PART XVI. STANDARDS

CHAPTER 329. COMPUTATION OF SUBSIDY

Authority

The provisions of this Chapter 329 issued under the Public School Code of 1949 (24 P. S. §§ 1-101—27-2702), unless otherwise noted.

Source

The provisions of this Chapter 329 adopted May 25, 1979, effective May 26, 1979, 9 Pa.B. 1668, unless otherwise noted.

§ 329.1. Purpose and scope.

This chapter revises and gives notice of the procedures used by the Department to execute its statutory obligation under the School Code to pay the instruction subsidy to school districts of the Commonwealth. For subsidy payments made in Fiscal Year 1979-1980 and all subsequent fiscal years, this chapter supersedes the rules of procedure previously promulgated by the Department for the purpose of computing subsidy. The Department's responsibility for making subsidy payments to the districts can be found in Article XXV of the School Code (24 P. S. §§ 25-2501—25-2592).

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§ 329.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

ADM—Average daily membership.

AFDC—Aid to families with dependent children.

AIE—Actual instructional expenditures.

AIE/WADM—Actual instructional expenditure per weighted average daily membership.

Area in square miles—For the purpose of determining eligibility for density, modified density, super density and modified super density, inland waters are excluded; for the purpose of determining all density/sparsity eligibility, only territory under the jurisdiction of a school district shall be included; for the purposes of determining eligibility for sparsity, inland waters shall be included.

BER—Base earned for reimbursement.

Base subsidy—The instruction subsidy calculated under § 329.3(4)—(6) (relating to computations).

Basic instruction subsidy—The instruction subsidy to which all qualified school districts are entitled under the School Code. The basic instruction subsidy is the sum of the base subsidy plus any density/sparsity payments plus any poverty payments.

Bootstrap—A minimum reimbursable amount per WADM for which a district qualifies even if the actual instructional expenditures per WADM is lower. To qualify for the minimum, a district shall have an equalized millage rate within 15% of the median equalized millage rate. The minimum reimbursable amount per WADM is equal to the median, AIE/WADM minus $200.

Density factor—Density factor shall be assigned for those school districts whether coterminous with a city, borough, town or township or not, whose population exceeds 10,000 per square mile as determined by the Secretary of Education from the most recent records of the United States Census Bureau, provided that a school district which was assigned a density factor for a school year prior to 1969-1970, and for a school year thereafter is determined by the Secretary to have a population of 10,000 per square mile or less shall qualify for a modified density payment which shall be in the ratio of its population per square mile to 10,000 of the amount to which it would have been entitled had its population per square mile exceeded 10,000; and, provided further, that a school district which was assigned a density factor for a school year prior to 1969-1970, and for a school year thereafter and as a result of a merger with one or more other school districts becomes a part of a new school district and the

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new school district is determined by the Secretary to have a population of 10,000 per square mile or less, the new school district shall qualify for a modified density payment which shall be in the ratio of its population per square mile to 10,000 of the amount to which it would have been entitled had its population per square mile exceeded 10,000. A school district qualifying under the density factor shall be paid by the Commonwealth or account of excess expenditures per weighted average daily membership, not to exceed for the school year 1966-1967 $100, for the school year 1967-1968 $150, for the school year 1968-1969 $200, for the school year 1969-1970 and each school year thereafter $250 in excess of $400, an amount to be determined by multiplying the excess expenditures by the aid ratio or by .375, whichever is greater and by the number of weighted pupils, the amount to be in addition to other payments for the pupils; provided, however, a school district qualifying under the density factor may, in lieu of the above payment, elect for a school year to be paid and the Commonwealth shall pay on account of excess expenditures per weighted average daily membership in excess of $400 a sum of $30 per weighted average daily membership, the amount to be in addition to other payments for the pupils.

Density factor, modified—A value assigned to those districts whose population exceeded 10,000 per square mile prior to 1969-1970 but not thereafter. If one or more districts merged and one of the component districts had a population in excess of 10,000 per square mile prior to 1969-1970, that district is assigned a modified density factor. The factor is calculated by dividing the population of the district per square mile by 10,000.

Density factor, super—The payment for the density factor for those qualifying school districts with a WADM in excess of 35,000 shall be the actual cost of instruction per WADM multiplied by 21% for the 1978-1979 school year and each school year thereafter and by the WADM of the district. Notwithstanding the provisions of section 2502.6 of the School Code (24 P. S. § 25-2502.6) the entitlement provided under this section shall be paid in full for each school year.

Department—The Department of Education of the Commonwealth.

EM—equalized millage—A school district's tax effort to be used for purposes of determining the base earned for reimbursement and used for reimbursement under section 2502(d) and (e) of the School Code (24 P. S. § 25-2502(d) and (e)), shall be the amount of local school taxes collected during the year for which reimbursement is being computed, divided by the most recent real property valuation of the school district.

Guaranteed rate—The base subsidy plus the bootstrap payable in 1971-1972 divided by the 1970-1971 weighted average daily membership.

Inland water—Ponds, lakes, rivers and other bodies of water which cover 40 or more acres and are of a mile or more in width. Width is defined as the average distance across the body of water; excluded bodies of water are those adja-

cent to this Commonwealth and not under the jurisdiction of any county or municipality within this Commonwealth.

Local school taxes collected—For the purpose of computing equalized millage, the term includes:

(i)   Only the total taxes collected and remitted to the school district and taxes levied, collected and remitted by the school district under the authority granted under:

(A)   The Local Tax Enabling Act (53 P. S. §§ 6901—6924).

(B)   The First Class City Public Education Home Rule Act (53 P. S. §§ 13201—13223).

(C)   Article XII of 351 Pa. Code (relating to public education).

(D)   The School Code—an example being current and interim real estate taxes.

(E)   The act of August 9, 1963 (P. L. 640, No. 338) (53 P. S. §§ 16101—16103.3).

(F)   Other State law.

(ii)   Only the total taxes collected and remitted to the school district by the State under the Public Utility Realty Tax.

(iii)   Delinquent taxes collected and remitted in the school year for which the district is being reimbursed.

(iv)   Payments made to a school district in lieu of taxes.

(v)   Reductions by a refund of a prior year's taxes by a school district to local taxpayers is not included.

MAIE/WADM—Median actual instructional expenditure per weighted average daily membership.

MV—market value—The market value of taxable real property in a school district as certified by the State Tax Equalization Board on June 30 of each year.

MV/PI AR—Market value/personal income aid ratio.

PI—personal income—The total identified personal income of a school district as certified to the Secretary of Education by the Secretary of the Department of Revenue in February of each year.

Poverty pupils—For the purposes of determining the payment on account of poverty and the additional special assistance grant on account of low income families, the number of poverty pupils is as defined by the Elementary and Secondary Education Act of 1965 and includes both:

(i)   The number of children, ages 5 to 17, in families with annual incomes less than $2,000 as determined by the 1960 or the 1970 United States Census, whichever is greater.

(ii)   The most recent satisfactory data on AFDC children counted for the 1972-1973 school year, whichever is greater.

Public school entity—A school district, intermediate unit or area vocational-technical school.

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Reduction fraction—The proportion which represents the amount appropriated for basic instruction subsidy divided by the computed basic instruction subsidy payable, provided the reduced amount is no less than the minimum guaranteed amount. In the 1979-1980 and 1980-1981 fiscal year, the gross allocation shall be no less than the gross allocation for the previous school year. The reduction fraction shall be applied to the base subsidy, poverty payments and density and sparsity payments except those density payments made under section 2502(f.1) of the School Code (24 P. S. § 25-2502(f.1)) and the guaranteed base subsidy under section 2592(b) of the School Code (24 P. S. § 25-2592(b)).

School Code—The Public School Code of 1949 (24 P. S. §§ 1-101—27-2702).

Sparsity factor—Sparsity factor shall be assigned for those districts whose population is less than 50 per square mile as determined by the Secretary of Education from the most recent records of the United States Census Bureau. A school district qualifying under the sparsity factor shall be paid by the Commonwealth on account of excess expenditures per weighted average daily membership, not to exceed for the school year 1966-1967 $100, for the school year 1967-1968 $150, for the school year 1968-1969 $200, for the school year 1969-1970 through school year 1977-1978 $250, for the school year 1978-1979 and each school year thereafter $265 in excess of $400, an amount to be determined by multiplying the excess expenditures by the aid ratio or by .375, whichever is greater and by the number of weighted pupils, the amount to be in addition to other payments for the pupils; provided, however, a school district qualifying under the sparsity factor may, in lieu of the above payment, elect for any school year to be paid and the Commonwealth shall pay on account of excess expenditures per weighted average daily membership in excess of $400 a sum of $30 per weighted average daily membership, the amount to be in addition to other payments for the pupils.

Sparsity factor, modified—The ratio of its population per square mile to 50 subtracted from 2.00 and multiplied by the amount to which it would have been entitled had its population per square mile been less than 50.

WADM—weighted average daily membership—The average daily membership for all resident pupils in the various levels of instruction shall be multiplied by the weight for that level as indicated to obtain the weighted average daily membership. The sum of the products so obtained shall be the weighted average daily membership for the district. The weighted average daily membership used in computing the aid ratio shall include kindergarten, elementary and secondary pupils.

§ 329.3. Computations.

The following are the provisions governing computation for the subsidy payments:

(1) *ADM.* For the purpose of calculating WADM, MAIE/WADM, MV/PI AR, minimum subsidy and percentage of poverty pupils, average daily membership shall be computed as follows:

(i) For each day the school district and corresponding public school entities are in session, record the number of resident students in membership. A pupil is a member of a public school entity from the first day on the current roll until permanently withdrawn from the roll. The date of permanent withdrawal is the date on which it is officially known that the pupil has left school and not necessarily the first day after the date of last attendance. Membership is obtained by adding the total original pupil entries and the total pupil reentries and subtracting the total pupil withdrawals. ADM is also known as the "number belonging."

(ii) Determine the aggregate days membership by adding all the figures recorded in paragraph (1).

(iii) Divide aggregate days membership by actual days of instruction to determine ADM.

(iv) Computations of ADM shall be carried to three decimal places and not rounded.

(2) *Reduced daily membership (RDM).* RDM shall be computed as follows:

(i) Determine the aggregate days membership as set forth in paragraph (1)(ii).

(ii) Divide the aggregate days membership by the mandated number of days of instruction.

(iii) Computations of RDM shall be carried to three decimal places and not rounded.

(iv) For school districts providing the mandated days of instruction or having pupils in public school entities providing the mandated days of instruction, RDM shall be equal to ADM. For school districts providing less than the mandated school year or having pupils in public school entities providing less than the mandated days of instruction, RDM shall be less than ADM.

(3) *Adjustment factor.* An adjustment factor shall be computed for every school district as follows:

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    (i)   Divide RDM by ADM. This calculation shall be carried to five decimal places and not rounded.

    (ii)   School districts that provide the mandated days of instruction for a school year shall have an adjustment factor of one. School districts that provide less than the mandated days of instruction for a school year shall have an adjustment factor of less than one.

    (4)   *Base subsidy*. The base subsidy shall be computed as follows:

    (i)   Multiply the MV/PI AR by the lesser of AIE/WADM or BER multiplied by WADM.

    (ii)   Multiply the amount determined in subparagraph (i) by the reduction fraction to bring the allocations within the limits of the amount appropriated.

    (iii)   Multiply the amount determined in subparagraph (ii) by the adjustment factor.

    (5)   *Base subsidy, guaranteed*. An amount determined by multiplying the guaranteed rate by the WADM and by the adjustment factor.

    (6)   *Base subsidy, minimum*. For the purpose of computing the 15% minimum as set forth in section 2501(15) of the School Code (24 P. S. § 25-2501(15)), a minimum aid ratio of 10% will be applied to the calculation of both the MV and PI AR. MV/PI AR calculated in this manner shall be no less than .15.

§ 329.4. Limitation of payment increase in fiscal year 1979-1980 and each year thereafter.

If the sums appropriated for the basic instruction subsidy in the 1979-80 fiscal year and each fiscal year thereafter are not sufficient to pay in full the total amounts to which all qualified school districts and intermediate units are entitled under sections 917.1-A, 919.1-A, 2501, 2502, 2502.3 and 2502.4 of the School Code (24 P. S. §§ 9-967.1, 9-969.1, 25-2501, 25-2502, 25-2502.3 and 25-2502.4), allocations to school districts shall be reduced as follows:

    (1)   After the reduction fraction has been determined, the computed base subsidy of each district shall be multiplied by the reduction fraction.

    (i)   If the product of the computed base subsidy and the reduction fraction is greater than the guaranteed base subsidy, the computed base subsidy of the district shall be added to all other payments on account of instruction

and the result shall be multiplied by the reduction fraction. In the case where school districts qualify for payments under section 2502(f.1) of the School Code (24 P. S. § 25-2502(f.1)), the computed base subsidy shall be added to all other payments on account of instruction except the payment made on account of the super density factor. The result shall be multiplied by the reduction fraction. The super density payment shall then be added to the product of this multiplication.

    (ii)   If the product of the computed base subsidy and the reduction fraction is less than the guaranteed base subsidy, the guaranteed base subsidy shall be added to the product of the reduction fraction times all other payments on account of instruction for which the district is qualified. In the case where school districts qualify for payments under section 2502(f.1) of the School Code, the guaranteed base subsidy and the super density payment shall be added to the product of the reduction fraction times all other payments on account of instruction.

(2)   Compare the amounts determined in paragraph (1) with the district's prior year basic instruction subsidy to determine if the district is entitled to additional funds under the provisions of section 2502.6 of the School Code (24 P. S. § 25-2502.6). The adjustment factor shall be applied to that portion of these funds a district qualifies for, because of a decrease in the base subsidy over the base subsidy of the prior year. For the purpose of this computation, the 1978-79 and 1979-80 basic instruction subsidy shall be determined by assuming that all school entities had the mandated days of instruction.

(3)   The data used to determine the basic instruction subsidy shall be the data certified by the Secretary of Education to the General Assembly for the June 1 tertiary payments under section 2501(12) of the School Code (24 P. S. § 25-2501(12)).

(4)   If the sums appropriated for the basic instruction subsidy in the 1979-80 fiscal year and each fiscal year thereafter are not sufficient to pay in full the total amounts to which all qualified school districts and intermediate units are entitled, the intermediate unit allocations shall be reduced by multiplying the total amount to which the intermediate units are entitled by the reduction fraction under section 967.1 and 969.1 of the School Code (24 P. S. §§ 9-967.1 and 9-969.1).

Source

The provisions of this § 329.4 adopted May 25, 1979, effective May 26, 1979, 9 Pa.B. 1688; amended May 30, 1980, effective May 31, 1980, 10 Pa.B. 2156. Immediately preceding text appears at serial page (42260).

§ 329.5. Attendance data.

Attendance data required under the School Code for determining the basic instruction subsidy shall be due on July 1 of each year.

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§ 329.6. Forfeiture for employing noncertified personnel.

For the purpose of computing the forfeiture set forth in section 2518 of the School Code (24 P. S. § 25-2518), aid ratio shall be MV/PI AR.

§ 329.7. Subsidy reimbursement for school districts which operate during strikes.

(a) When a strike occurs, the superintendent of the district shall notify the Department if instruction will be offered during the strike. If instruction is not offered during the strike, the district will not be allowed to count its students as being in membership for purposes of calculating the ADM of the district.

(b) If the district attempts to offer instruction during the strike, the following procedures apply:

(1) If there is an attempt to bring students in for instruction on the first day of the strike, the district shall be allowed to count its students as being in membership on that day for purposes of computing the membership figures of the district.

(2) On the second day of the strike and thereafter, the Department will arrange for a team to visit the district to ascertain the following facts:

(i) The degree to which the provisions of Chapter 5 (Reserved) are being met.

(ii) Whether personnel instructing students are properly certificated and, if substitutes are used, whether they are properly approved by the school board.

(3) School district staff and personnel shall fully cooperate with the Department team.

(4) Within a week of the termination of the strike, the Department team will submit a report to the Commissioner of Basic Education.

(5) The Commissioner will then prepare and submit a preliminary report to the superintendent of the school district for review and comment. The superintendent may, within 10 days of the receipt of the preliminary report, submit comments to the Commissioner.

(6) The Commissioner will then prepare a final report incorporating the comments of the superintendent. On the basis of this report, the Commissioner

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will determine if all or part of the instruction offered on each day of the strike was appropriate for purposes of subsidy reimbursement.

(c)   If the instruction is found to be inappropriate by the Commissioner, the district will not be allowed to count those students who were in attendance as part of the membership figures of the district.

(d)   If the instruction is found to be appropriate by the Commissioner, then the following totals shall be ascertained:

(1)   The number of minutes of approved instruction offered to the students each day during the strike.

(2)   If the number of minutes determined in paragraph (1) is equal to the average minutes per day on the calendar of the school, then ADM shall be calculated as set forth in § 329.3(1) (relating to computations).

(3)   If the number of minutes determined in paragraph (1) for any day is less than the average minutes per day on the calendar of the school, then ADM shall be multiplied by the following fraction:

$$\frac{\text{total minutes of approved instruction per day}}{\text{average minutes per day on calendar}}$$

This product shall be the membership for each day of the strike.

Source

The provisions of this § 329.7 adopted May 25, 1979, effective May 26, 1979, 9 Pa.B. 1668; amended May 30, 1980, effective May 31, 1980, 10 Pa.B. 2156. Immediately preceding text appears at serial page (42261).

§ 329.8. [Reserved].

Source

The provisions of this § 329.8 adopted May 25, 1979, effective May 26, 1979, 9 Pa.B. 1668; reserved May 30, 1980, effective May 31, 1980, 10 Pa.B. 2156. Immediately preceding text appears at serial pages (42262) to (42263).