
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1286 Session of
2015

INTRODUCED BY CARROLL, KAVULICH, SCHREIBER, DAVIS, SCHLOSSBERG,
KINSEY, PASHINSKI, ROEBUCK AND COHEN, JUNE 5, 2015

REFERRED TO COMMITTEE ON EDUCATION, JUNE 5, 2015

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 preliminary provisions, further
6 providing for Keystone Exams; and, in charter schools,
7 further providing for school staff and for funding for
8 charter schools; providing for refund of excess revenue to
9 school districts; further providing for applicability of
10 other provisions of this act and of other acts and
11 resolutions; in reimbursements by Commonwealth and between
12 school districts, providing for basic education funding for
13 2014-2015 school year and for basic education accountability
14 for 2014-2015 school year; and, in reimbursements by
15 Commonwealth and between school districts, further providing
16 for payments to intermediate units and for special education
17 payments to school districts and providing for safe schools
18 advocate.

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

21 Section 1. Section 121 of the act of March 10, 1949 (P.L.30,
22 No.14), known as the Public School Code of 1949, added June 30,
23 2012 (P.L.684, No.82), is amended to read:

24 Section 121. Keystone Exams.--(a) Subject to annual
25 appropriation, not later than the 2020-2021 school year, the
26 Department of Education shall develop and implement Keystone

1 Exams in the following subjects: algebra I, literature, biology,
2 English composition, algebra II, geometry, United States
3 history, chemistry, civics and government and world history. The
4 State Board of Education shall promulgate regulations, subject
5 to the act of June 25, 1982 (P.L.633, No.181), known as the
6 "Regulatory Review Act," necessary to implement this section.

7 (b) Notwithstanding section 2604-B(b)(2)(v), 22 Pa. Code
8 4.24 (relating to high school graduation requirements), 4.51
9 (relating to State assessment system) or 4.51c (relating to
10 project-based assessment) or any statute or regulation to the
11 contrary, a moratorium on the use of the Keystone Exam as a
12 graduation requirement or as a benchmark for the need for
13 participation in a project-based assessment to satisfy the
14 requirement is established on the effective date of this
15 subsection until the General Assembly determines that the
16 funding provided for each student under the funding formula,
17 based on the recommendations of the Basic Education Funding
18 Commission, is adequate to meet the Department of Education's
19 and the State Board of Education's established minimum level of
20 student performance on a Keystone Exam as a graduation
21 requirement or as a benchmark for the need for participation in
22 a project-based assessment to satisfy the requirement.

23 Section 2. Section 1724-A(c), amended June 30, 2011
24 (P.L.112, No.24), is amended to read:

25 Section 1724-A. School Staff.--* * *

26 (c) All employes of a charter school shall be enrolled in
27 the Public School Employees' Retirement System in the same
28 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
29 mandatory and optional membership) unless at the time of the
30 application for the charter school the sponsoring district or

1 the board of trustees of the charter school has a retirement
2 program which covers the employes or the employe is currently
3 enrolled in another retirement program. [The Commonwealth shall
4 make contributions on behalf of charter school employes enrolled
5 in the Public School Employees' Retirement System.] The charter
6 school shall be considered a public school [district] as defined
7 in 24 Pa.C.S. § 8102 (relating to definitions) and shall make
8 quarterly payments by employers to the Public School Employees'
9 Retirement System and monthly payments on account of Social
10 Security as established under 24 Pa.C.S. Pt. IV (relating to
11 retirement for school employees). [The market value/income aid
12 ratio used in calculating payments as prescribed in this
13 subsection shall be the market value/income aid ratio for the
14 school district in which the charter school is located or, in
15 the case of a regional charter school, shall be a composite
16 market value/income aid ratio for the participating school
17 districts as determined by the department.] Except as otherwise
18 provided, employes of a charter school shall make regular member
19 contributions as required for active members under 24 Pa.C.S.
20 Pt. IV. If the employes of the charter school participate in
21 another retirement plan, then those employes shall have no
22 concurrent claim on the benefits provided to public school
23 employes under 24 Pa.C.S. Pt. IV. [For purposes of this
24 subsection, a charter school shall be deemed to be a "public
25 school" as defined in 24 Pa.C.S. § 8102 (relating to
26 definitions).] Notwithstanding any other provision of law to the
27 contrary, nothing in this article shall be construed to require
28 the Commonwealth to make payments to charter schools or
29 contributions on behalf of charter school employes from
30 appropriated funds, as provided in 24 Pa.C.S. §§ 8326 (relating

1 to contribution by the Commonwealth) and 8535 (relating to
2 payments to school entities by the Commonwealth) on account of
3 charter school employes enrolled in the Public School Employees'
4 Retirement System and 24 Pa.C.S. § 8329(a) (relating to payments
5 on account of social security deductions from appropriations) on
6 account of Social Security payments made by a charter school.

7 * * *

8 Section 3. Section 1725-A(a)(2) and (3) of the act, amended
9 June 29, 2002 (P.L.524, No.88), are amended to read:

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

12 * * *

13 (2) For non-special education students[, the]:

14 (i) A charter school shall receive for each student enrolled
15 no less than the budgeted total expenditure per average daily
16 membership of the prior school year, as defined in section
17 2501(20), minus the budgeted expenditures of the district of
18 residence for nonpublic school programs; adult education
19 programs; community/junior college programs; student
20 transportation services; for special education programs;
21 facilities acquisition, construction and improvement services;
22 and other financing uses, including debt service and fund
23 transfers as provided in the Manual of Accounting and Related
24 Financial Procedures for Pennsylvania School Systems established
25 by the department. This amount shall be paid by the district of
26 residence of each student.

27 (ii) For the 2015-2016 school year, a cyber charter school
28 shall receive five thousand nine hundred fifty dollars (\$5,950)
29 for each non-special education student enrolled. For the 2016-
30 2017 school year and each school year thereafter, the amount per

1 non-special education student shall be adjusted by the index
2 calculated under section 2501(28).

3 (3) For special education students[, the]:

4 (i) A charter school shall receive for each student enrolled
5 the same funding as for each non-special education student as
6 provided in clause (2)(i), plus an additional amount determined
7 by dividing the district of residence's total special education
8 expenditure by the product of multiplying the combined
9 percentage of section 2509.5(k) times the district of
10 residence's total average daily membership for the prior school
11 year. This amount shall be paid by the district of residence of
12 each student.

13 (ii) For the 2015-2016 school year and each school year
14 thereafter, a charter school or a cyber charter school shall
15 receive for each special education student enrolled the same
16 amount as for each non-special education student as under clause
17 (2)(ii), plus an additional amount to be paid to the district of
18 residence of each student calculated as follows:

19 (A) For each special education student enrolled in the
20 charter school or cyber charter school for which the annual
21 expenditure is less than twenty-five thousand dollars (\$25,000),
22 which shall be known as Category 1, multiply the same funding as
23 for each non-special education student by fifty-one hundredths
24 (.51).

25 (B) For each special education student enrolled in the
26 charter school or cyber charter school for which the annual
27 expenditure is equal to or greater than twenty-five thousand
28 dollars (\$25,000) and less than fifty thousand dollars
29 (\$50,000), which shall be known as Category 2, multiply the same
30 funding as for each non-special education student by two and

1 seventy-seven hundredths (2.77).

2 (C) For each special education student enrolled in the
3 charter school or cyber charter school for which the annual
4 expenditure is equal to or greater than fifty thousand dollars
5 (\$50,000), which shall be known as Category 3, multiply the same
6 funding as for each non-special education student by six and
7 forty-six hundredths (6.46).

8 * * *

9 Section 4. The act is amended by adding a section to read:

10 Section 1733-A. Annual Reconciliation Based on Audited
11 Charter School Expenditures.--(a) For the 2014-2015 school year
12 and each school year thereafter, a charter school shall refund
13 any revenue in excess of its audited total expenditures as
14 reported on the annual financial report within thirty (30) days
15 of the submission deadline under section 218. Each school
16 district that paid tuition to the charter school shall receive a
17 refund calculated as follows:

18 (1) Subtract audited total expenditures from total revenues.

19 (2) Multiply the difference in clause (1) by the amount of
20 tuition revenue received from the school district.

21 (3) Divide the product in clause (2) by the total tuition
22 revenue received from all school districts.

23 (b) By November 30 of each year, each charter school shall
24 provide the department and all school districts that paid
25 tuition to the charter school in the prior school year with
26 information certifying compliance with this section. The
27 certification shall be provided in a form and manner prescribed
28 by the department.

29 (c) Nothing shall prohibit a charter school from returning a
30 portion of or all of an unassigned fund balance to school

1 districts that paid tuition.

2 Section 5. Section 1749-A(a)(1) of the act, added June 29,
3 2002 (P.L.524, No.88), is amended to read:

4 Section 1749-A. Applicability of other provisions of this act
5 and of other acts and regulations.

6 (a) General requirements.--Cyber charter schools shall be
7 subject to the following:

8 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
9 436, 443, 510, 518, 527, 708, 752, 753, 755, 771, 776, 777,
10 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1301,
11 1302, 1310, 1317.2, 1318, 1330, 1332, 1303-A, 1518, 1521,
12 1523, 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A,
13 1719-A, 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, 1725-A,
14 1727-A, 1729-A, 1730-A, 1731-A(a)(1) and (b), 1733-A and
15 2014-A and Articles XII-A, XIII-A and XIV.

16 * * *

17 Section 6. The act is amended by adding sections to read:

18 Section 2502.53. Basic Education Funding for 2014-2015

19 School Year.--(a) For the 2014-2015 school year, the

20 Commonwealth shall pay to each school district a basic education
21 funding allocation which shall consist of the following:

22 (1) An amount equal to its basic education funding
23 allocation for the 2013-2014 school year, under section 1722-
24 J(16) of the act of April 9, 1929 (P.L.343, No.176), known as
25 "The Fiscal Code."

26 (2) An amount equal to its basic education formula
27 enhancement allocation paid in the 2014-2015 school year.

28 (3) An amount equal to its allocation under section 1722-
29 J(21) of "The Fiscal Code."

30 (4) An amount equal to its original accountability block

1 grant allocation in 2010-2011 under section 2599.2 minus its
2 allocation under section 1722-J(21) (i) of "The Fiscal Code."

3 (5) An amount equal to its original educational assistance
4 program allocation funding in 2010-2011 under section 1722-L(9)
5 of "The Fiscal Code".

6 (6) An amount on account of tuition costs for resident
7 students enrolled in a charter school approved under section
8 1717-A or 1718-A or a cyber charter school approved under
9 section 1741-A calculated as follows:

10 (i) Multiply the tuition to Pennsylvania charter schools and
11 cyber charter schools as reported on the school district's 2013-
12 2014 annual financial report by one hundred fifty million
13 dollars (\$150,000,000).

14 (ii) Divide the product in paragraph (i) by the sum of
15 products in paragraph (i) for all school districts.

16 (7) An amount to further restore basic education funding
17 calculated as follows:

18 (i) Subtract its basic education funding allocation for the
19 2009-2010 school year under section 1722-L(a) (14) of "The Fiscal
20 Code" from its basic education allocation for the 2013-2014
21 school year under section 1722-J(16) of "The Fiscal Code."

22 (ii) If the difference in paragraph (i) is less than zero
23 (\$0), multiply the difference in paragraph (i) by fifty-three
24 million, eight hundred seventy-nine thousand dollars
25 (\$53,879,000).

26 (iii) Divide the product in paragraph (ii) by the sum of the
27 differences in paragraph (i) for all school districts where the
28 difference is less than zero (\$0).

29 (b) For the 2014-2015 school year and each school year
30 thereafter, the Commonwealth shall pay to each school entity

1 that received educational assistance funding in 2010-2011 under
2 section 1722-L(9) of "The Fiscal Code" and that did not receive
3 an allocation under subsection (a) an amount equal to its
4 educational assistance funding received in 2010-2011 under
5 section 1722-L(9) of "The Fiscal Code".

6 Section 2502.54. Basic Education Accountability for 2014-
7 2015 School Year.--(a) Each school district shall develop and
8 make available to the public before approval by the board of
9 school directors an accountability plan for the use of the
10 increase in basic education funding allocated for the 2014-2015
11 school year, describing:

12 (1) the intended investment; and

13 (2) how the funds will increase opportunities for student
14 success, including specific performance targets.

15 (b) The accountability plan shall describe the school
16 district's intended investment in the following eligible uses
17 for the portion of the percentage increase that exceeds the
18 index:

19 (1) High-quality early childhood programs, including
20 prekindergarten and full-day kindergarten.

21 (2) Additional instructional time for students through
22 extension of the school day and year.

23 (3) Summer learning programs.

24 (4) Professional development, curriculum, classroom
25 materials and other strategies necessary to successfully
26 implement high academic standards for all students and prepare
27 students for college and careers.

28 (5) Reduced class size in prekindergarten through third
29 grade.

30 (6) Academic and other enrichment programs and courses, such

1 as music, arts, world languages and library services.

2 (7) Community partnerships and wraparound programs that
3 provide health and human services to students and their
4 families, which may include trauma-informed education and
5 positive behavioral support.

6 (8) Offering or partnering with an institution of higher
7 education to make available advanced courses, including dual
8 enrollment, that prepare students for college.

9 (9) Personalized help and interventions for struggling
10 students.

11 (10) College and career counseling in middle and high
12 schools.

13 (11) Secondary career and technical education aligned with
14 employer needs in science, technology, engineering and
15 mathematics and other high-demand and emerging occupations.

16 (12) Alternative school settings and programs.

17 (13) Hybrid and innovative learning options.

18 (14) Restoration of other cuts to programs and personnel
19 which were the result of reductions in State or other funding.
20 Personnel covered under Article X are not eligible.

21 (c) The accountability plan shall establish quantitative
22 goals for student performance linked to the increased
23 investment, which may include:

24 (1) Percent of additional students proficient or advanced in
25 reading by the end of third grade.

26 (2) Percent of additional students who graduate from high
27 school on track for success in college and careers.

28 (3) Improvements in high school graduation and dropout
29 rates.

30 (4) Improvements in student attendance and truancy rates.

1 (5) Reductions in achievement gaps.

2 (6) Successful program completion for English language
3 learners.

4 (7) Rates of matriculation for students in college, job
5 training and/or apprenticeship programs.

6 (8) Rates of retention and successful completion for
7 students in college, job training and/or apprenticeship
8 programs.

9 (9) Employment rates and wages for graduates.

10 (d) After approval by the school board, the school district
11 shall submit its accountability plan to the Department of
12 Education for review and approval. By June 1, 2015, or within
13 fifteen (15) days of receipt of an accountability plan,
14 whichever is later, the Department of Education shall approve
15 the plan as submitted, approve the plan with amendments
16 requiring further action by the school district or reject for
17 noncompliance the submitted plan. Plans requiring further action
18 and plans rejected for noncompliance shall be revised and
19 resubmitted within 15 days of notification by the Department of
20 Education. The department shall publish guidelines on its
21 publicly accessible Internet website detailing the criteria by
22 which a plan will be reviewed and approved.

23 Section 7. Section 2509.1 of the act is amended by adding a
24 subsection to read:

25 Section 2509.1. Payments to Intermediate Units.--* * *

26 (c.2) (1) For the 2015-2016 school year, five and two-
27 tenths percent (5.2%) of the State special education
28 appropriation shall be paid to intermediate units on account of
29 special education services.

30 (2) Thirty-five percent (35%) of the amount under paragraph

1 (1) shall be distributed equally among all intermediate units.

2 (3) Sixty-five percent (65%) of the amount under paragraph
3 (1) shall be distributed to each intermediate unit in proportion
4 to the number of average daily membership of the component
5 school districts of each intermediate unit as compared to the
6 Statewide total average daily membership.

7 * * *

8 Section 8. Section 2509.5(aaa) of the act, amended July 9,
9 2013 (P.L.408, No.59), is amended and the section is amended by
10 adding a subsection to read:

11 Section 2509.5. Special Education Payments to School
12 Districts.--* * *

13 (aaa) During the 2009-2010 [through the 2013-2014 school
14 years] school year and each school year thereafter, each school
15 district shall be paid the amount it received during the 2008-
16 2009 school year under subsection (zz). If insufficient funds
17 are appropriated, the payments shall be made on a pro rata
18 basis.

19 (bbb) (1) During the 2014-2015 school year and each school
20 year thereafter, a student-based allocation equal to the
21 difference between the total amount allocated for special
22 education payments for school districts and the total amounts
23 paid under subsection (aaa) shall be used to provide additional
24 funding to school districts. Each school district shall receive
25 a student-based allocation calculated as follows:

26 (i) Multiply the sum of the school district's weighted
27 special education student headcount and its sparsity/size
28 adjustment calculated under paragraph (2)(v) by its market
29 value/income aid ratio and its equalized millage multiplier
30 calculated under paragraph (2)(vi).

1 (ii) Multiply the product under subparagraph (i) by the
2 total amount available for the student-based allocation.

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

5 (2) For the purposes of paragraph (1)(i):

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

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

12 (B) Multiply the number of special education students who
13 reside in the school district for which the annual expenditure
14 is equal to or greater than twenty-five thousand dollars
15 (\$25,000), but less than fifty thousand dollars (\$50,000), which
16 shall be known as Category 2, by three and seventy-seven
17 hundredths (3.77).

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

23 (D) Add the products under clauses (A), (B) and (C).

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 Commonwealth's average daily membership
28 per square mile.

29 (B) Multiply the quotient under clause (A) by one-half
30 (0.5).

1 (C) Subtract the product under 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 under clause (A) by one-half
8 (0.5).

9 (C) Subtract the product under 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 percentile of the sparsity/size ratio of all school
18 districts, the school district's sparsity/size adjustment shall
19 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 percentile of the sparsity/size ratio of all school districts,
23 the school district's sparsity/size adjustment shall be
24 calculated as follows:

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

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

29 (III) Multiply the remainder under subclause (II) by one-
30 half (0.5).

1 (IV) Multiply the product under subclause (III) by the
2 school 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 percentile of the equalized millage
8 rate of all school districts, the school district's equalized
9 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 percentile of the equalized millage rate of all
13 school districts, the school district's equalized millage
14 multiplier shall be calculated by dividing the school district's
15 equalized millage rate by the equalized millage rate that
16 represents the seventieth percentile of the equalized millage
17 rate of all school districts.

18 (vii) The dollar ranges for the annual expenditure amounts
19 designated as Category 1, Category 2 and Category 3 under
20 subparagraph (i) shall be based on the information reported to
21 the department under section 1372(8).

22 (viii) The data used to calculate the weighted special
23 education student headcount under subparagraph (i) shall be
24 based on information from the most recent year for which data is
25 available as determined by the Department of Education. The data
26 used to calculate the provisions under subparagraphs (ii),
27 (iii), (iv), (v) and (vi) shall be averaged for the three most
28 recent years for which data is available as determined by the
29 Department of Education.

30 Section 9. The act is amended by adding a section to read:

1 Section 2599.6. Safe Schools Advocate.--Beginning July 1,
2 2015, the safe school advocate for each school district of the
3 first class will be transferred to the Department of Education
4 and the advocate shall maintain an office within the school
5 district.

6 Section 10. This act shall take effect immediately.