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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 738 Session of  
2019

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

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REFERRED TO EDUCATION, JUNE 10, 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 reimbursements by Commonwealth and  
6 between school districts, further providing for Commonwealth  
7 reimbursements for charter schools and cyber charter schools.

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

10 Section 1. Section 2591.1 of the act of March 10, 1949  
11 (P.L.30, No.14), known as the Public School Code of 1949, is  
12 amended by adding a subsection to read:

13 Section 2591.1. Commonwealth Reimbursements for Charter  
14 Schools and Cyber Charter Schools.--\* \* \*

15 (e) For the 2019-2020 school year and each school year  
16 thereafter, the Commonwealth shall pay to each qualifying school  
17 district with resident students enrolled in a charter school  
18 entity a charter school tuition reimbursement which shall  
19 consist of the following:

20 (1) If a school district's charter student index is greater

1 than the calculation that represents the eightieth percentile  
2 for all school districts and the school district's median  
3 household income index is greater than the calculation that  
4 represents the seventy-fifth percentile for all school  
5 districts, the school district shall receive a concentrated  
6 charter population allocation calculated as follows:

7 (i) Multiply the school district's charter average daily  
8 membership by the amount appropriated for the concentrated  
9 charter population allocation.

10 (ii) Divide the product in subparagraph (i) by the sum of  
11 the products in subparagraph (i) for all school districts with a  
12 charter student index greater than the calculation that  
13 represents the eightieth percentile for all school districts.

14 (2) If a school district's local charter index is greater  
15 than the calculation that represents the eighty-fifth percentile  
16 for all school districts, the school district shall receive a  
17 local charter impact allocation calculated as follows:

18 (i) Multiply the school district's adjusted charter average  
19 daily membership by the amount appropriated for the local  
20 charter impact allocation. A school district's adjusted charter  
21 average daily membership shall be calculated as follows:

22 (A) Divide the school district's local charter index by the  
23 median local charter index for all school districts with a local  
24 charter index greater than the calculation that represents the  
25 eighty-fifth percentile for all school districts. The charter  
26 adjustment for a school district calculated under this  
27 subparagraph shall be determined as follows:

28 (I) If the quotient calculated under this clause is greater  
29 than two (2), the school district's adjusted charter average  
30 daily membership shall be two (2).

1 (II) If the quotient calculated under this clause is less  
2 than one-half (0.5), the school district's adjusted charter  
3 average daily membership shall be one-half (0.5).

4 (III) If the quotient calculated under this clause is less  
5 than two (2) and greater than one-half (0.5), the school  
6 district's adjusted charter average daily membership shall be  
7 the quotient calculated under this clause.

8 (B) Multiply the amount calculated under clause (A) by the  
9 school district's charter average daily membership.

10 (ii) Divide the product in subparagraph (i) by the sum of  
11 the products in subparagraph (i) for all school districts with a  
12 local charter index greater than the calculation that represents  
13 the eighty-fifth percentile for all school districts.

14 (3) Beginning with the 2019-2020 school year, the total  
15 amount appropriated by the Commonwealth for the charter school  
16 tuition reimbursement shall be divided equally between the  
17 concentrated charter population allocation and the local charter  
18 impact allocation.

19 (4) The amount calculated for a qualifying school district  
20 under paragraph (1) or (2) shall not exceed one million five  
21 hundred thousand dollars (\$1,500,000).

22 (5) For purposes of this subsection:

23 (i) The term "board authority ratio" shall mean a number  
24 calculated by multiplying a school district's index calculated  
25 under section 302 of the act of June 27, 2006 (1st Sp.Sess.,  
26 P.L.1873, No.1), known as the "Taxpayer Relief Act," by the  
27 school district's property tax ratio.

28 (ii) The term "charter cost ratio" shall mean a school  
29 district's average annual change in charter school tuition paid,  
30 for the five (5) most recent years for which data is available,

1 to be calculated by the average of the quotients calculated as  
2 follows:

3 (A) For each of the five (5) school years, subtract the  
4 school district's total charter school tuition paid in one (1)  
5 school year from the amount paid by the school district in the  
6 subsequent school year.

7 (B) Divide each amount calculated in clause (A) by the  
8 school district's total operating expenditures reported for the  
9 same subsequent school year used in clause (A).

10 (iii) The term "charter average daily membership" shall mean  
11 a school district's average daily membership for students  
12 enrolled in a charter school entity.

13 (iv) The term "charter school entity" shall mean a charter  
14 school, cyber charter school or regional charter school as  
15 defined in section 1703-A.

16 (v) The term "charter student index" shall mean a number  
17 calculated by dividing the average daily membership for a school  
18 district's students enrolled in a charter school entity by the  
19 school district's total average daily membership from the same  
20 school year.

21 (vi) The term "local charter index" shall mean a number  
22 calculated by dividing a school district's charter cost ratio by  
23 the school district's board authority ratio.

24 (vii) The term "median household income index" shall mean a  
25 number calculated the same as prescribed under section 2502.53.

26 (viii) The term "property tax ratio" shall mean a school  
27 district's average, for the five (5) most recent school years  
28 for which data is available, of the quotients calculated by  
29 dividing a school district's total property taxes collected  
30 during the school year by the school district's total amount of

1 revenue received during that same school year.

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