

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**

**No. 791**      Session of  
2003

INTRODUCED BY FUMO, MELLOW, O'PAKE, WAGNER, MUSTO, KASUNIC,  
STOUT, BOSCOLA, COSTA, FERLO, KITCHEN, KUKOVICH, LAVALLE,  
LOGAN, HUGHES, SCHWARTZ, STACK, TARTAGLIONE, C. WILLIAMS AND  
WOZNIAK, JUNE 3, 2003

REFERRED TO EDUCATION, JUNE 3, 2003

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," further providing for small district  
6 assistance; providing for basic education funding for the  
7 2002-2003 school year; further providing for payments to  
8 intermediate units and for special education payments to  
9 school districts; providing for Commonwealth reimbursements  
10 for charter schools and cyber charter schools; and making  
11 appropriations.

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

14 Section 1. Section 2502.13 of the act of March 10, 1949  
15 (P.L.30, No.14), known as the Public School Code of 1949,  
16 amended June 29, 2002 (P.L.524, No.88), is amended to read:

17 Section 2502.13. Small District Assistance.--For the 1984-  
18 1985 and 1985-1986 school years, the Commonwealth shall pay to  
19 each school district which has an average daily membership of  
20 one thousand five hundred (1,500) or less and has a market  
21 value/income aid ratio of five thousand ten-thousandths (0.5000)

1 or greater, an amount equal to fifty dollars (\$50) multiplied by  
2 that district's average daily membership. For the 1985-1986  
3 school year, no school district shall receive less on account of  
4 this section than it did for the 1984-1985 school year. For the  
5 school year 1986-1987, the Commonwealth shall pay to each school  
6 district which has an average daily membership of one thousand  
7 five hundred (1,500) or less and has a market value/income aid  
8 ratio of five thousand ten-thousandths (0.5000) or greater, or  
9 received payments under this section for the 1985-1986 school  
10 year, an amount equal to seventy-five dollars (\$75) multiplied  
11 by that district's average daily membership. For the school year  
12 1987-1988, the Commonwealth shall pay to each school district  
13 which has an average daily membership of one thousand five  
14 hundred (1,500) or less and a market value/income aid ratio of  
15 five thousand ten-thousandths (0.5000) or greater, or received  
16 payments under this section for the 1986-1987 school year, an  
17 amount equal to eighty-five dollars (\$85) multiplied by that  
18 district's average daily membership. For the school year 1988-  
19 1989, the Commonwealth shall pay to each school district which  
20 has an average daily membership of one thousand five hundred  
21 (1,500) or less and a market value/income aid ratio of five  
22 thousand ten thousandths (0.5000) or greater, or received  
23 payments under this section for the 1987-1988 or 1988-1989  
24 school year, an amount equal to one hundred five dollars (\$105).  
25 For the school year 1989-1990, the Commonwealth shall pay to  
26 each school district which has an average daily membership of  
27 one thousand five hundred (1,500) or less and a market  
28 value/income aid ratio of five thousand ten-thousandths (0.5000)  
29 or greater, or received payments under this section for the  
30 1987-1988 school year, an amount equal to one hundred fifteen

1 dollars (\$115) multiplied by the district's average daily  
2 membership as provided for in section 212 of the act of July 1,  
3 1990 (P.L.1591, No.7A), known as the "General Appropriation Act  
4 of 1990." For the school year 1990-1991, the Commonwealth shall  
5 pay to each school district which has an average daily  
6 membership of one thousand five hundred (1,500) or less and a  
7 market value/income aid ratio of five thousand ten-thousandths  
8 (0.5000) or greater, or received payments under this section for  
9 the prior school year, an amount equal to one hundred seventy  
10 dollars (\$170) multiplied by that district's average daily  
11 membership. For the school year 1990-1991, each school district  
12 with a population per square mile of less than ninety (90),  
13 which otherwise meets the average daily membership and market  
14 value/income aid ratio requirements of this section, or received  
15 payments under this section for the prior school year, shall  
16 instead receive an amount equal to one hundred ninety dollars  
17 (\$190) multiplied by that district's average daily membership.  
18 For the 1987-1988 school year through the 1990-1991 school year,  
19 no school district shall receive less on account of this section  
20 than it did for the prior school year. For the school year 1994-  
21 1995, the Commonwealth shall pay to each school district which  
22 has an average daily membership of one thousand five hundred  
23 (1,500) or less and a market value/income aid ratio of five  
24 thousand ten-thousandths (0.5000) or greater, an amount equal to  
25 ninety five dollars (\$95) multiplied by that district's average  
26 daily membership. For each of the school years 1997-1998 through  
27 1999-2000, the Commonwealth shall pay to each school district  
28 which has an average daily membership of one thousand five  
29 hundred (1,500) or less and a market value/income aid ratio of  
30 five thousand ten-thousandths (0.5000) or greater an amount

1 equal to seventy-five dollars (\$75) multiplied by that  
2 district's average daily membership. For the school years 2000-  
3 2001 and 2001-2002, the Commonwealth shall pay to each school  
4 district which has an average daily membership of one thousand  
5 five hundred (1,500) or less an amount equal to seventy-five  
6 dollars (\$75) multiplied by that district's average daily  
7 membership. For school year 2002-2003, the Commonwealth shall  
8 pay to each school district which has a modified average daily  
9 membership of one thousand (1,000) or less an amount equal to  
10 five thousand four hundred ninety dollars (\$5,490) times twenty  
11 percent (20%) of the school district's modified average daily  
12 membership times its market value/income aid ratio. For the  
13 purposes of this section, modified average daily membership is  
14 calculated by subtracting the product of one-half (0.5) times  
15 the sum of the half-time and full-time kindergarten average  
16 daily membership from the school district's average daily  
17 membership.

18 Section 1.1. The act is amended by adding a section to read:

19 Section 2502.41. Basic Education Funding for 2002-2003  
20 School Year.--(a) For the 2002-2003 school year, the  
21 Commonwealth shall calculate an amount for each school district  
22 which will be used for property tax reduction in 2003-2004  
23 pursuant to the article of this act relating to property tax  
24 relief, except that in school districts of the first class the  
25 amount will be used for resident and nonresident wage tax  
26 reduction in 2003-2004. The amount available for tax reduction  
27 in each school district will equal the foundation funding,  
28 adjusted for minimum and maximum property tax reduction  
29 percentages, minus the basic education funding allocation for  
30 the 2001-2002 school year pursuant to sections 2502.13 and

1 2502.40. The amount of funds identified for property tax and  
2 wage tax reduction shall be placed in the Property Tax Relief  
3 Trust Fund. The foundation funding shall consist of:

4 (1) A base supplement calculated by multiplying the  
5 foundation grant amount of five thousand four hundred ninety  
6 dollars (\$5,490) times the school district's 2002-2003 times its  
7 2003-2004 market value/income aid ratio. The modified average  
8 daily membership is calculated by subtracting one-half (0.5)  
9 times the sum of the half-time and full-time kindergarten  
10 average daily membership from the school district's average  
11 daily membership.

12 (2) A limited English proficiency supplement calculated by  
13 multiplying the foundation grant amount of five thousand four  
14 hundred ninety dollars (\$5,490) times twenty-five percent (25%)  
15 of the school district's 2002-2003 number of limited English  
16 proficiency students times its 2003-2004 market value/income aid  
17 ratio.

18 (3) A poverty supplement calculated for qualifying school  
19 districts as follows:

20 (i) If its 2001 personal income per modified average daily  
21 membership is equal to or less than eighty-five thousand dollars  
22 (\$85,000), multiply six hundred fifteen dollars (\$615) times its  
23 modified average daily membership.

24 (ii) If its 2001 personal income per modified average daily  
25 membership is greater than eighty-five thousand dollars  
26 (\$85,000) and equal to or less than one hundred thousand dollars  
27 (\$100,000), multiply one hundred fifty dollars (\$150) times its  
28 modified average daily membership.

29 (iii) If its 2001 personal income per modified average daily  
30 membership is greater than one hundred thousand dollars

1 (\$100,000) and equal to or less than one hundred fifteen  
2 thousand dollars (\$115,000), multiply seventy-five dollars (\$75)  
3 times its modified average daily membership.

4 (4) An amount as necessary so that the sum of the amounts  
5 under section 2502.13 and clauses (1), (2) and (3) and this  
6 clause will equal the amount received in its 2001-2002 basic  
7 education funding allocation pursuant to sections 2502.13 and  
8 2502.40.

9 (5) An amount for small district assistance for the 2002-  
10 2003 school year pursuant to section 2502.13.

11 (b) Adjustments for minimum and maximum property tax  
12 reductions pursuant to the article of this act dealing with  
13 property tax relief shall be calculated as follows:

14 (1) If the school district's 2003-2004 market value/income  
15 aid ratio is equal to or greater than four thousand five hundred  
16 ten thousandths (0.4500) an amount will be provided as necessary  
17 such that the amount available for property tax reduction is not  
18 less than thirty percent (30%) of the residential property  
19 taxes. For the purpose of this section, the residential property  
20 taxes will be calculated by multiplying the total residential  
21 property tax amount as reported by the school district on its  
22 2001-2002 annual financial report by the percent of assessed  
23 valuations attributable to residential properties as certified  
24 by the State Tax Equalization Board.

25 (2) If the school district's 2003-2004 market value/income  
26 aid ratio is less than four thousand five hundred ten  
27 thousandths (0.4500) an amount will be provided as necessary  
28 such that the amount available for property tax reduction is not  
29 less than fifteen percent (15%) of the property taxes.

30 (3) If the amount available for property tax reduction is

1 greater than sixty percent (60%) of the property taxes, the  
2 amount available will be adjusted so that the property tax  
3 reduction equals sixty percent (60%).

4 (c) For the 2002-2003 school year, the Commonwealth shall  
5 pay to each school district a basic education funding allocation  
6 which consists of the following:

7 (1) An amount equal to the basic education funding  
8 allocation for the 2001-2002 school year pursuant to sections  
9 2502.13 and 2502.40.

10 (2) A pro rata share of one hundred two million dollars  
11 (\$102,000,000) calculated as follows:

12 (i) Multiply the school district's 2003-2004 market  
13 value/income aid ratio by its 2002-2003 average daily  
14 membership.

15 (ii) Multiply the product of subclause (i) by one hundred  
16 two million dollars (\$102,000,000).

17 (iii) Divide the product from subclause (ii) by the sum of  
18 the products for the market value/income aid ratio multiplied by  
19 the 2002-2003 average daily membership for all school districts.

20 Section 2. Sections 2509.1 and 2509.5 of the act are amended  
21 by adding subsections to read:

22 Section 2509.1. Payments to Intermediate Units.--\* \* \*

23 (b.11) Up to nine million five hundred thousand dollars  
24 (\$9,500,000) may be utilized for programs administered and  
25 operated by intermediate units during the 2003-2004 school year  
26 for institutionalized children as established in subsection  
27 (b.1).

28 \* \* \*

29 Section 2509.5. Special Education Payments to School  
30 Districts.--\* \* \*

1       (ll) During the 2003-2004 school year, each school district  
2 shall be paid the amount it received during the 2002-2003 school  
3 year under subsection (kk).

4       (mm) During the 2003-2004 school year, nineteen million two  
5 hundred and seventy-one thousand dollars (\$19,271,000) of the  
6 funds appropriated to the Department of Education for special  
7 education shall be used to provide supplemental funding for  
8 special education to all school districts. The supplemental  
9 funding shall be calculated as follows: multiply each school  
10 district's 2003-2004 market value/income aid ratio by sixteen  
11 percent (16%) of its 2002-2003 average daily membership and  
12 multiply this product by nineteen million two hundred and  
13 seventy-one thousand dollars (\$19,271,000) and divide the  
14 resultant product by the sum of the products of the 2003-2004  
15 market value/income aid ratio multiplied by sixteen percent  
16 (16%) of the 2002-2003 average daily membership for all school  
17 districts.

18       Section 3. Section 2591.1 of the act, added June 29, 2002  
19 (P.L.524, No.88), is amended to read:

20       Section 2591.1. Commonwealth Reimbursements for Charter  
21 Schools and Cyber Charter Schools.--For the 2001-2002 and the  
22 2002-2003 school [year] years, the Commonwealth shall pay to  
23 each school district with resident students enrolled in a  
24 charter school, a charter school approved under section 1717-A  
25 or 1718-A which provides instruction through the Internet or  
26 other electronic means or a cyber charter school as defined  
27 pursuant to Article XVII-A an amount equal to thirty percent  
28 (30%) of the total funding required under section 1725-A(a). If  
29 insufficient funds are appropriated to make Commonwealth  
30 reimbursements under this section, the reimbursements shall be

1 made on a pro rata basis.

2 Section 4. The sum of \$56,762,000 is hereby appropriated to  
3 the Department of Education from the General Fund for the fiscal  
4 year beginning July 1, 2003, for payments on account of  
5 vocational education. This amount shall replace a similar  
6 appropriation contained in the act of March 20, 2003 (P.L. ,  
7 No.1A), known as the General Appropriation Act of 2003. Any  
8 money which has been appropriated and expended under that act  
9 shall be deducted from this appropriation.

10 Section 5. The sum of \$4,188,326,000 is hereby appropriated  
11 to the Department of Education from the General Fund for basic  
12 education funding for the fiscal year beginning July 1, 2003.

13 Section 6. The sum of \$896,177,000 is hereby appropriated to  
14 the Department of Education from the General Fund for special  
15 education for the fiscal year beginning July 1, 2003. This  
16 amount shall replace a similar appropriation contained in the  
17 act of March 20, 2003 (P.L. , No.1A), known as the General  
18 Appropriation Act of 2003. Any money which has been appropriated  
19 and expended under that act shall be deducted from this  
20 appropriation.

21 Section 7. The sum of \$25,000,000 is hereby appropriated  
22 from the General Fund to school districts of the first class  
23 that are declared distressed pursuant to section 691(c) of the  
24 act for the fiscal year beginning July 1, 2003. This amount  
25 shall be used for basic education expenses.

26 Section 8. This act shall take effect July 1, 2003, or  
27 immediately, whichever is later.