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# Senate Education Committee

Senator Mike Folmer  
Chairman

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## BILL SUMMARY

Senate Bill 1316, Printer's No. 1907  
Prime Sponsor: Senator Browne

### **SYNOPSIS:**

Senate Bill 1316 amends the Public School Code to provide for special education funding.

### **BILL ANALYSIS:**

Senate Bill 1316 amends the Public School Code to provide for special education funding to school districts, charter schools, cyber charter schools and approved private schools. This legislation is based on the recommendation of the Special Education Funding Commission.

#### School Districts:

Beginning in the 2014-2015 school year, new money added to the special education line-item shall be distributed using a student-based allocation that considers the following factors: a school district's weighted special education student headcount, its sparsity/size adjustment, its market value/income aid ratio and its equalized millage multiplier. The data to calculate these provisions is based on the average of the three most recent years of data from the Department of Education.

The weighted special education student headcount is determined by multiplying the number of students in each of the three categories by their category weight and adding the three products together. Category 1 students have special education expenditures below \$25,000 with a weight of 1.51. Category 2 students have special education expenditures between \$25,000 and \$50,000 with a weight of 3.77. Category 3 students have special education expenditures above \$50,000 with a weight of 7.46. The dollar ranges of the categories are adjusted annually based on the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area (CPI-U).

The sparsity ratio is determined by dividing the school district's average daily membership per square mile by the State's average daily membership per square mile, then multiplying the quotient by 0.5 and subtracting that number from one.

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The size ratio is determined by dividing the school district's average daily membership by the average of the average daily memberships of all school districts, then multiplying the quotient by 0.5 and subtracting that number from one.

The sparsity/size ratio for each school district is calculated by adding 40% of the sparsity ratio and 60% of the size ratio.

The sparsity/size adjustment is determined for each school district as follows: (1) if the district's ratio is below the 70<sup>th</sup> percentile for all school districts, no adjustment is made; and, (2) if the district's ratio is above the 70<sup>th</sup> percentile, multiply 50% of the percentage difference between the district's ratio and the 70<sup>th</sup> percentile by weighted special education student count to determine the adjustment.

The equalized millage multiplier is calculated as follows: (1) for districts with an equalized millage rate greater than the 70<sup>th</sup> percentile for all school districts, the multiplier is 1; and (2) for districts with an equalized millage rate below the 70<sup>th</sup> percentile, divide the district's equalized millage rate by the 70<sup>th</sup> percentile to determine the adjustment.

#### Charter Schools:

Beginning in the 2014-2015 school year, the charter school special education payment shall determine by multiplying the current regular education charter rate by the category weights using actual student costs reported by the charter school. Documentation must be provided to the department and school district of residence for Category 2 and Category 3 services. Weights are subject to annual adjustment based on the percentage difference for special education services between the school district's expenditure compared to the statewide average annual expenditure. Dollar ranges are also subject to the CPI-U.

If the 2014-2015 charter school payment is greater than or less than the funding it received in 2013-2014, a three year phase-in at 33% per year is established until the new payment rate is obtained.

#### Extraordinary Cost Fund (formerly the Contingency Fund):

Beginning in the 2014-2015 school year, 1% of the special education appropriation shall be distributed through a separate line item to school districts and charter schools for extraordinary expenses incurred in providing a special education program or service to students with an annual cost greater than \$75,000. Districts and charter schools may receive grants for unreimbursed special education costs between \$75,000 and \$100,000 based on their aid ratio. Costs above \$100,000 are eligible for the actual special education costs. Limitations are placed on the payments based on the percentage of the state's largest special education population in a district or charter school.

#### Approved Private Schools:

Beginning in the 2014-2015 fiscal year, for every year there is no increase in funding for approved private schools, any money that would have lapsed for that line-item will be redistributed to the approved private schools over a twelve month period.

Effective Date: July 1, 2014 or immediately, whichever occurs first.

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