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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1329 Session of  
2019

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INTRODUCED BY CARROLL, ZABEL, SCHLOSSBERG, HILL-EVANS,  
CALTAGIRONE, ROEBUCK, A. DAVIS, LONGIETTI, FREEMAN, FRANKEL,  
DONATUCCI, MILLARD, CIRESI, NEILSON, D. MILLER, McNEILL,  
STURLA, DeLUCA AND GOODMAN, MAY 2, 2019

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REFERRED TO COMMITTEE ON EDUCATION, MAY 2, 2019

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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 school finances, providing for  
6 limitations on certain unassigned fund balance limits for a  
7 charter school entity.

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 688.1. Limitations on Certain Unassigned Fund  
14 Balance Limits for a Charter School Entity.--(a) Fund balance  
15 limits shall be as follows:

16 (1) For the 2019-2020 school year and each school year  
17 thereafter, a charter school entity shall not accumulate an  
18 unassigned fund balance greater than the charter school entity  
19 unassigned fund balance limit, which is determined as follows:

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

(2) For the 2019-2020 school year and each school year thereafter, the unassigned fund balance in place on June 30, 2020, and on June 30 of each year thereafter, in excess of the charter school entity unassigned fund balance limit, shall be refunded on a pro rata basis within ninety (90) days to all school districts that paid tuition to the charter school entity in the prior school year, based on the number of students for whom each school district paid tuition to the charter school entity multiplied by the school district's per student payment

1 under section 1725-A.

2 (3) By October 31, 2020, and by October 31 of each year  
3 thereafter, each charter school entity shall provide the  
4 Department of Education and all school districts that paid  
5 tuition to the charter school entity in the prior school year  
6 with information certifying compliance with this section. The  
7 information shall be provided in a form and manner prescribed by  
8 the department and shall include information on the charter  
9 school entity's estimated ending unassigned fund balance  
10 expressed as a dollar amount and as a percentage of the charter  
11 school entity's total budgeted expenditures for that school  
12 year.

13 (4) Unassigned funds of a charter school entity in excess of  
14 the unassigned fund balance limit may not be used to pay a bonus  
15 to an administrator, board of trustees member, employe, staff  
16 member or contractor and may not be transferred to a charter  
17 school foundation. If a charter school entity uses funds in  
18 excess of the unassigned fund balance limit to pay bonuses or as  
19 a fund transfer, the value of that amount shall be refunded on a  
20 pro rata basis to all school districts that paid tuition to the  
21 charter school entity in the prior school year, based upon the  
22 number of students for whom each school district paid tuition to  
23 the charter school entity multiplied by the school district's  
24 per student payment under section 1725-A.

25 (b) As used in this section, "unassigned fund balance" shall  
26 mean the portion of the fund balance of a charter school entity  
27 that provides funding which serves to support the charter school  
28 entity and is:

29 (1) Available for expenditure and not legally or otherwise  
30 segregated for a specific or tentative future use.

1       (2) Held in the General Fund accounts of the charter school  
2 entity.

3       Section 2. This act shall take effect in 60 days.