in
4 clause (3) for the 2013-2014 school year is equal to or greater
5 than the funding for the same special education student in
6 clause (3.1) for the 2014-2015 school year, the amount shall be
7 determined as follows:~~

~~8 (A) Subtract the amount of funding for each special
9 education student in clause (3.1) for the 2014-2015 school year
10 from the amount of funding for the same special education
11 student in clause (3) for the 2013-2014 school year.~~

~~12 (B) Multiply the difference in paragraph (A) by one hundred
13 and sixty seven thousandths (0.167).~~

~~14 (C) Subtract the product in paragraph (B) from the amount of
15 funding for the same special education student in clause (3) for
16 the 2013-2014 school year.~~

~~17 (ii) If the funding for each special education student in
18 clause (3) for the 2013-2014 school year is less than the amount
19 of funding for the same special education student in clause
20 (3.1) for the 2014-2015 school year, the amount shall be
21 determined as follows:~~

~~22 (A) Subtract the amount of funding for each special
23 education student in clause (3) for the 2013-2014 school year
24 from the amount of funding for the same special education
25 student in clause (3.1) for the 2014-2015 school year.~~

~~26 (B) Multiply the difference in paragraph (A) by one hundred
27 and sixty seven thousandths (0.167).~~

~~28 (C) Add the product in paragraph (B) to the amount of
29 funding for the same special education student in clause (3) for
30 the 2013-2014 school year.~~

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

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

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

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

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

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

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

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

~~(C) Add the product in paragraph (B) to the amount of~~

1 ~~funding for the same special education student in clause (3) for~~
2 ~~the 2013-2014 school year.~~

3 ~~(3.4) Notwithstanding the provisions of clause (3.1), for~~
4 ~~the 2016-2017 school year, for special education students, the~~
5 ~~charter school shall receive for each student enrolled an amount~~
6 ~~which shall be paid by the district of residence as follows:~~

7 ~~(i) If the funding for each special education student in~~
8 ~~clause (3) for the 2013-2014 school year is equal to or greater~~
9 ~~than the funding for the same special education student in~~
10 ~~clause (3.1) for the 2016-2017 school year, the amount shall be~~
11 ~~determined as follows:~~

12 ~~(A) Subtract the amount of funding for each special~~
13 ~~education student in clause (3.1) for the 2016-2017 school year~~
14 ~~from the amount of funding for the same special education~~
15 ~~student in clause (3) for the 2013-2014 school year.~~

16 ~~(B) Multiply the difference in paragraph (A) by five hundred~~
17 ~~thousandths (0.500).~~

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

21 ~~(ii) If the funding for each special education student in~~
22 ~~clause (3) for the 2013-2014 school year is less than the amount~~
23 ~~of funding for the same special education student in clause~~
24 ~~(3.1) for the 2016-2017 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) for the 2013-2014 school year~~
28 ~~from the amount of funding for the same special education~~
29 ~~student in clause (3.1) for the 2016-2017 school year.~~

30 ~~(B) Multiply the difference in paragraph (A) by five hundred~~

1 ~~thousandths (0.500).~~

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

5 ~~(3.5) Notwithstanding the provisions of clause (3.1), for~~
6 ~~the 2017-2018 school year, for special education students, the~~
7 ~~charter school shall receive for each student enrolled an amount~~
8 ~~which shall be paid by the district of residence as follows:~~

9 ~~(i) If the funding for each special education student in~~
10 ~~clause (3) for the 2013-2014 school year is equal to or greater~~
11 ~~than the funding for the same special education student in~~
12 ~~clause (3.1) for the 2017-2018 school year, the amount shall be~~
13 ~~determined as follows:~~

14 ~~(A) Subtract the amount of funding for each special~~
15 ~~education student in clause (3.1) for the 2017-2018 school year~~
16 ~~from the amount of funding for the same special education~~
17 ~~student in clause (3) for the 2013-2014 school year.~~

18 ~~(B) Multiply the difference in paragraph (A) by six hundred~~
19 ~~and sixty seven thousandths (0.667).~~

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

23 ~~(ii) If the funding for each special education student in~~
24 ~~clause (3) for the 2013-2014 school year is less than the amount~~
25 ~~of funding for the same special education student in clause~~
26 ~~(3.1) for the 2017-2018 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) for the 2013-2014 school year~~
30 ~~from the amount of funding for the same special education~~

1 ~~student in clause (3.1) for the 2017-2018 school year.~~

2 ~~(B) Multiply the difference in paragraph (A) by six hundred~~
3 ~~and sixty seven thousandths (0.667).~~

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

7 ~~(3.6) Notwithstanding the provisions of clause (3.1), for~~
8 ~~the 2018-2019 school year, for special education students, the~~
9 ~~charter school shall receive for each student enrolled an amount~~
10 ~~which shall be paid by the district of residence as follows:~~

11 ~~(i) If the funding for each special education student in~~
12 ~~clause (3) for the 2013-2014 school year is equal to or greater~~
13 ~~than the funding for the same special education student in~~
14 ~~clause (3.1) for the 2018-2019 school year, the amount shall be~~
15 ~~determined as follows:~~

16 ~~(A) Subtract the amount of funding for each special~~
17 ~~education student in clause (3.1) for the 2018-2019 school year~~
18 ~~from the amount of funding for the same special education~~
19 ~~student in clause (3) for the 2013-2014 school year.~~

20 ~~(B) Multiply the difference in paragraph (A) by eight~~
21 ~~hundred and thirty three thousandths (0.833).~~

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

25 ~~(ii) If the funding for each special education student in~~
26 ~~clause (3) for the 2013-2014 school year is less than the amount~~
27 ~~of funding for the same special education student in clause~~
28 ~~(3.1) for the 2018-2019 school year, the amount shall be~~
29 ~~determined as follows:~~

30 ~~(A) Subtract the amount of funding for each special~~

~~1 education student in clause (3) for the 2013-2014 school year~~
~~2 from the amount of funding for the same special education~~
~~3 student in clause (3.1) for the 2018-2019 school year.~~

~~4 (B) Multiply the difference in paragraph (A) by eight~~
~~5 hundred and thirty three thousandths (0.833).~~

~~6 (C) Add the product in paragraph (B) to the amount of~~
~~7 funding for the same special education student in clause (3) for~~
~~8 the 2013-2014 school year.~~

9 (3.2) TO TRANSITION TO THE NEW STUDENT-BASED FUNDING <--
10 METHODOLOGY FOR SPECIAL EDUCATION STUDENTS UNDER CLAUSE (3.1), A
11 CHARTER SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED AN AMOUNT
12 TO BE PAID BY THE DISTRICT OF RESIDENCE AND DETERMINED AS
13 FOLLOWS:

14 (I) FOR EACH SPECIAL EDUCATION STUDENT UNDER CLAUSE (3.1) (I)
15 (A) IN CATEGORY 1, THE FOLLOWING SHALL APPLY:

16 (A) DETERMINE THE NUMBER OF SPECIAL EDUCATION STUDENTS UNDER
17 CLAUSE (3.1) (I) (A) FROM THE SCHOOL DISTRICT WHO WERE ENROLLED IN
18 A CHARTER SCHOOL WITH INDIVIDUALIZED EDUCATION PLANS AS REQUIRED
19 UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (PUBLIC
20 LAW 91-230, 20 U.S.C. § 1400 ET SEQ.), AS OF MAY 31, 2014.

21 (B) DIVIDE THE NUMBER DETERMINED IN UNIT (A) BY THE TOTAL
22 NUMBER OF STUDENTS ENROLLED IN A CHARTER SCHOOL FROM THE SCHOOL
23 DISTRICT UNDER CLAUSE (3.1) (I) (A) AS OF OCTOBER 1.

24 (C) MULTIPLY THE LESSER OF THE QUOTIENT IN UNIT (B) OR ONE
25 (1) BY THE AMOUNT FOR THE SAME SPECIAL EDUCATION STUDENT
26 DETERMINED IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR.

27 (D) SUBTRACT THE LESSER OF THE QUOTIENT IN UNIT (B) OR ONE
28 (1) FROM ONE (1) AND MULTIPLY THE DIFFERENCE BY THE AMOUNT FOR
29 THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3.1) (I) (A).

30 (E) ADD THE AMOUNTS IN UNITS (C) AND (D) TO DETERMINE THE

1 AMOUNT PAID BY THE SCHOOL DISTRICT.

2 (II) FOR EACH SPECIAL EDUCATION STUDENT UNDER CLAUSE (3.1)

3 (I) (B) IN CATEGORY 2, THE FOLLOWING SHALL APPLY:

4 (A) DETERMINE THE NUMBER OF SPECIAL EDUCATION STUDENTS UNDER
5 CLAUSE (3.1) (I) (B) FROM THE SCHOOL DISTRICT WHO WERE ENROLLED IN
6 A CHARTER SCHOOL WITH INDIVIDUALIZED EDUCATION PLANS AS OF MAY
7 31, 2014.

8 (B) DIVIDE THE NUMBER DETERMINED IN UNIT (A) BY THE TOTAL
9 NUMBER OF STUDENTS ENROLLED IN A CHARTER SCHOOL FROM THE SCHOOL
10 DISTRICT UNDER CLAUSE (3.1) (I) (B) AS OF OCTOBER 1.

11 (C) MULTIPLY THE LESSER OF THE QUOTIENT IN UNIT (B) OR ONE
12 (1) BY THE AMOUNT FOR THE SAME SPECIAL EDUCATION STUDENT
13 DETERMINED IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR.

14 (D) SUBTRACT THE LESSER OF THE QUOTIENT IN UNIT (B) OR ONE
15 (1) FROM ONE (1) AND MULTIPLY THE DIFFERENCE BY THE AMOUNT FOR
16 THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3.1) (I) (B).

17 (E) ADD THE AMOUNTS IN UNITS (C) AND (D) TO DETERMINE THE
18 AMOUNT PAID BY THE SCHOOL DISTRICT.

19 (III) FOR EACH SPECIAL EDUCATION STUDENT UNDER CLAUSE (3.1)

20 (I) (C) IN CATEGORY 3, THE FOLLOWING SHALL APPLY:

21 (A) DETERMINE THE NUMBER OF SPECIAL EDUCATION STUDENTS UNDER
22 CLAUSE (3.1) (I) (C) FROM THE SCHOOL DISTRICT WHO WERE ENROLLED IN
23 A CHARTER SCHOOL WITH INDIVIDUALIZED EDUCATION PLANS AS OF MAY
24 31, 2014.

25 (B) DIVIDE THE NUMBER DETERMINED IN UNIT (A) BY THE TOTAL
26 NUMBER OF STUDENTS ENROLLED IN A CHARTER SCHOOL FROM THE SCHOOL
27 DISTRICT UNDER CLAUSE (3.1) (I) (C) AS OF OCTOBER 1.

28 (C) MULTIPLY THE LESSER OF THE QUOTIENT IN UNIT (B) OR ONE
29 (1) BY THE AMOUNT FOR THE SAME SPECIAL EDUCATION STUDENT
30 DETERMINED IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR.

1 (D) SUBTRACT THE LESSER OF THE QUOTIENT IN UNIT (B) OR ONE
2 (1) FROM ONE (1) AND MULTIPLY THE DIFFERENCE BY THE AMOUNT FOR
3 THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3.1) (I) (C).

4 (E) ADD THE AMOUNTS IN UNITS (C) AND (D) TO DETERMINE THE
5 AMOUNT PAID BY THE SCHOOL DISTRICT.

6 (IV) IN NO CASE SHALL A PAYMENT MADE UNDER SUBCLAUSE (III)
7 EXCEED THE AMOUNT ALLOWED FOR THE SAME STUDENT UNDER CLAUSE
8 (3.1).

9 (V) AT SUCH TIME THAT THE AMOUNT DETERMINED UNDER SUBCLAUSE
10 (I) FOR A STUDENT IN CATEGORY 1 IS GREATER THAN THE AMOUNT
11 DETERMINED FOR A STUDENT UNDER CLAUSE (3) FOR THE 2013-2014
12 SCHOOL YEAR, PAYMENT MADE BY THE SCHOOL DISTRICT OF RESIDENCE
13 SHALL BE BASED ON THE PROVISIONS UNDER CLAUSE (3.1) AND THE
14 TRANSITION UNDER THIS CLAUSE SHALL EXPIRE.

15 (VI) THE DEPARTMENT SHALL DEVELOP GUIDELINES TO COLLECT THE
16 ENROLLMENT DATA REQUIRED UNDER THIS CLAUSE AND CALCULATE
17 ESTIMATED PAYMENTS UNTIL SUCH TIME AS ACTUAL ENROLLMENTS ARE
18 DETERMINED.

19 * * *

20 Section 4. Section 2509.5 of the act is amended by adding a
21 subsection to read:

22 Section 2509.5. Special Education Payments to School
23 Districts.--* * *

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

30 (i) An amount equal to the special education funding

1 allocation under subsection (aaa).

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

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

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

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

13 (2) For the purposes of this section:

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

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

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

26 (C) Multiply the number of special education students who
27 reside in the school district for which the annual expenditure
28 is greater than or equal to fifty thousand dollars (\$50,000),
29 which shall be known as Category 3, by seven and forty-six
30 hundredths (7.46).

1 (D) Add the products in clauses (A), (B) and (C).
2 The Department of Education shall annually adjust the dollar
3 ranges in clauses (A), (B) and (C) by the Consumer Price Index
4 for All Urban Consumers for the Pennsylvania, New Jersey,
5 Delaware and Maryland area. The annual expenditure amount used
6 to calculate funding shall be based on the information reported
7 to the department under section 1372(8).

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

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

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

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

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

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

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

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

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

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

29 (A) For a school district with a sparsity/size ratio less
30 than or equal to the sparsity/size ratio that represents the

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

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

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

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

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

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

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

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

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

29 (I) Divide the school district's equalized millage rate by
30 the equalized millage rate that represents the seventieth (70th)

1 percentile of the equalized millage rate of all school
2 districts.

3 (II) (Reserved).

4 (3) The data used to calculate the weighted special
5 education student headcount in clause (2)(i) shall be based on
6 information from the most recent year for which data is
7 available as determined by the Department of Education. The data
8 used to calculate the remainder of the provisions contained in
9 this section shall be averaged for the three (3) most recent
10 years for which data is available as determined by the
11 Department of Education.

12 Section 5. Section 2509.8(e) of the act, added December 23,
13 2003 (P.L.304, No.48), is amended and the section is amended by
14 adding a subsection to read:

15 Section 2509.8. Extraordinary Special Education Program
16 Expenses.--* * *

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

29 (f) (i) For the 2014-2015 school year and each school year
30 thereafter, an amount equal to one percent (1%) of the special

1 education appropriation shall be distributed to school districts
2 and charter schools for extraordinary expenses incurred in
3 providing a special education program or service to one or more
4 students with disabilities as approved by the Secretary of
5 Education. Such special education program or service shall
6 include, but not be limited to, the transportation of students
7 with disabilities; services related to occupational therapy,
8 physical therapy, speech and language, hearing impairments or
9 visual impairments; or training in orientation and mobility for
10 children who are visually impaired or blind.

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

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

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

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

7 Section 6. Section 2509.14 of the act, added April 25, 2013
8 (P.L.12, No.3), is repealed:

9 [Section 2509.14. Special Education Funding for Eligible
10 Students with Disabilities in Cost Category 3.--(a) For the
11 2014-2015 school year and each school year thereafter, the
12 Department of Education shall set aside an amount not less than
13 one percent (1%) of the State special education appropriation
14 above the level of the appropriation in the base year. The
15 Department of Education shall distribute this amount as provided
16 in subsection (b).

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

23 (c) The funding provided under this section shall be
24 accounted for as part of actual special education spending and
25 as part of the special education allocation received by a school
26 district, according to the definitions in section 2501. School
27 districts shall also account for the funding provided under this
28 section and the resulting services and supports for eligible
29 students through the special education plans, revisions, updates
30 and amendments required by section 2509.15.]

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