

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

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, APRIL 28, 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.

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

16 ~~Section 1. Section 1376 of the act of March 10, 1949~~ <--
17 ~~(P.L.30, No.14), known as the Public School Code of 1949, is~~
18 ~~amended by adding a subsection to read:~~

19 SECTION 1. SECTION 1372(8) OF THE ACT OF MARCH 10, 1949 <--
20 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, ADDED
21 MAY 10, 2000 (P.L.44, NO.16), IS AMENDED TO READ:

22 SECTION 1372. EXCEPTIONAL CHILDREN; EDUCATION AND

1 TRAINING.--\* \* \*

2 (8) REPORTING OF EXPENDITURES RELATING TO EXCEPTIONAL  
3 STUDENTS. BY DECEMBER 31, 2000, AND EACH YEAR THEREAFTER, EACH  
4 SCHOOL DISTRICT SHALL COMPILE INFORMATION LISTING THE NUMBER OF  
5 STUDENTS WITH DISABILITIES FOR WHICH EXPENDITURES ARE BETWEEN  
6 TWENTY-FIVE THOUSAND DOLLARS (\$25,000) AND FIFTY THOUSAND  
7 DOLLARS (\$50,000), BETWEEN FIFTY THOUSAND DOLLARS (\$50,000) AND  
8 SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) AND OVER SEVENTY-FIVE  
9 THOUSAND DOLLARS (\$75,000) FOR THE PRIOR SCHOOL YEAR. THE  
10 INFORMATION SHALL BE SUBMITTED TO THE DEPARTMENT IN A FORM  
11 PRESCRIBED BY THE DEPARTMENT. BY FEBRUARY 1, 2001, AND EACH YEAR  
12 THEREAFTER, THE DEPARTMENT SHALL SUBMIT TO THE CHAIRMAN AND  
13 MINORITY CHAIRMAN OF THE EDUCATION AND APPROPRIATIONS COMMITTEES  
14 OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
15 EDUCATION AND APPROPRIATIONS COMMITTEES OF THE HOUSE OF  
16 REPRESENTATIVES A REPORT LISTING THIS INFORMATION BY SCHOOL  
17 DISTRICT. THE DEPARTMENT SHALL ANNUALLY ADJUST THE DOLLAR RANGES  
18 BY THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE  
19 PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA.

20 SECTION 2. SECTION 1376 OF THE ACT IS AMENDED BY ADDING A  
21 SUBSECTION TO READ:

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

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

1 private schools for pupils who are enrolled with the approval of  
2 the Department of Education.

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

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

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

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

13 \* \* \*

14 Section 2 3. Section 1725-A(a) (3) of the act, amended June <--  
15 29, 2002 (P.L.524, No.88), is amended and the subsection is  
16 amended by adding clauses to read:

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

19 \* \* \*

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

30 (3.1) (i) For the 2014-2015 school year and each year

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

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

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

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

30 (ii) Pursuant to ~~regulations~~ GUIDELINES developed by the <--

1 department, to be eligible to receive funding for special  
2 education students under subclause (i)(B) and (C), the charter  
3 school must document the cost of providing special education <--  
4 programs and services AN EDUCATION to the student and provide <--  
5 the documentation to the school district of residence and the <--  
6 department.

7 (iii) The department shall annually adjust the weights  
8 provided in subclause (i)(A), (B) and (C) for each school  
9 district based on the percentage difference in the school  
10 district's AVERAGE annual expenditure for special education <--  
11 programs and services per student STUDENTS when compared to the <--  
12 Statewide average annual expenditure for special education  
13 programs and services per student STUDENTS. <--

14 (iv) The department shall annually adjust the dollar ranges  
15 in subclause (i)(A), (B) and (C) by the Consumer Price Index for  
16 All Urban Consumers for the Pennsylvania, New Jersey, Delaware  
17 and Maryland areas. AREA. <--

18 (V) THE ANNUAL EXPENDITURE AMOUNTS USED TO CALCULATE FUNDING  
19 UNDER SUBCLAUSE (I)(A), (B) AND (C) SHALL BE BASED ON THE  
20 AMOUNTS USED IN MAKING REPORTS TO THE DEPARTMENT UNDER SECTION  
21 1372(8).

22 (3.2) Notwithstanding the provisions of clause (3.1), for  
23 the 2014-2015 school year, for special education students, the  
24 charter school shall receive for each student enrolled an amount  
25 which shall be paid by the district of residence as follows:

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

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

5 (B) Multiply the difference in paragraph (A) by ~~three~~ ONE <--  
6 hundred and ~~thirty three~~ SIXTY-SEVEN thousandths ~~(0.333)~~ <--  
7 (0.167). <--

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

11 (ii) If the funding for each special education student in  
12 clause (3) for the 2013-2014 school year is less than the amount  
13 of funding for the same special education student in clause  
14 (3.1) for the 2014-2015 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) for the 2013-2014 school year  
18 from the amount of funding for the same special education  
19 student in clause (3.1) for the 2014-2015 school year.

20 (B) Multiply the difference in paragraph (A) by ~~three~~ ONE <--  
21 hundred and ~~thirty three~~ SIXTY-SEVEN thousandths ~~(0.333)~~ <--  
22 (0.167). <--

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

26 (3.3) Notwithstanding the provisions of clause (3.1), for  
27 the 2015-2016 school year, for special education students, the  
28 charter school shall receive for each student enrolled an amount  
29 which shall be paid by the district of residence as follows:

30 (i) If the funding for each special education student in

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

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

9 (B) Multiply the difference in paragraph (A) by ~~six~~ THREE <--  
10 hundred and ~~sixty-six~~ THIRTY-THREE thousandths ~~(0.666)~~ (0.333). <--

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

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

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

23 (B) Multiply the difference in paragraph (A) by ~~six~~ THREE <--  
24 hundred and ~~sixty-six~~ THIRTY-THREE thousandths ~~(0.666)~~ (0.333). <--

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

28 (3.4) NOTWITHSTANDING THE PROVISIONS OF CLAUSE (3.1), FOR <--  
29 THE 2016-2017 SCHOOL YEAR, FOR SPECIAL EDUCATION STUDENTS, THE  
30 CHARTER SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED AN AMOUNT

1 WHICH SHALL BE PAID BY THE DISTRICT OF RESIDENCE AS FOLLOWS:

2 (I) IF THE FUNDING FOR EACH SPECIAL EDUCATION STUDENT IN  
3 CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR IS EQUAL TO OR GREATER  
4 THAN THE FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN  
5 CLAUSE (3.1) FOR THE 2016-2017 SCHOOL YEAR, THE AMOUNT SHALL BE  
6 DETERMINED AS FOLLOWS:

7 (A) SUBTRACT THE AMOUNT OF FUNDING FOR EACH SPECIAL  
8 EDUCATION STUDENT IN CLAUSE (3.1) FOR THE 2016-2017 SCHOOL YEAR  
9 FROM THE AMOUNT OF FUNDING FOR THE SAME SPECIAL EDUCATION  
10 STUDENT IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR.

11 (B) MULTIPLY THE DIFFERENCE IN PARAGRAPH (A) BY FIVE HUNDRED  
12 THOUSANDTHS (0.500).

13 (C) SUBTRACT THE PRODUCT IN PARAGRAPH (B) FROM THE AMOUNT OF  
14 FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3) FOR  
15 THE 2013-2014 SCHOOL YEAR.

16 (II) IF THE FUNDING FOR EACH SPECIAL EDUCATION STUDENT IN  
17 CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR IS LESS THAN THE AMOUNT  
18 OF FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE  
19 (3.1) FOR THE 2016-2017 SCHOOL YEAR, THE AMOUNT SHALL BE  
20 DETERMINED AS FOLLOWS:

21 (A) SUBTRACT THE AMOUNT OF FUNDING FOR EACH SPECIAL  
22 EDUCATION STUDENT IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR  
23 FROM THE AMOUNT OF FUNDING FOR THE SAME SPECIAL EDUCATION  
24 STUDENT IN CLAUSE (3.1) FOR THE 2016-2017 SCHOOL YEAR.

25 (B) MULTIPLY THE DIFFERENCE IN PARAGRAPH (A) BY FIVE HUNDRED  
26 THOUSANDTHS (0.500).

27 (C) ADD THE PRODUCT IN PARAGRAPH (B) TO THE AMOUNT OF  
28 FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3) FOR  
29 THE 2013-2014 SCHOOL YEAR.

30 (3.5) NOTWITHSTANDING THE PROVISIONS OF CLAUSE (3.1), FOR

1 THE 2017-2018 SCHOOL YEAR, FOR SPECIAL EDUCATION STUDENTS, THE  
2 CHARTER SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED AN AMOUNT  
3 WHICH SHALL BE PAID BY THE DISTRICT OF RESIDENCE AS FOLLOWS:

4 (I) IF THE FUNDING FOR EACH SPECIAL EDUCATION STUDENT IN  
5 CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR IS EQUAL TO OR GREATER  
6 THAN THE FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN  
7 CLAUSE (3.1) FOR THE 2017-2018 SCHOOL YEAR, THE AMOUNT SHALL BE  
8 DETERMINED AS FOLLOWS:

9 (A) SUBTRACT THE AMOUNT OF FUNDING FOR EACH SPECIAL  
10 EDUCATION STUDENT IN CLAUSE (3.1) FOR THE 2017-2018 SCHOOL YEAR  
11 FROM THE AMOUNT OF FUNDING FOR THE SAME SPECIAL EDUCATION  
12 STUDENT IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR.

13 (B) MULTIPLY THE DIFFERENCE IN PARAGRAPH (A) BY SIX HUNDRED  
14 AND SIXTY-SEVEN THOUSANDTHS (0.667).

15 (C) SUBTRACT THE PRODUCT IN PARAGRAPH (B) FROM THE AMOUNT OF  
16 FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3) FOR  
17 THE 2013-2014 SCHOOL YEAR.

18 (II) IF THE FUNDING FOR EACH SPECIAL EDUCATION STUDENT IN  
19 CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR IS LESS THAN THE AMOUNT  
20 OF FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE  
21 (3.1) FOR THE 2017-2018 SCHOOL YEAR, THE AMOUNT SHALL BE  
22 DETERMINED AS FOLLOWS:

23 (A) SUBTRACT THE AMOUNT OF FUNDING FOR EACH SPECIAL  
24 EDUCATION STUDENT IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR  
25 FROM THE AMOUNT OF FUNDING FOR THE SAME SPECIAL EDUCATION  
26 STUDENT IN CLAUSE (3.1) FOR THE 2017-2018 SCHOOL YEAR.

27 (B) MULTIPLY THE DIFFERENCE IN PARAGRAPH (A) BY SIX HUNDRED  
28 AND SIXTY-SEVEN THOUSANDTHS (0.667).

29 (C) ADD THE PRODUCT IN PARAGRAPH (B) TO THE AMOUNT OF  
30 FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3) FOR

1 THE 2013-2014 SCHOOL YEAR.

2 (3.6) NOTWITHSTANDING THE PROVISIONS OF CLAUSE (3.1), FOR  
3 THE 2018-2019 SCHOOL YEAR, FOR SPECIAL EDUCATION STUDENTS, THE  
4 CHARTER SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED AN AMOUNT  
5 WHICH SHALL BE PAID BY THE DISTRICT OF RESIDENCE AS FOLLOWS:

6 (I) IF THE FUNDING FOR EACH SPECIAL EDUCATION STUDENT IN  
7 CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR IS EQUAL TO OR GREATER  
8 THAN THE FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN  
9 CLAUSE (3.1) FOR THE 2018-2019 SCHOOL YEAR, THE AMOUNT SHALL BE  
10 DETERMINED AS FOLLOWS:

11 (A) SUBTRACT THE AMOUNT OF FUNDING FOR EACH SPECIAL  
12 EDUCATION STUDENT IN CLAUSE (3.1) FOR THE 2018-2019 SCHOOL YEAR  
13 FROM THE AMOUNT OF FUNDING FOR THE SAME SPECIAL EDUCATION  
14 STUDENT IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR.

15 (B) MULTIPLY THE DIFFERENCE IN PARAGRAPH (A) BY EIGHT  
16 HUNDRED AND THIRTY-THREE THOUSANDTHS (0.833).

17 (C) SUBTRACT THE PRODUCT IN PARAGRAPH (B) FROM THE AMOUNT OF  
18 FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3) FOR  
19 THE 2013-2014 SCHOOL YEAR.

20 (II) IF THE FUNDING FOR EACH SPECIAL EDUCATION STUDENT IN  
21 CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR IS LESS THAN THE AMOUNT  
22 OF FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE  
23 (3.1) FOR THE 2018-2019 SCHOOL YEAR, THE AMOUNT SHALL BE  
24 DETERMINED AS FOLLOWS:

25 (A) SUBTRACT THE AMOUNT OF FUNDING FOR EACH SPECIAL  
26 EDUCATION STUDENT IN CLAUSE (3) FOR THE 2013-2014 SCHOOL YEAR  
27 FROM THE AMOUNT OF FUNDING FOR THE SAME SPECIAL EDUCATION  
28 STUDENT IN CLAUSE (3.1) FOR THE 2018-2019 SCHOOL YEAR.

29 (B) MULTIPLY THE DIFFERENCE IN PARAGRAPH (A) BY EIGHT  
30 HUNDRED AND THIRTY-THREE THOUSANDTHS (0.833).

1 (C) ADD THE PRODUCT IN PARAGRAPH (B) TO THE AMOUNT OF  
2 FUNDING FOR THE SAME SPECIAL EDUCATION STUDENT IN CLAUSE (3) FOR  
3 THE 2013-2014 SCHOOL YEAR.

4 \* \* \*

5 Section ~~3~~ 4. Section 2509.5 of the act is amended by adding <--  
6 a subsection to read:

7 Section 2509.5. Special Education Payments to School  
8 Districts.--\* \* \*

9 (bbb) (1) For the 2014-2015 school year and each year  
10 thereafter, when the special education funding allocation made  
11 to school districts exceeds the amount allocated under  
12 subsection (aaa), the Commonwealth shall pay to each school  
13 district a special education funding allocation which shall  
14 consist of the following:

15 (i) An amount equal to the special education funding  
16 allocation under subsection (aaa).

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

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

22 (B) Multiply the product in clause (A) by the difference  
23 between the amount appropriated for the allocation of special  
24 education funding and the sum of the amounts allocated in  
25 subparagraph (i).

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

28 (2) For the purposes of this section:

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

1 (A) Multiply the number of SPECIAL EDUCATION students who <--  
2 reside in the school district for which the annual expenditure  
3 for special education programs and services is less than twenty- <--  
4 five thousand dollars (\$25,000), which shall be known as  
5 Category 1, by one and fifty-one hundredths (1.51).

6 (B) Multiply the number of SPECIAL EDUCATION students that <--  
7 reside in the school district for which the annual expenditure  
8 for special education programs and services is greater than or <--  
9 equal to twenty-five thousand dollars (\$25,000) but less than  
10 fifty thousand dollars (\$50,000), which shall be known as  
11 Category 2, by three and seventy-seven hundredths (3.77).

12 (C) Multiply the number of SPECIAL EDUCATION students who <--  
13 reside in the school district for which the annual expenditure  
14 for special education programs and services is greater than or <--  
15 equal to fifty thousand dollars (\$50,000), which shall be known  
16 as Category 3, by seven and forty-six hundredths (7.46).

17 (D) Add the products in clauses (A), (B) and (C).  
18 The Department of Education shall annually adjust the dollar  
19 ranges in clauses (A), (B) and (C) by the Consumer Price Index  
20 for All Urban Consumers for the Pennsylvania, New Jersey,  
21 Delaware and Maryland area. THE ANNUAL EXPENDITURE AMOUNT USED <--  
22 TO CALCULATE FUNDING SHALL BE BASED ON THE INFORMATION REPORTED  
23 TO THE DEPARTMENT UNDER SECTION 1372(8).

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

26 (A) Divide the school district's average daily membership  
27 per square mile by the State's average daily membership per  
28 square mile.

29 (B) Multiply the quotient of clause (A) by five tenths  
30 (0.5).

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

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

4 (A) Divide the school district's average daily membership by  
5 the average of the average daily membership of all school  
6 districts.

7 (B) Multiply the quotient of clause (A) by five tenths  
8 (0.5).

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

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

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

15 (A) For a school district with a sparsity/size ratio less  
16 than or equal to the sparsity/size ratio that represents the  
17 seventieth (70th) percentile of the sparsity/size ratio of all  
18 school districts, the school district's sparsity/size adjustment  
19 shall be zero (0).

20 (B) For a school district with a sparsity/size ratio greater  
21 than the sparsity/size ratio that represents the seventieth  
22 (70th) percentile of the sparsity/size ratio of all school  
23 districts, the school district's sparsity/size adjustment shall  
24 be calculated as follows:

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

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

29 (III) Multiply the remainder in subclause (II) by five  
30 tenths (0.5).

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

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

5 (A) For a school district with an equalized millage rate  
6 greater than or equal to the equalized millage rate that  
7 represents the seventieth (70th) percentile of the equalized  
8 millage rate of all school districts, the school district's  
9 equalized millage multiplier shall be one (1).

10 (B) For a school district with an equalized millage rate  
11 less than the equalized millage rate that represents the  
12 seventieth (70th) percentile of the equalized millage rate of  
13 all school districts, the school district's equalized millage  
14 multiplier shall be calculated as follows:

15 (I) Divide the school district's equalized millage rate by  
16 the equalized millage rate that represents the seventieth (70th)  
17 percentile of the equalized millage rate of all school  
18 districts.

19 (II) (Reserved).

20 (3) THE DATA USED TO CALCULATE THE WEIGHTED SPECIAL <--  
21 EDUCATION STUDENT HEADCOUNT IN CLAUSE (2) (I) SHALL BE BASED ON  
22 INFORMATION FROM THE MOST RECENT YEAR FOR WHICH DATA IS  
23 AVAILABLE AS DETERMINED BY THE DEPARTMENT OF EDUCATION. The data  
24 used to calculate the REMAINDER OF THE provisions contained in <--  
25 this section shall be averaged for the three (3) most recent  
26 years for which data is available as determined by the  
27 Department of Education.

28 Section 4 5. Section 2509.8(e) of the act, added December <--  
29 23, 2003 (P.L.304, No.48), is amended and the section is amended  
30 by adding a subsection to read:

1 Section 2509.8. Extraordinary Special Education Program  
2 Expenses.--\* \* \*

3 (e) For the 2003-2004 school year [and each school year  
4 thereafter] through the 2013-2014 school year, the Department of  
5 Education shall set aside one percent (1%) of the special  
6 education appropriation for extraordinary expenses incurred in  
7 providing a special education program or service to one or more  
8 students with disabilities as approved by the Secretary of  
9 Education. Such special education program or service shall  
10 include, but not be limited to, the transportation of students  
11 with disabilities; services related to occupational therapy,  
12 physical therapy, speech and language, hearing impairments or  
13 visual impairments; or training in orientation and mobility for  
14 children who are visually impaired or blind.

15 (f) (i) For the 2014-2015 school year and each school year  
16 thereafter, an amount equal to one percent (1%) of the special  
17 education appropriation shall be distributed to school districts  
18 and charter schools for extraordinary expenses incurred in  
19 providing a special education program or service to one or more  
20 students with disabilities as approved by the Secretary of  
21 Education. Such special education program or service shall  
22 include, but not be limited to, the transportation of students  
23 with disabilities; services related to occupational therapy,  
24 physical therapy, speech and language, hearing impairments or  
25 visual impairments; or training in orientation and mobility for  
26 children who are visually impaired or blind.

27 (ii) Funds distributed to a school district or charter  
28 school under this subsection shall be allocated for students for  
29 which expenses are incurred on an annual basis that are equal to  
30 or greater than seventy-five thousand dollars (\$75,000) as

1 follows:

2 (A) For a student for whom expenses are equal to or greater  
3 than seventy-five thousand dollars (\$75,000) and less than or  
4 equal to one hundred thousand dollars (\$100,000), subtract the  
5 State subsidies paid on behalf of the student for special <--  
6 education programs and services to the school district or, for a  
7 student enrolled in a charter school, the difference in the <--  
8 nonspecial education and special education charter school  
9 payment received by the charter school where the child is  
10 enrolled from the expense incurred for the student and multiply  
11 the difference by the school district's or charter school's  
12 market value/personal income aid ratio.

13 (B) For a student for which expenses are greater than one  
14 hundred thousand dollars (\$100,000), subtract the State  
15 subsidies paid on behalf of the student for special education <--  
16 programs and services to the school district or, for a student  
17 enrolled in a charter school, the difference in the nonspecial <--  
18 education and special education charter school payment received  
19 by the charter school where the child is enrolled from the  
20 expense incurred for the student.

21 (iii) No school district or charter school shall in any  
22 school year receive an amount under subclause (i) which exceeds  
23 the total amount of funding available multiplied by the  
24 percentage equal to the greatest percentage of the State's  
25 special education students enrolled in a school district or  
26 charter school.

27 (iv) It is the intent of the General Assembly that funds <--  
28 necessary to implement this subsection shall be appropriated as  
29 a separate line item in the General Appropriation Act entitled  
30 Extraordinary Cost Fund.

1 Section ~~5~~ 6. Section 2509.14 of the act, added April 25, <--  
2 2013 (P.L.12, No.3), is repealed:

3 [Section 2509.14. Special Education Funding for Eligible  
4 Students with Disabilities in Cost Category 3.--(a) For the  
5 2014-2015 school year and each school year thereafter, the  
6 Department of Education shall set aside an amount not less than  
7 one percent (1%) of the State special education appropriation  
8 above the level of the appropriation in the base year. The  
9 Department of Education shall distribute this amount as provided  
10 in subsection (b).

11 (b) For the 2014-2015 school year and each school year  
12 thereafter, each school district in this Commonwealth shall  
13 receive a pro rata share of the amount set aside under  
14 subsection (a) based upon the number of eligible students  
15 residing or enrolled in each school district and classified in  
16 Cost Category 3 during the immediately preceding school year.

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

25 Section ~~6~~ 7. This act shall take effect July 1, 2014, or <--  
26 immediately, whichever occurs later.