THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 910   Session of 2015

INTRODUCED BY SMUCKER, DINNIMAN, BROWNE, FOLMER, COSTA, TEPLITZ, HAYWOOD, TARTAGLIONE, ALLOWAY, FARNESE, FONTANA, VOGEL, GORDNER, YAW, VULAKOVICH, WOZNIAK, SCHWANK, AUMENT, RAFFERTY, HUGHES, WILLIAMS, YUDICHAK, BREWSTER, BLAKE, MENSCH, SABATINA AND WAGNER, JUNE 22, 2015

SENATOR BROWNE, APPROPRIATIONS, RE-REPORTED AS AMENDED, APRIL 5, 2016

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 reimbursements by Commonwealth and
6   between school districts, providing for student-weighted
7   basic education funding.

8   The General Assembly of the Commonwealth of Pennsylvania

9 hereby enacts as follows:

10   Section 1. The act of March 10, 1949 (P.L.30, No.14), known

11 as the Public School Code of 1949, is amended by adding a

12 section to read:

13   Section 2502.53. Student-Weighted Basic Education Funding.--

14 (a) For each school year, the Commonwealth shall pay to each   <--

15 school district a basic education funding allocation which shall

16 consist of the following:

17   (1) An amount equal to the school district's basic education

18 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:

(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

1 thousand (1,000).

2 (12) The local effort factor for each school district shall

3 be calculated by dividing the school district's local effort per

4 household by the State median local effort per household for all

5 school districts.

6 (13) The current expenditure per weighted student for each

7 school district shall be calculated by dividing the school

8 district's current expenditures by the sum of the school

9 district's average daily membership, sparsity size adjustment

10 and the amounts determined for the school district under

11 subsection (b)(1)(ii), (iii), (iv), (v) and (vi).

12 (14) The excess expenditure factor for each school district

13 shall be calculated as follows:

14 (i) Divide the school district's current expenditure per

15 weighted student by the State median current expenditure per

16 weighted student for all school districts.

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

18 (15) The local effort index for each school district shall

19 be calculated as follows:

20 (i) For a school district with an excess expenditure factor

21 equal to or greater than one (1), multiply the school district's

22 local effort factor by one (1).

23 (ii) For a school district with an excess expenditure factor

24 less than one (1), multiply the school district's local effort

25 factor by the school district's excess expenditure factor.

26 (16) The local effort rate for each school district shall be

27 calculated by dividing the school district's local effort by the

28 sum of the school district's market value and adjusted personal

29 income.

30 (17) 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)

1 ~~most recent years' average daily membership. The average daily~~

2 ~~membership used in subsection (b)(6), (7), (8), (13) and (17)~~

3 ~~shall be based on the most recent year's average daily~~

4 ~~membership. Information utilized from the United States Census~~

5 ~~Bureau shall be from the most recent American Community Survey~~

6 ~~5-Year Estimate of the United States Census Bureau.~~ (A) THE

7 GENERAL ASSEMBLY FINDS AND DECLARES THAT THE STUDENT-WEIGHTED

8 BASIC EDUCATION FUNDING FORMULA IS THE RESULT OF THE WORK OF THE

9 BASIC EDUCATION FUNDING COMMISSION ESTABLISHED PURSUANT TO

10 SECTION 123.

11   (B) FOR THE 2014-2015 SCHOOL YEAR AND EACH SCHOOL YEAR

12 THEREAFTER, THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT A

13 BASIC EDUCATION FUNDING ALLOCATION WHICH SHALL CONSIST OF THE

14 FOLLOWING:

15   (1) AN AMOUNT EQUAL TO THE SCHOOL DISTRICT'S BASIC EDUCATION

16 FUNDING ALLOCATION FOR THE 2013-2014 SCHOOL YEAR.

17   (2) A STUDENT-BASED ALLOCATION TO BE CALCULATED AS FOLLOWS:

18   (I) MULTIPLY THE SCHOOL DISTRICT'S STUDENT-WEIGHTED AVERAGE

19 DAILY MEMBERSHIP BY THE MEDIAN HOUSEHOLD INCOME INDEX AND LOCAL

20 EFFORT CAPACITY INDEX.

21   (II) MULTIPLY THE PRODUCT IN SUBPARAGRAPH (I) BY THE

22 DIFFERENCE BETWEEN THE AMOUNT APPROPRIATED FOR THE ALLOCATION OF

23 BASIC EDUCATION FUNDING TO SCHOOL DISTRICTS AND THE AMOUNT

24 APPROPRIATED FOR THE ALLOCATION IN PARAGRAPH (1).

25   (III) DIVIDE THE PRODUCT IN SUBPARAGRAPH (II) BY THE SUM OF

26 THE PRODUCTS IN SUBPARAGRAPH (I) FOR ALL SCHOOL DISTRICTS.

27   (C) FOR THE PURPOSE OF THIS SECTION:

28   (1) STUDENT-WEIGHTED AVERAGE DAILY MEMBERSHIP FOR A SCHOOL

29 DISTRICT SHALL BE THE SUM OF THE FOLLOWING:

30   (I) THE AVERAGE OF THE SCHOOL DISTRICT'S THREE MOST RECENT

1 YEARS' AVERAGE DAILY MEMBERSHIP.

2   (II) THE ACUTE POVERTY AVERAGE DAILY MEMBERSHIP CALCULATED

3 AS FOLLOWS:

4   (A) MULTIPLY THE SCHOOL DISTRICT'S ACUTE POVERTY PERCENTAGE

5 BY ITS AVERAGE DAILY MEMBERSHIP.

6   (B) MULTIPLY THE PRODUCT IN CLAUSE (A) BY SIX-TENTHS (0.6).

7   (III) THE POVERTY AVERAGE DAILY MEMBERSHIP CALCULATED AS

8 FOLLOWS:

9   (A) MULTIPLY THE SCHOOL DISTRICT'S POVERTY PERCENTAGE BY ITS

10 AVERAGE DAILY MEMBERSHIP.

11   (B) MULTIPLY THE PRODUCT IN CLAUSE (A) BY THREE-TENTHS

12 (0.3).

13   (IV) THE CONCENTRATED POVERTY AVERAGE DAILY MEMBERSHIP FOR

14 QUALIFYING SCHOOL DISTRICTS WITH AN ACUTE POVERTY PERCENTAGE

15 EQUAL TO OR GREATER THAN THIRTY PERCENT (30%), TO BE CALCULATED

16 AS FOLLOWS:

17   (A) MULTIPLY THE SCHOOL DISTRICT'S ACUTE POVERTY PERCENTAGE

18 BY ITS AVERAGE DAILY MEMBERSHIP.

19   (B) MULTIPLY THE PRODUCT IN CLAUSE (A) BY THREE-TENTHS

20 (0.3).

21   (V) THE NUMBER OF THE SCHOOL DISTRICT'S LIMITED ENGLISH-

22 PROFICIENT STUDENTS MULTIPLIED BY SIX-TENTHS (0.6).

23   (VI) THE AVERAGE DAILY MEMBERSHIP FOR THE SCHOOL DISTRICT'S

24 STUDENTS ENROLLED IN CHARTER SCHOOLS AND CYBER CHARTER SCHOOLS

25 MULTIPLIED BY TWO-TENTHS (0.2).

26   (VII) THE SPARSITY/SIZE ADJUSTMENT FOR QUALIFYING SCHOOL

27 DISTRICTS WITH A SPARSITY/SIZE RATIO GREATER THAN THE

28 SPARSITY/SIZE RATIO THAT REPRESENTS THE SEVENTIETH PERCENTILE

29 SPARSITY/SIZE RATIO FOR ALL SCHOOL DISTRICTS CALCULATED AS

30 FOLLOWS:

1   (A) DIVIDE THE SCHOOL DISTRICT'S SPARSITY/SIZE RATIO BY THE

2   SPARSITY/SIZE RATIO THAT REPRESENTS THE SEVENTIETH PERCENTILE

3   FOR ALL SCHOOL DISTRICTS.

4   (B) SUBTRACT ONE (1) FROM THE QUOTIENT IN CLAUSE (A).

5   (C) MULTIPLY THE SUM OF SUBPARAGRAPHS (I), (II), (III),

6   (IV), (V) AND (VI) BY THE AMOUNT IN CLAUSE (B).

7   (D) MULTIPLY THE PRODUCT IN CLAUSE (C) BY SEVEN-TENTHS

8   (0.7).

9   (2) LOCAL EFFORT INDEX FOR A SCHOOL DISTRICT SHALL BE

10   CALCULATED AS FOLLOWS:

11   (I) DETERMINE THE SCHOOL DISTRICT'S LOCAL EFFORT FACTOR

12   CALCULATED AS FOLLOWS:

13   (A) MULTIPLY THE SCHOOL DISTRICT'S MEDIAN HOUSEHOLD INCOME

14   BY ITS NUMBER OF HOUSEHOLDS.

15   (B) DIVIDE THE SCHOOL DISTRICT'S LOCAL TAX-RELATED REVENUE

16   BY THE PRODUCT IN CLAUSE (A).

17   (C) MULTIPLY THE QUOTIENT IN CLAUSE (B) BY ONE THOUSAND

18   (1,000).

19   (D) DIVIDE THE PRODUCT IN CLAUSE (C) BY THE STATEWIDE MEDIAN

20   OF CLAUSE (C).

21   (II) DETERMINE THE SCHOOL DISTRICT'S EXCESS SPENDING FACTOR,

22   TO BE CALCULATED AS FOLLOWS:

23   (A) DIVIDE THE SCHOOL DISTRICT'S CURRENT EXPENDITURES BY THE

24   SUM OF ITS AVERAGE DAILY MEMBERSHIP AND THE AMOUNTS IN PARAGRAPH

25   (1)(II), (III), (IV), (V), (VI) AND (VII).

26   (B) DIVIDE THE QUOTIENT IN CLAUSE (A) BY THE STATEWIDE

27   MEDIAN OF CLAUSE (A).

28   (C) DIVIDE ONE (1) BY THE QUOTIENT IN CLAUSE (B).

29   (III) MULTIPLY THE SCHOOL DISTRICT'S LOCAL EFFORT FACTOR BY

30   THE LESSER OF ONE (1) OR THE SCHOOL DISTRICT'S EXCESS SPENDING

1 FACTOR.

2   (3) LOCAL CAPACITY INDEX FOR A QUALIFYING SCHOOL DISTRICT

3 SHALL BE CALCULATED AS FOLLOWS:

4   (I) DIVIDE THE SCHOOL DISTRICT'S LOCAL TAX-RELATED REVENUE

5 BY THE SUM OF ITS MARKET VALUE AND PERSONAL INCOME VALUATION.

6   (II) MULTIPLY THE SUM OF THE SCHOOL DISTRICT'S MARKET VALUE

7 AND PERSONAL INCOME VALUATION BY THE STATEWIDE MEDIAN OF

8 SUBPARAGRAPH (I).

9   (III) DETERMINE THE SCHOOL DISTRICT'S LOCAL CAPACITY PER

10 STUDENT BY DIVIDING THE PRODUCT IN SUBPARAGRAPH (II) BY THE SUM

11 OF ITS AVERAGE DAILY MEMBERSHIP AND THE AMOUNTS IN PARAGRAPH (1)

12 (II), (III), (IV), (V), (VI) AND (VII).

13   (IV) IF THE SCHOOL DISTRICT'S LOCAL CAPACITY PER STUDENT IS

14 LESS THAN THE STATEWIDE MEDIAN OF SUBPARAGRAPH (III):

15   (A) DIVIDE THE SCHOOL DISTRICT'S LOCAL CAPACITY PER STUDENT

16 BY THE STATEWIDE MEDIAN.

17   (B) SUBTRACT THE QUOTIENT IN CLAUSE (A) FROM ONE (1).

18   (4) LOCAL EFFORT CAPACITY INDEX FOR A SCHOOL DISTRICT SHALL

19 EQUAL THE SUM OF ITS LOCAL EFFORT INDEX AND LOCAL CAPACITY

20 INDEX.

21   (5) THE DATA USED TO CALCULATE THE FACTORS AND INDEXES IN

22 THIS SECTION SHALL BE BASED ON THE MOST RECENT YEARS FOR WHICH

23 DATA IS AVAILABLE AS DETERMINED BY THE DEPARTMENT OF EDUCATION.

24   (D) FOR PURPOSES OF THIS SECTION:

25   (1) "HOUSEHOLDS" SHALL MEAN THE NUMBER OF HOUSEHOLDS IN EACH

26 SCHOOL DISTRICT AS DETERMINED BY THE MOST RECENT FIVE-YEAR

27 ESTIMATE OF THE UNITED STATES CENSUS BUREAU'S AMERICAN COMMUNITY

28 SURVEY.

29   (2) "LOCAL TAX-RELATED REVENUE" SHALL MEAN THE SUM OF SCHOOL

30 DISTRICT REVENUES FOR STATE PROPERTY TAX REDUCTION ALLOCATION,

1 TAXES LEVIED AND ASSESSED, DELINQUENCIES ON TAXES LEVIED AND

2 ASSESSED, REVENUE FROM LOCAL GOVERNMENT UNITS, AND OTHER LOCAL

3 REVENUES NOT SPECIFIED ELSEWHERE, AS DESIGNATED IN THE MANUAL OF

4 ACCOUNTING AND FINANCIAL REPORTING FOR PENNSYLVANIA PUBLIC

5 SCHOOLS.

6 (3) "MEDIAN HOUSEHOLD INCOME" SHALL MEAN THE MEDIAN

7 HOUSEHOLD INCOME FOR SCHOOL DISTRICTS AND THE STATE AS

8 DETERMINED BY THE MOST RECENT FIVE-YEAR ESTIMATE OF THE UNITED

9 STATES CENSUS BUREAU'S AMERICAN COMMUNITY SURVEY.

10 (4) "MEDIAN HOUSEHOLD INCOME INDEX" SHALL MEAN A NUMBER

11 CALCULATED AS FOLLOWS:

12 (I) DIVIDE A SCHOOL DISTRICT'S MEDIAN HOUSEHOLD INCOME BY

13 THE STATE MEDIAN HOUSEHOLD INCOME.

14 (II) DIVIDE ONE (1) BY THE QUOTIENT IN SUBPARAGRAPH (I).

15 (5) "SIZE RATIO" SHALL MEAN A NUMBER CALCULATED AS FOLLOWS:

16 (I) DIVIDE THE AVERAGE OF A SCHOOL DISTRICT'S THREE MOST

17 RECENT YEARS' AVERAGE DAILY MEMBERSHIP BY THE STATEWIDE AVERAGE

18 OF THE THREE MOST RECENT YEARS' AVERAGE DAILY MEMBERSHIP FOR ALL

19 SCHOOL DISTRICTS.

20 (II) MULTIPLY THE AMOUNT IN SUBPARAGRAPH (I) BY FIVE-TENTHS

21 (0.5).

22 (III) SUBTRACT THE AMOUNT IN SUBPARAGRAPH (II) FROM ONE (1).

23 (6) "SPARSITY RATIO" SHALL MEAN A NUMBER CALCULATED AS

24 FOLLOWS:

25 (I) DIVIDE THE AVERAGE OF A SCHOOL DISTRICT'S THREE MOST

26 RECENT YEARS' AVERAGE DAILY MEMBERSHIP BY ITS TOTAL SQUARE MILES

27 AS REPORTED IN THE LATEST DECENNIAL CENSUS AS REPORTED BY THE

28 UNITED STATES CENSUS BUREAU.

29 (II) DIVIDE THE STATE TOTAL AVERAGE DAILY MEMBERSHIP BY THE

30 STATE TOTAL SQUARE MILES.

1   (III) DIVIDE THE QUOTIENT IN SUBPARAGRAPH (I) BY THE

2 QUOTIENT IN SUBPARAGRAPH (II).

3   (IV) MULTIPLY THE QUOTIENT IN SUBPARAGRAPH (III) BY FIVE-

4 TENTHS (0.5).

5   (V) SUBTRACT THE PRODUCT IN SUBPARAGRAPH (IV) FROM ONE (1).

6   (7) "SPARSITY/SIZE RATIO" SHALL MEAN A NUMBER CALCULATED BY

7 ADDING THE FOLLOWING AMOUNTS:

8   (I) THE SPARSITY RATIO MULTIPLIED BY FOUR-TENTHS (0.4).

9   (II) THE SIZE RATIO MULTIPLIED BY SIX-TENTHS (0.6).

10   (8) "ACUTE POVERTY PERCENTAGE" SHALL MEAN THE NUMBER OF

11 CHILDREN SIX (6) TO SEVENTEEN (17) YEARS OF AGE LIVING IN A

12 HOUSEHOLD WHERE THE RATIO OF INCOME TO POVERTY IS LESS THAN ONE

13 HUNDRED PERCENT (100%) OF THE FEDERAL POVERTY GUIDELINES DIVIDED

14 BY THE TOTAL NUMBER OF CHILDREN SIX (6) TO SEVENTEEN (17) YEARS

15 OF AGE AS DETERMINED BY THE MOST RECENT FIVE-YEAR ESTIMATE OF

16 THE UNITED STATES CENSUS BUREAU'S AMERICAN COMMUNITY SURVEY.

17   (9) "POVERTY PERCENTAGE" SHALL MEAN THE NUMBER OF CHILDREN

18 SIX (6) TO SEVENTEEN (17) YEARS OF AGE LIVING IN A HOUSEHOLD

19 WHERE THE RATIO OF INCOME TO POVERTY IS BETWEEN ONE HUNDRED

20 PERCENT (100%) AND ONE HUNDRED EIGHTY-FOUR PERCENT (184%) OF THE

21 FEDERAL POVERTY GUIDELINES DIVIDED BY THE TOTAL NUMBER OF

22 CHILDREN SIX (6) TO SEVENTEEN (17) YEARS OF AGE AS DETERMINED BY

23 THE MOST RECENT FIVE-YEAR ESTIMATE OF THE UNITED STATES CENSUS

24 BUREAU'S AMERICAN COMMUNITY SURVEY.

25   Section 2. This act shall take effect ~~in 60 days~~   **<--**

26 IMMEDIATELY.   **<--**