AN ACT
Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in reimbursements by Commonwealth and between school districts, providing for student-weighted basic education funding.

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

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

Section 2502.53. Student-Weighted Basic Education Funding.--
(a) For each school year, the Commonwealth shall pay to each school district a basic education funding allocation which shall consist of the following:

(1) An amount equal to the school district's basic education funding allocation for the base school year.

(2) A student-based allocation to be calculated as follows:
(i) Multiply the sum of the school district's weighted basic education student head count and the school district's sparsity/size adjustment by the school district's median household income index and local effort capacity index.

(ii) Multiply the product in subparagraph (i) by the difference between the amount appropriated for the allocation of basic education funding and the sum of the amounts allocated in paragraph (1) for all school districts.

(iii) Divide the product in subparagraph (ii) by the sum of the products in subparagraph (i) for all school districts.

(b) For the purposes of this section:

(1) The weighted basic education student headcount shall be calculated for each school district as follows:

   (i) Multiply the school district's average daily membership by one (1).

   (ii) Multiply the school district's number of students living in acute poverty by six-tenths (0.6).

   (iii) Multiply the school district's number of students living in poverty by three-tenths (0.3).

   (iv) Multiply the school district's number of students living in concentrated poverty by three-tenths (0.3).

   (v) Multiply the school district's number of limited English proficient students by six-tenths (0.6).

   (vi) Multiply the charter and cyber charter school average daily membership applicable to the school district by two-tenths (0.2).

   (vii) Add the products in subparagraphs (i), (ii), (iii), (iv), (v) and (vi).

(2) The sparsity ratio shall be calculated for each school district as follows:
(i) Divide the school district's average daily membership per square mile by the State's average daily membership per square mile.

(ii) Multiply the quotient in subparagraph (i) by five-tenths (0.5).

(iii) Subtract the product in subparagraph (ii) from one (1).

(3) The size ratio for each school district shall be calculated as follows:

(i) Divide the school district's average daily membership by the average of the average daily membership of all school districts.

(ii) Multiply the quotient in subparagraph (i) by five-tenths (0.5).

(iii) Subtract the product in subparagraph (ii) from one (1).

(4) The sparsity/size ratio for each school district shall be calculated by adding forty percent (40%) of the school district's sparsity ratio and sixty percent (60%) of the school district's size ratio.

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

(i) For a school district with a sparsity/size ratio less than or equal to the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio for all school districts, the school district's sparsity/size adjustment shall be zero.

(ii) For a school district with a sparsity/size ratio greater than the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio for all school districts, the school district's sparsity/size adjustment shall be calculated as follows:
districts, the school district's sparsity/size adjustment shall be calculated as follows:

(A) Divide the school district's sparsity/size ratio by the sparsity/size ratio that represents the seventieth percentile of the sparsity/size ratio for all school districts.

(B) Subtract one (1) from the quotient in clause (A).

(C) Multiply the remainder in clause (B) by seven-tenths (0.7).

(D) Multiply the product in clause (C) by the school district's weighted basic education student headcount.

(6) The number of students living in acute poverty for each school district shall be calculated by multiplying the school district's percentage of students who are six (6) to seventeen (17) years of age according to the United States Census Bureau's Ratio of Income to Poverty less than or equal to ninety-nine percent (99%) of the Federal poverty guidelines by the school district's average daily membership.

(7) The number of students living in poverty for each school district shall be calculated by multiplying the school district's percentage of students who are six (6) to seventeen (17) years of age according to the United States Census Bureau's Ratio of Income to Poverty greater than ninety-nine percent (99%) and less than one hundred and eighty-five percent (185%) of the Federal poverty guidelines by the school district's average daily membership.

(8) The number of students living in concentrated poverty for each school district shall be calculated as follows:

(i) For a school district in which the percentage of students living in acute poverty is less than thirty percent (30%), the school district's number of students living in
concentrated poverty shall be zero.

(ii) For a school district in which the percentage of students living in acute poverty is equal to or greater than thirty percent (30%), multiply the school district's percentage of students living in acute poverty by the school district's average daily membership.

(9) The median household income index for each school district shall be calculated as follows:

(i) Divide the school district's median household income by the median household income for Pennsylvania as determined by the United States Census Bureau.

(ii) Divide one (1) by the quotient in subparagraph (i).

(10) The local effort for each school district shall be calculated by adding the school district's State property tax reduction allocation, taxes levied and assessed by the local education agency, delinquencies on taxes levied and assessed by the local education agency, revenue from local government units, and other local revenues not specified elsewhere, as designated in the Department of Education's Manual of Accounting and Financial Reporting for Pennsylvania Public Schools.

(11) The local effort per household for each school district shall be calculated as follows:

(i) Divide the school district's local effort by the school district's number of households as determined by the United States Census Bureau.

(ii) Divide the quotient in subparagraph (i) by the school district's median household income as determined by the United States Census Bureau.

(iii) Multiply the quotient in subparagraph (ii) by one-thousand (1,000).
The local effort factor for each school district shall be calculated by dividing the school district's local effort per household by the State median local effort per household for all school districts.

The current expenditure per weighted student for each school district shall be calculated by dividing the school district's current expenditures by the sum of the school district's average daily membership, sparsity size adjustment and the amounts determined for the school district under subsection (b)(1)(ii), (iii), (iv), (v) and (vi).

The excess expenditure factor for each school district shall be calculated as follows:

(i) Divide the school district's current expenditure per weighted student by the State median current expenditure per weighted student for all school districts.

(ii) Divide one (1) by the quotient in subparagraph (i).

The local effort index for each school district shall be calculated as follows:

(i) For a school district with an excess expenditure factor equal to or greater than one (1), multiply the school district's local effort factor by one (1).

(ii) For a school district with an excess expenditure factor less than one (1), multiply the school district's local effort factor by the school district's excess expenditure factor.

The local effort rate for each school district shall be calculated by dividing the school district's local effort by the sum of the school district's market value and adjusted personal income.

The local capacity per weighted student for each school district shall be calculated as follows:
(i) Multiply the sum of the school district's market value and adjusted personal income by the State median local effort rate for all school districts.

(ii) Divide the product in subparagraph (i) by the sum of the school district's average daily membership, sparsity size adjustment and the amounts determined for the school district under subsection (b)(1)(ii), (iii), (iv), (v) and (vi).

(18) The local capacity index for each school district shall be calculated as follows:

(i) For a school district with a local capacity per weighted student equal to or greater than the State median local capacity per weighted student, the local capacity index for the school district shall be zero.

(ii) For a school district with a local capacity per weighted student less than the State median local capacity per weighted student, the local capacity index shall be calculated as follows:

(A) Divide the school district's local capacity per weighted student by the State median local capacity per weighted student for all school districts.

(B) Subtract the quotient in clause (A) from one (1).

(19) The local effort capacity index for each school district shall be calculated by adding the school district's local effort index to the school district's local capacity index.

(c) The data used to calculate the factors in this section shall be based on the most recent year for which data is available as determined by the Department of Education. The average daily membership shall be the average of the three (3) most recent years' average daily membership. The average daily
member membership used in subsection (b)(6), (7), (8), (13) and (17) shall be based on the most recent year's average daily member membership. Information utilized from the United States Census Bureau shall be from the most recent American Community Survey 5-Year Estimate of the United States Census Bureau.

Section 2. This act shall take effect in 60 days.