

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 993 Session of 2013

INTRODUCED BY DINNIMAN, TEPLITZ, KASUNIC, COSTA, FONTANA, SOLOBAY, BREWSTER, TARTAGLIONE AND YUDICHAK, JUNE 5, 2013

REFERRED TO EDUCATION, JUNE 5, 2013

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 fund balance limits.

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

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

11 Section 1733-A. Charter School Fund Balance Limit.--(a) For
12 the 2012-2013 school year and each school year thereafter, a
13 charter school that is not a cyber charter school shall not
14 accumulate an unassigned fund balance greater than the charter
15 school fund balance limit, which will be determined as follows:

16		<u>Maximum Unassigned Fund</u>
17	<u>Charter School Entity</u>	<u>Balance as Percentage of</u>
18	<u>Total Budgeted Expenditures</u>	<u>Total Budgeted Expenditures</u>
19	<u>Less than or equal to \$11,999,999</u>	<u>12%</u>

1	<u>Between \$12,000,000 and \$12,999,999</u>	<u>11.5%</u>
2	<u>Between \$13,000,000 and \$13,999,999</u>	<u>11%</u>
3	<u>Between \$14,000,000 and \$14,999,999</u>	<u>10.5%</u>
4	<u>Between \$15,000,000 and \$15,999,999</u>	<u>10%</u>
5	<u>Between \$16,000,000 and \$16,999,999</u>	<u>9.5%</u>
6	<u>Between \$17,000,000 and \$17,999,999</u>	<u>9%</u>
7	<u>Between \$18,000,000 and \$18,999,999</u>	<u>8.5%</u>
8	<u>Greater than or equal to \$19,000,000</u>	<u>8%</u>

9 (b) Any unassigned fund balance in place on June 30, 2013,
10 that exceeds the charter school fund balance limit shall be
11 refunded on a per student pro rata basis within ninety (90) days
12 to all school districts that made payments under section 1725-A
13 in the 2011-2012 and 2012-2013 school years. The funds may not
14 be used to pay bonuses to any administrator, board of trustees
15 member, employe, staff or contractor or be transferred to a
16 charter school foundation.

17 (c) For the 2013-2014 school year and each school year
18 thereafter, any unassigned fund balance in excess of the charter
19 school fund balance limit shall be refunded on a per student pro
20 rata basis to all school districts that made payments under
21 section 1725-A in the prior school year.

22 (d) By August 15, 2013, and by August 15 of each year
23 thereafter, each charter school shall provide the department
24 with information certifying compliance with this section. The
25 information shall be provided in a form and manner prescribed by
26 the department and shall include information on the charter
27 school's estimated ending unassigned fund balance expressed as a
28 dollar amount and as a percentage of the charter school's total
29 budgeted expenditures for that school year.

30 (e) As used in this section, "unassigned fund balance" shall

1 mean that portion of the fund balance which represents the part
2 of the spendable fund balance that has not been categorized as
3 restricted, committed or assigned.

4 Section 1752-A. Cyber charter school fund balance limit.

5 (a) Limit.--For the 2013-2014 school year and each school
6 year thereafter, no cyber charter school shall accumulate an
7 unassigned fund balance greater than the cyber charter school
8 fund balance limit, which shall be determined as follows:

9	<u>Maximum Unassigned Fund</u>
10	<u>Balance as Percentage of</u>
11	<u>Total Budgeted Expenditures</u>
12	<u>Less than or equal to \$11,999,999</u> 12%
13	<u>Between \$12,000,000 and \$12,999,999</u> 11.5%
14	<u>Between \$13,000,000 and \$13,999,999</u> 11%
15	<u>Between \$14,000,000 and \$14,999,999</u> 10.5%
16	<u>Between \$15,000,000 and \$15,999,999</u> 10%
17	<u>Between \$16,000,000 and \$16,999,999</u> 9.5%
18	<u>Between \$17,000,000 and \$17,999,999</u> 9%
19	<u>Between \$18,000,000 and \$18,999,999</u> 8.5%
20	<u>Greater than or equal to \$19,000,000</u> 8%

21 (b) Distribution.--Any unassigned fund balance in place on
22 June 30, 2013, that exceeds the cyber charter school fund
23 balance limit shall be distributed by the cyber charter school
24 on a per student pro rata basis within 90 days to all school
25 districts that made payments under section 1725-A to the cyber
26 charter school in the 2011-2012 and 2012-2013 school years. The
27 funds may not be used to pay bonuses to any administrator, board
28 of trustees member, employee, staff or contractor or be
29 transferred to a charter school foundation.

30 (c) Refunds.--For the 2013-2014 school year and each school

1 year thereafter, any unassigned fund balance in excess of the
2 cyber charter school fund balance limit shall be refunded on a
3 per student pro rata basis to all school districts that made
4 payments to the cyber charter school under section 1725-A in the
5 prior school year.

6 (d) Certification of compliance.--By August 15, 2013, and by
7 August 15 of each year thereafter, each cyber charter school
8 shall provide the department with information certifying
9 compliance with this section. The information shall be provided
10 in a form and manner prescribed by the department and shall
11 include information on the cyber charter school's estimated
12 ending unassigned fund balance expressed as a dollar amount and
13 as a percentage of the cyber charter school's total budgeted
14 expenditures for that school year.

15 (e) Definition.--As used in this section, "unassigned fund
16 balance" shall mean that portion of the fund balance which
17 represents the part of the spendable fund balance that has not
18 been categorized as restricted, committed or assigned.

19 Section 2. This act shall take effect immediately.