

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 739 Session of 2019

INTRODUCED BY TOMLINSON, KILLION, DINNIMAN, BOSCOLA AND STEFANO,
JUNE 10, 2019

REFERRED TO EDUCATION, JUNE 10, 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 charter schools, further providing
6 for funding for charter schools.

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

9 Section 1. Section 1725-A(a) of the act of March 10, 1949
10 (P.L.30, No.14), known as the Public School Code of 1949, is
11 amended to read:

12 Section 1725-A. Funding for Charter [Schools] School
13 Entities.--(a) Funding for a charter school shall be provided
14 in the following manner:

15 (1) There shall be no tuition charge for a resident or
16 nonresident student attending a charter school entity.

17 (2) For non-special education students, beginning July 1,
18 2019, the charter school entity shall receive for each student
19 enrolled [no less than the budgeted] the total expenditure per
20 average daily membership determined from the annual financial

1 report of the prior school year, as defined in section 2501(20),
2 minus the [budgeted] actual expenditures of the district of
3 residence determined from the annual financial report of the
4 prior school year for nonpublic school programs; adult education
5 programs; community/junior college programs; student
6 transportation services; for special education programs;
7 facilities acquisition, construction and improvement services;
8 and other financing uses, including debt service and fund
9 transfers as provided in the Manual of Accounting and Related
10 Financial Procedures for Pennsylvania School Systems established
11 by the department. This amount shall be paid by the district of
12 residence of each student.

13 (3) [For] Beginning July 1, 2019, for special education
14 students, the charter school entity shall receive for each
15 student enrolled the same funding as for each non-special
16 education student as provided in clause (2), plus an additional
17 amount determined by dividing the district of residence's total
18 special education expenditure determined from the annual
19 financial report of the prior school year by the product of
20 multiplying the combined percentage of section 2509.5(k) times
21 the district of residence's total average daily membership for
22 the prior school year. This amount shall be paid by the district
23 of residence of each student.

24 (3.1) The department shall make the annual financial reports
25 necessary to make the calculations in clauses (2) and (3)
26 available on the department's publicly accessible Internet
27 website on:

28 (i) December 31, 2019, and each December 31 thereafter, for
29 all school districts other than school districts of the first
30 class; and

1 (ii) March 1, 2020, and each March 1 thereafter, for school
2 districts of the first class.

3 (3.2) Until the annual financial report under clause (3.1)
4 is available, the payment amount shall be the same as the prior
5 year adjusted by the average percentage increases in the
6 Statewide average weekly wage and the Employment Cost Index
7 Series for Elementary and Secondary Schools for the prior year.

8 (3.3) The department shall calculate the payment amounts
9 under clauses (2), (3) and (3.2) and post the amounts on the
10 department's publicly accessible Internet website to facilitate
11 timely and accurate payments.

12 (3.4) The department shall calculate the amount of payments
13 to be reconciled by a school district and a charter school
14 entity based on the actual amounts determined from the annual
15 financial report under clauses (2) and (3) on:

16 (i) February 15, 2020, and each February 15 thereafter, for
17 all school districts other than school districts of the first
18 class; and

19 (ii) March 21, 2020, and each March 21 thereafter, for
20 school districts of the first class.

21 (3.5) Beginning in 2020, the difference calculated in clause
22 (3.4) shall be paid by a school district or charter school
23 entity needing to make reconciliation payments in four equal
24 monthly payments by the last day of:

25 (i) March, April, May and June for all school districts
26 other than school districts of the first class; and

27 (ii) April, May, June and July for school districts of the
28 first class.

29 (4) A charter school entity may request the intermediate
30 unit in which the charter school entity is located to provide

1 services to assist the charter school entity to address the
2 specific needs of exceptional students. The intermediate unit
3 shall assist the charter school entity and bill the charter
4 school entity for the services. The intermediate unit may not
5 charge the charter school entity more for any service than it
6 charges the constituent districts of the intermediate unit.

7 (5) Payments shall be made to the charter school entity in
8 twelve (12) equal monthly payments, by the fifth day of each
9 month, within the operating school year. A charter school
10 entity's initial request for payment each year from a school
11 district for a student enrolled in the charter school entity
12 shall include proof of enrollment in the charter school entity
13 and proof of residency within the school district. A student
14 enrolled in a charter school shall be included in the average
15 daily membership of the student's district of residence for the
16 purpose of providing basic education funding payments and
17 special education funding pursuant to Article XXV. [If] Under
18 clauses (5.1), (5.2) and (5.3), if a school district fails to
19 make a payment to a charter school entity as prescribed in this
20 clause, the secretary shall deduct the estimated amount, as
21 documented by the charter school entity, from any and all State
22 payments made to the district after receipt of documentation
23 from the charter school entity. No later than October 1 of each
24 year, a charter school entity shall submit to the school
25 district of residence of each student final documentation of
26 payment to be made based on the average daily membership for the
27 students enrolled in the charter school entity from the school
28 district for the previous school year. If a school district
29 fails to make payment to the charter school entity, the
30 secretary shall deduct and pay the amount as documented by the

1 charter school entity from any and all State payments made to
2 the district after receipt of documentation from the charter
3 school entity from the appropriations for the fiscal year in
4 which the final documentation of payment was submitted to the
5 school district of residence.

6 (5.1) The secretary shall only make a deduction under
7 clause (5) if the charter school entity provides the secretary
8 with proof that:

9 (i) The school district was billed for payment by the
10 charter school entity at least thirty (30) days prior to the
11 date for payment under clause (5).

12 (ii) The school district did not make a payment prior to or
13 on the date prescribed in clause (5).

14 (iii) The rate used on the invoice was the rate that was
15 posted as of one (1) day prior to the invoice date on the
16 department's Internet website as calculated under clauses (2),
17 (3) and (3.2).

18 (5.2) Prior to making a deduction from a State payment due
19 to the district, the secretary shall verify the accuracy of the
20 charter school entity's request and documentation. The secretary
21 may not make a deduction if the department determines that the
22 charter school entity's request is inaccurate or that the
23 documentation is incomplete.

24 (5.3) The secretary shall notify the school district prior
25 to making any deductions from State payments and shall provide
26 the school district with the amount of the deduction.

27 (5.4) The following apply:

28 (i) Within thirty (30) days after the payment is made to the
29 charter school entity under clause (5), a school district may
30 notify the secretary that the estimated amount, as documented by

1 the charter school entity, is inaccurate.

2 (ii) Within thirty (30) days of the notice by the school
3 district under subclause (i), the secretary shall provide the
4 school district with a hearing concerning whether the charter
5 school entity documented that students were enrolled in the
6 charter school entity, the period of time during which each
7 student was enrolled in the charter school entity, the school
8 district of residence of each student enrolled in the charter
9 school entity and whether the amounts deducted from or paid by
10 the school district were accurate.

11 (iii) The secretary shall determine the accuracy of the
12 amount documented by the charter school entity. Any necessary
13 payment adjustment shall be made within thirty (30) days of the
14 hearing.

15 (6) Within thirty (30) days after the secretary makes the
16 deduction described in clause (5), a school district may notify
17 the secretary that the deduction made from State payments to the
18 district under this subsection is inaccurate. The secretary
19 shall provide the school district with an opportunity to be
20 heard concerning whether the charter school documented that its
21 students were enrolled in the charter school, the period of time
22 during which each student was enrolled, the school district of
23 residence of each student and whether the amounts deducted from
24 the school district were accurate.

25 * * *

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