



PENNSYLVANIA

Description of the Funding

The 2014-15 state Education budget, approved by the General Assembly and signed into law by Governor Corbett via the General Appropriation Bill and Fiscal Code, provided for approximately \$12 billion for early, basic and postsecondary education systems.

Basic Education Funding

For the 2014-15 fiscal year, each school district will receive the Basic Education Funding allocation it received in 2013-14, totaling approximately \$5.5 billion.

District-Based Components

Density/Sparsity of Small Schools

There is no specific subsidy component for density/sparsity of small schools.

Grade Level Differences

Grade level differences are used to calculate Weighted Average Daily Membership (WADM). Several components of various state subsidy calculations include WADM as an element.

Grade	Weight
Kindergarten (half-day)	0.5
Elementary	1.0
Secondary	1.36

Declining Enrollment or Growth

There is no specific subsidy component for declining enrollment or growth.

Capital Outlay and/or Debt Service

The state provides subsidies to school districts for the construction, renovation or purchase of school buildings on the basis of approved expenditures, which are based on the rated pupil capacity of the building as approved by the Department of Education.

The limit for school district indebtedness is based on the level of the borrowing base, which is the average of a district's total revenues for the three years preceding the year in which such debt

will be incurred. Non-voted debt cannot exceed 250 percent of the borrowing base, except in Philadelphia where the limitation is 100%. The limitation goes to 300 percent of the base when new lease rental debt is included (150 percent in Philadelphia).

Transportation

Reimbursement for regular pupil transportation is determined by multiplying the cost of approved reimbursable pupil transportation by the district's aid ratio. Payments are also made for excessive cost to be determined by subtracting from approved costs the sum of the regular state reimbursement plus half mill times the district market valuation. In addition, payments are made to school districts for transportation of charter school students and nonpublic school students. Elementary students eligible for transportation reimbursement must reside at least 1.5 miles from their school and secondary students must reside two miles from their school. Students residing along a hazardous route, as certified by the Department of Transportation, are also eligible for reimbursement.

Payments are also made to intermediate units for the cost for transportation of pupils to and from classes and schools for exceptional children, and of eligible young children to and from early intervention programs.

Charter Schools

No response

Student-Based Components

Special Education

Special Education Funding for School Districts

For the 20-14-15 fiscal year, each school district receives a total allocation calculated as the sum of 1) the amount it received for the 2008-09 school year and 2) new funds distributed based on categories of support for students with disabilities.

Contingency Fund

A special education contingency fund allocation equal to 1 percent of the special education appropriation is available to school districts.

CORE Services Funding To Intermediate Units

An amount equal to the amount each intermediate unit received in the 2013-14 fiscal year.

Institutionalized Children's Program

Funding is provided to intermediate units to maintain the Institutionalized Children's Program.

Low Income / Comp Ed / At-Risk

No response

English Language Learner/Bilingual Education

No response

Gifted and Talented Education

Gifted students are included with the total student population used in the base amount for Special Education Funding.

Career and Technical Education

Secondary Career and Technical Education Subsidy (2014-15)

Reimbursement is provided for the following vocational programs: agriculture education, distributive education, health occupations education, home economics education (gainful), business education, technical education, trade and industrial education, or any other occupational-oriented program approved by the Secretary of Education.

The subsidy is calculated as follows:

- The vocational average daily membership (VADM) is determined by multiplying the average daily membership of students in vocational programs in an area vocational-technical school by 0.21; multiplying the average daily membership of students in vocational programs in a school district (SD) or charter school (CS) by 0.17.
- The base earned for reimbursement (BER) is determined using the state median actual instruction expense per weighted average daily membership (AIE/WADM) and the equalized mills (EqM): $BER = (\text{State Median AIE/WADM} - (\text{Highest EqM} - \text{SD EqM}) \times \$200) / (\text{Highest EqM} - \text{Lowest EqM})$
- The fully funded amount equals 1) the lesser of the AIE/WADM or the BER multiplied by 2) the greater of the market value/personal income aid ratio or 0.3750 multiplied by 3) the VADM.
- Any additional funding provided by the Commonwealth over the amount provided for the 1998-99 school year will be distributed to area vocational-technical schools, to school districts and charter schools with eight or more vocational programs, and to school districts and charter schools offering a vocational agriculture education program.
- The actual allocation is proportionately reduced so that the total does not exceed the amount appropriated. The 2014-15 estimated reduction fraction for "regular allocation" is 0.76. The reduction fraction for "new allocation (8 or more programs)" is 0.15.

Preschool Education

No response

Pennsylvania Pre-K Counts

This program brings quality half-day and full-day pre-kindergarten to over 16,000 three- and four- year olds in Pennsylvania. PA Pre-K Counts is designed for children who are between age 3 and the entry age of kindergarten; are at risk of school failure and living in families earning up to 300 percent of the federal poverty level who may also be English language learners or have special needs.

Head Start Supplemental Assistance Program

This program provides state funding to Head Start programs to serve three and four year olds living in families at or below 130 percent of federal poverty level with comprehensive education, health, nutrition and parent involvement services. Over 5,000 Pennsylvania children receive services annually.

Other

Ready to Learn Block Grant

Ready to Learn Block Grants provide \$200 million in total funding to school districts and charter schools that focus on student achievement, academic success, and supports pre-kindergarten, full-day kindergarten and other proven educational programs.

Revenue and Expenditure Information

State Mandates Restricting Property Tax Increases

Special Session Act 1 of 2006 requires that local property tax increases that exceed an inflationary index must be approved by district voters unless a referendum exception is approved by the Department of Education.

Property Assessment Ratios Used/Legal Standards For Property Assessment

Varies with each county. Rates range from less than 10 percent to 100 percent.

Measure of Local Ability to Support Schools

Market Value/Personal Income Aid Ratio (MV/PI AR) is the state's primary measure of local district wealth and its ability to support schools. It is calculated to compare a school district's market value and personal income wealth as compared to the state averages. The components of wealth and their weights are sixty percent dependent upon property (market) valuation per weighted pupil and 40 percent dependent upon personal income per weighted pupil.

School District Budget and Tax Rate Procedures/Sources of Local Revenue

There are 498 fiscally independent districts and two fiscally dependent districts. The school board of directors approves the school district budgets without a specific limitation except for having sufficient revenues projected to fund projected expenditures.

Local revenues for school districts are derived from the property tax (78 percent), other taxes (17 percent), and other local non-tax sources (6 percent).

Total revenues come from local sources (58 percent), state sources (35 percent), federal sources (4 percent), and other sources (3 percent).

State Support for Nonpublic Schools

A program of auxiliary services including remedial reading, remedial mathematics, guidance and counseling, speech, and psychological services are available to students attending nonpublic schools are provided by the intermediate unit in which the nonpublic school is located.

Textbooks, instruction materials and instructional equipment are loaned to students enrolled in grades kindergarten through twelve in a nonpublic school.