

No. 2014-51

AN ACT

HB 1738

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," providing for basic education funding commission.

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

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

Section 123. Basic Education Funding Commission.—(a) *There is hereby established a Basic Education Funding Commission.*

(b) *The commission shall review and make recommendations related to basic education funding as provided in this section.*

(c) (1) *The commission shall consist of the following members:*

(i) *The chair and minority chair of the Education Committee of the Senate and the chair and minority chair of the Education Committee of the House of Representatives or their designees.*

(ii) *Two (2) legislators from each of the four (4) legislative caucuses, to be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives, in consultation with the Majority Leader and Minority Leader of the Senate and the Majority Leader and Minority Leader of the House of Representatives.*

(iii) *The Secretary of Education or a designee.*

(iv) *The Deputy Secretary for Elementary and Secondary Education or a designee.*

(v) *An individual appointed by the Governor from within the Governor's Administration.*

(2) *The commission shall appoint a member to serve as chair of the commission.*

(d) *The commission shall hold its first meeting within forty-five (45) days of the effective date of this section, regardless of whether the Governor or all legislative caucuses have actually approved members to the commission.*

(e) *The commission shall hold meetings at the call of the chair.*

(f) *The members may not receive compensation for their services but shall be reimbursed for all necessary travel and other reasonable expenses incurred in connection with the performance of their duties as members of the commission.*

(g) *The General Assembly shall provide administrative support, meeting space and any other assistance required by the commission to carry out its duties under this section in cooperation with the department. The department shall provide the commission with data, research and other information upon request by the commission.*

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

(1) The market value/personal income aid ratio averaged for each of the three (3) most recent years for each school district.

(2) The equalized millage rate averaged for each of the three (3) most recent years for each school district.

(3) Geographic price differences identified for each school district.

(4) Whether a school district has experienced exceptionally high enrollment growth.

(5) Whether a school district has an exceptionally high level of local support.

(6) Whether a school district has a high level of its students in poverty as identified as eligible for free or reduced price meals under the National School Lunch Program.

(7) Whether a school district has students identified as limited English proficient.

(8) Whether the district has a scarce or dense population in relation to the district size.

(9) Other factors related to the distribution of basic education funding.

(i) The commission shall have all of the following powers and duties:

(1) Review and make findings and recommendations related to basic education funding in this Commonwealth.

(2) Consult with and utilize experts to assist the commission in carrying out the duties under this subsection.

(3) Receive input from interested parties, including, but not limited to, school districts and charter and cyber charter school operators.

(4) Hold public hearings in different regions of this Commonwealth.

(5) Review and consider basic education funding formulas and factors utilized throughout the United States.

(6) In identifying the basic education funding factors under subsection (h) and in completing the report required under this subsection, consider the impact these factors may have on the distribution of basic education funding among the school districts.

(7) Review the administration of State and regional basic education programs and services to determine if cost savings may be achieved and make recommendations to implement the savings.

(8) Prior to recommending a basic education funding formula under this section, consider the potential consequences of a basic education funding formula that does not allocate to each school district at least the same level or proportion of State basic education funding as the school district received in the prior school year.

(9) Prior to recommending a basic education funding formula under this section, consider nationally accepted accounting and budgeting standards.

(10) Develop a proposed basic education funding formula and factors pursuant to subsection (h).

(11) Draft proposed regulations and proposed legislation based on the commission's findings.

(12) Issue a report of the commission's findings and recommendations to the Governor, the President pro tempore of the Senate, the Majority Leader and Minority Leader of the Senate, the Education Committee of the Senate, the Speaker of the House of Representatives, the Majority Leader and Minority Leader of the House of Representatives, the Education Committee of the House of Representatives, the Secretary of Education and the State Board of Education not later than one (1) year after the effective date of this section.

(j) The basic education formula developed by the commission shall not go into effect unless the formula is approved by an act of the General Assembly enacted after the effective date of this section.

(k) Every five (5) years, the commission shall be reconstituted in accordance with subsection (c), shall meet and hold public hearings to review the operation of the basic education funding provisions of this section, shall make a further report and shall issue the report to the recipients listed in subsection (i)(12).¹

(l) The General Assembly shall, through the annual appropriations process, determine the level of State funding for basic education.

(m) As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Commission." The Basic Education Funding Commission established under this section.

"Department." The Department of Education of the Commonwealth.

Section 2. This act shall take effect immediately.

APPROVED—The 10th day of June, A.D. 2014

TOM CORBETT

¹in subsection (i)(11)." in enrolled bill.