
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1638 Session of
2019

INTRODUCED BY STURLA, FRANKEL, A. DAVIS, D. MILLER, MERSKI,
SCHLOSSBERG, OTTEN, ISAACSON, JOHNSON-HARRELL, McCLINTON,
ROEBUCK, READSHAW, LONGIETTI AND SCHWEYER, JUNE 17, 2019

REFERRED TO COMMITTEE ON EDUCATION, JUNE 17, 2019

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 Basic Education Funding Commission; and, in
7 reimbursements by Commonwealth and between school districts,
8 further providing for student-weighted basic education
9 funding and providing for student-weighted basic education
10 funding for school year 2019-2020 and each school year
11 thereafter.

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

14 Section 1. Section 123(h) of the act of March 10, 1949
15 (P.L.30, No.14), known as the Public School Code of 1949, is
16 amended by adding clauses to read:

17 Section 123. Basic Education Funding Commission.--* * *

18 (h) The commission shall develop a basic education funding
19 formula and identify factors that may be used to determine the
20 distribution of basic education funding among the school
21 districts in this Commonwealth. The factors identified under
22 this subsection may include all of the following:

1 * * *

2 (8.1) Whether a school district has a high level of students
3 who are chronically absent.

4 (8.2) Whether a school district has a high level of students
5 in foster care.

6 (8.3) Whether a school district has a high level of students
7 who are homeless.

8 * * *

9 Section 2. Section 2502.53 heading and (b) introductory
10 paragraph of the act are amended to read:

11 Section 2502.53. Student-Weighted Basic Education Funding
12 for School Years 2015-2016 Through 2018-2019.--* * *

13 (b) For the 2015-2016 school year [and each school year
14 thereafter] through the 2018-2019 school year, the Commonwealth
15 shall pay to each school district a basic education funding
16 allocation which shall consist of the following:

17 * * *

18 Section 3. The act is amended by adding a section to read:

19 Section 2502.55. Student-Weighted Basic Education Funding
20 for School Year 2019-2020 and Each School Year Thereafter.--(a)
21 The General Assembly finds and declares that the student-
22 weighted basic education funding formula is the result of the
23 work of the Basic Education Funding Commission established
24 pursuant to section 123.

25 (b) For the 2019-2020 school year and each school year
26 thereafter, the Commonwealth shall pay to each school district a
27 basic education funding allocation which shall consist of the
28 following:

29 (1) An amount equal to the sum of the school district's
30 basic education funding allocation for the 2013-2014 school

1 year.

2 (2) A student-based allocation to be calculated as follows:

3 (i) Multiply the school district's student-weighted average
4 daily membership by the median household income index and local
5 effort capacity index.

6 (ii) Multiply the product in subparagraph (i) by the
7 difference between the amount appropriated for the allocation of
8 basic education funding to school districts and the amount
9 appropriated for the allocation in paragraph (1).

10 (iii) Divide the product in subparagraph (ii) by the sum of
11 the products in subparagraph (i) for all school districts.

12 (c) For the purpose of this section:

13 (1) Student-weighted average daily membership for a school
14 district shall be the sum of the following:

15 (i) The average of the school district's three most recent
16 years' average daily membership.

17 (ii) The acute poverty average daily membership calculated
18 as follows:

19 (A) Multiply the school district's acute poverty percentage
20 by its average daily membership.

21 (B) Multiply the product in clause (A) by six-tenths (0.6).

22 (iii) The poverty average daily membership calculated as
23 follows:

24 (A) Multiply the school district's poverty percentage by its
25 average daily membership.

26 (B) Multiply the product in clause (A) by three-tenths
27 (0.3).

28 (iv) The concentrated poverty average daily membership for
29 qualifying school districts with an acute poverty percentage
30 equal to or greater than thirty percent (30%), to be calculated

1 as follows:

2 (A) Multiply the school district's acute poverty percentage
3 by its average daily membership.

4 (B) Multiply the product in clause (A) by three-tenths
5 (0.3).

6 (v) The number of the school district's limited English-
7 proficient students multiplied by six-tenths (0.6).

8 (vi) The average daily membership for the school district's
9 students enrolled in charter schools and cyber charter schools
10 multiplied by two-tenths (0.2).

11 (vii) The sparsity/size adjustment for qualifying school
12 districts with a sparsity/size ratio greater than the
13 sparsity/size ratio that represents the seventieth percentile
14 sparsity/size ratio for all school districts calculated as
15 follows:

16 (A) Divide the school district's sparsity/size ratio by the
17 sparsity/size ratio that represents the seventieth percentile
18 for all school districts.

19 (B) Subtract one (1) from the quotient in clause (A).

20 (C) Multiply the sum of subparagraphs (i), (ii), (iii),
21 (iv), (v) and (vi) by the amount in clause (B).

22 (D) Multiply the product in clause (C) by seven-tenths
23 (0.7).

24 (viii) The school district's chronic absenteeism percentage
25 calculated as follows:

26 (A) Multiply the school district's chronic absenteeism
27 percentage by its average daily membership.

28 (B) Multiply the product in clause (A) by five-tenths (0.5).

29 (ix) Except if the school district has ten (10) or fewer
30 foster students, the school district's foster student percentage

1 calculated as follows:

2 (A) Multiply the school district's foster student percentage
3 by its average daily membership.

4 (B) Multiply the product in clause (A) by five-tenths (0.5).

5 (x) Except if the school district has ten (10) or fewer
6 homeless students, the school district's homeless student
7 percentage calculated as follows:

8 (A) Multiply the school district's homeless student
9 percentage by its average daily membership.

10 (B) Multiply the product in clause (A) by five-tenths (0.5).

11 (2) Local effort index for a school district shall be
12 calculated as follows:

13 (i) Determine the school district's local effort factor
14 calculated as follows:

15 (A) Multiply the school district's median household income
16 by its number of households.

17 (B) Divide the school district's local tax-related revenue
18 by the product in clause (A).

19 (C) Multiply the quotient in clause (B) by one thousand
20 (1,000).

21 (D) Divide the product in clause (C) by the Statewide median
22 of clause (C).

23 (ii) Determine the school district's excess spending factor,
24 to be calculated as follows:

25 (A) Divide the school district's current expenditures by the
26 sum of its average daily membership and the amounts in paragraph
27 (1)(ii), (iii), (iv), (v), (vi) and (vii).

28 (B) Divide the quotient in clause (A) by the Statewide
29 median of clause (A).

30 (C) Divide one (1) by the quotient in clause (B).

1 (iii) Multiply the school district's local effort factor by
2 the lesser of one (1) or the school district's excess spending
3 factor.

4 (3) Local capacity index for a qualifying school district
5 shall be calculated as follows:

6 (i) Divide the school district's local tax-related revenue
7 by the sum of its market value and personal income valuation.

8 (ii) Multiply the sum of the school district's market value
9 and personal income valuation by the Statewide median of
10 subparagraph (i).

11 (iii) Determine the school district's local capacity per
12 student by dividing the product in subparagraph (ii) by the sum
13 of its average daily membership and the amounts in paragraph (1)
14 (ii), (iii), (iv), (v), (vi) and (vii).

15 (iv) If the school district's local capacity per student is
16 less than the Statewide median of subparagraph (iii):

17 (A) Divide the school district's local capacity per student
18 by the Statewide median.

19 (B) Subtract the quotient in clause (A) from one (1).

20 (4) Local effort capacity index for a school district shall
21 equal the sum of its local effort index and local capacity
22 index.

23 (5) The data used to calculate the factors and indexes in
24 this section shall be based on the most recent years for which
25 data is available as determined by the Department of Education
26 and be fixed as of the first day of June preceding the school
27 year in which the allocation occurs. Data fixed on the first day
28 of June shall be revised by the Department of Education if it is
29 subsequently found to be incorrect.

30 (6) The student-based allocations calculated under paragraph

1 (2) (viii), (ix) and (x) shall only be directed toward support
2 services deemed necessary by the school district.

3 (d) The Department of Education shall publish the
4 allocations calculated under this section for each school
5 district on the Department of Education's publicly accessible
6 Internet website, including the student-based allocations
7 calculated under subsection (c) (2) (viii), (ix) and (x) for each
8 school district.

9 (e) For purposes of this section:

10 (1) "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 (2) "Chronic absenteeism" shall mean students who have been
18 enrolled in school for sixty (60) or more school days and absent
19 for more than ten percent (10%) of school days during the school
20 year or eighteen (18) days in a 180-day school year.

21 (3) "Current expenditures" shall mean the General Fund
22 expenditures in functional classifications of instruction,
23 support services and operation of noninstructional services.
24 Beginning with the 2016-2017 school year, "current expenditures"
25 shall mean the General Fund expenditures in functional
26 classifications of instruction, support services and operation
27 of noninstructional services, minus General Fund revenues for
28 tuition from patrons.

29 (4) "Foster student" shall mean a student who is placed away
30 from the student's parents or guardians at a home that is

1 administered by a State agency and who receives 24-hour
2 substitute care. The term includes, but is not limited to, a
3 student who is placed in a foster family home, foster home of a
4 relative, group home, emergency shelter, residential facility,
5 child care institution or pre-adoptive home.

6 (5) "Homeless student" shall mean any of the following:

7 (i) A student who is sharing housing with other persons due
8 to the student's loss of housing, economic hardship or a similar
9 reason.

10 (ii) A student who is living in a motel, hotel or camping
11 ground due to the lack of alternative adequate accommodations.

12 (iii) A student who is living in an emergency or
13 transitional shelter.

14 (iv) A student who is abandoned in a hospital.

15 (v) A student who has a primary nighttime residence that is
16 a public or private place not designed for or ordinarily used as
17 a regular sleeping accommodation for individuals.

18 (vi) A student who is living in a car, park, public space,
19 abandoned building, substandard housing, bus or train station or
20 similar settings.

21 (6) "Households" shall mean the number of households in each
22 school district as determined by the most recent five-year
23 estimate of the United States Census Bureau's American Community
24 Survey.

25 (7) "Local tax-related revenue" shall mean the sum of school
26 district revenues for State property tax reduction allocation,
27 taxes levied and assessed, delinquencies on taxes levied and
28 assessed, revenue from local government units and other local
29 revenues not specified elsewhere, as designated in the Manual of
30 Accounting and Financial Reporting for Pennsylvania Public

1 Schools. Beginning with the 2016-2017 school year, revenues
2 received by a school district from the sales and use tax and the
3 cigarette tax shall be included when determining a school
4 district's local tax-related revenue under this section.

5 (8) "Median household income" shall mean the median
6 household income for school districts and the State as
7 determined by the most recent five-year estimate of the United
8 States Census Bureau's American Community Survey.

9 (9) "Median household income index" shall mean a number
10 calculated as follows:

11 (i) Divide a school district's median household income by
12 the State median household income.

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

14 (10) "Poverty percentage" shall mean the number of children
15 six (6) to seventeen (17) years of age living in a household
16 where the ratio of income to poverty is between one hundred
17 percent (100%) and one hundred eighty-four percent (184%) of the
18 Federal poverty guidelines divided by the total number of
19 children six (6) to seventeen (17) years of age as determined by
20 the most recent five-year estimate of the United States Census
21 Bureau's American Community Survey.

22 (11) "Size ratio" shall mean a number calculated as follows:

23 (i) Divide the average of a school district's three (3) most
24 recent years' average daily membership by the Statewide average
25 of the three (3) most recent years' average daily membership for
26 all school districts.

27 (ii) Multiply the amount in subparagraph (i) by five-tenths
28 (0.5).

29 (iii) Subtract the amount in subparagraph (ii) from one (1).

30 (12) "Sparsity ratio" shall mean a number calculated as

1 follows:

2 (i) Divide the average of a school district's three (3) most
3 recent years' average daily membership by its total square miles
4 as reported in the latest decennial census as reported by the
5 United States Census Bureau.

6 (ii) Divide the State total average daily membership by the
7 State total square miles.

8 (iii) Divide the quotient in subparagraph (i) by the
9 quotient in subparagraph (ii).

10 (iv) Multiply the quotient in subparagraph (iii) by five-
11 tenths (0.5).

12 (v) Subtract the product in subparagraph (iv) from one (1).

13 (13) "Sparsity/size ratio" shall mean a number calculated by
14 adding the following amounts:

15 (i) The sparsity ratio multiplied by four-tenths (0.4).

16 (ii) The size ratio multiplied by six-tenths (0.6).

17 Section 4. This act shall take effect in 60 days.