

July 2, 2013

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The Pennsylvania Legislature has approved a School Code bill ([House Bill 1141, PN 2200](#)). The bill determines the 2013-14 formulas for distributing the basic education subsidy, community college subsidy and intermediate unit funding to local governments, and sets other requirements on entities under the jurisdiction of the Pennsylvania Department of Education (PDE).

The School Code establishes a new basic education funding “formula” with a base distribution, and 12 new supplemental criteria targeted to very specific school districts based on aid ratio, enrollment or other unique factors.

School Code Provisions

The Special Education Funding Commission, authorized by Act 3 of 2013, has two additional months to complete its report, which was originally due in September 2013.

The school construction moratorium enacted in 2012 is extended for another year. PDE is directed to conduct a statewide school facilities analysis with a preliminary report due on May 1, 2014, the first such review since 2006.

School districts are given authority to reopen their budgets for 30 days after the state budget is enacted to adjust for final federal and state appropriations. Districts must submit their final budgets to the Pennsylvania Department of Education electronically.

Teachers applying for certification will pay a new \$25 fee to fund a Professional Educator Discipline program administered by PDE and the Professional Standards and Practices Commission. A requirement that teachers have a physical as part of the certification process is eliminated.

Basic Education Subsidy Allocation

A new basic education subsidy allocation is established. Districts received a base allocation through the Student Focused Funding formula: \$108 times 2012-13 Average Daily Membership (ADM), multiplied by the Market Value/Aid Ratio (MV/AR) for 2013-14.

Specific districts are eligible for additional supplemental funds from one of 12 new categories. Each category has its own requirements and dollar allocation. The categories are:

- English language learner high incidence supplement
- Charter and cyber charter school extraordinary enrollment supplement
- An increasing aid ratio supplement
- A small school district supplement
- A small rural school supplement
- A rural school district supplement
- A second class school district supplement
- A personal income supplement

- A second class A county school district supplement
- A third class county school district supplement
- A third class county small school supplement
- A growth supplement

Distressed School District Funding

Additional Basic Education Allocations for Distressed School Districts							
School District	County	Status	2012-13 Estimated BEF	2013-14 Proposed BEF	2013-14 Final BEF	Change From Proposed	Change From 2012-13
Duquesne City	Allegheny	Recovery	\$8,501,863	\$8,564,881	\$8,568,333	\$3,452	\$66,470
Wilkesburg Boro	Allegheny	Watch	\$7,017,756	\$7,110,298	\$7,119,276	\$8,978	\$101,520
Aliquippa SD	Beaver	Watch	\$7,977,273	\$8,070,993	\$8,078,129	\$7,136	\$100,856
Reading SD	Berks	Watch	\$114,391,082	\$115,941,591	\$117,641,685	\$1,700,094	\$3,250,603
Harrisburg City SD	Dauphin	Recovery	\$43,797,486	\$44,287,990	\$44,282,950	(\$5,040)	\$485,464
Steelton-Highspire	Dauphin	Watch	\$7,506,945	\$7,608,553	\$7,629,852	\$21,299	\$122,907
Chester Upland	Delaware	Recovery	\$58,965,034	\$59,536,909	\$59,591,088	\$54,179	\$626,054
York City	York	Recovery	\$50,084,229	\$50,710,268	\$56,265,497	\$5,555,229	\$6,181,267
Total			\$298,241,667	\$301,831,483	\$309,176,808	\$7,345,325	\$10,935,141

The code allocates \$4.5 million in unspent 2012-13 funds to the Financial Recovery School District Transitional Loan Account and appropriates an additional \$7.5 million to that fund.

Career and Technical School Equipment Fund

A distribution formula for \$3 million for a new Career and Technical School equipment fund is created. Half the allocation is divided between each district with a career and technical school. The second half is distributed to each school district based on enrollment. Schools must apply to PDE on a very simple form.

Distance Learning

The code creates a Distance Education Program within PDE to approve distance learning programs offered by two- and four-year higher education institutions. It also authorizes the Pennsylvania Higher Education Assistance Agency (PHEAA) to provide grants to students enrolling full- or part-time in these institutions between 2014 and 2018.

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