

Statement regarding PDE-363 Form and Deductions from Total Expenditures and Deductions from Special Education Expenditures to be used when calculating a school district's per-student charter school funding rates

On March 16, 2018, the Pennsylvania Department of Education (PDE) rescinded the *Guidelines for Form Completion, PDE-363, Funding for Charter Schools* (Guidelines) that had been in place since July 2012. PDE's action was based upon two separate opinions issued by the Commonwealth Court in *First Philadelphia Preparatory Charter Sch., et al. v. Pa. Dep't of Educ., et al.*, No. 159 MD 2017 (*First Philadelphia*).

Please note that *First Philadelphia*, and PDE's rescission of the Guidelines, solely address the recommendation made in the Guidelines that school districts calculate per-student charter school funding rates based upon expenditures included in their AFRs, rather than the amounts in the budgets submitted to PDE prior to the beginning of the previous school year. ***First Philadelphia* has no impact upon the deductions that should be removed from a school district's total expenditure data used to calculate per-student charter school funding rates.**

PDE's interpretation of applicable law remains that **"Deductions from Total Expenditures"** and **"Deductions from Special Education Expenditures"** should be deducted from a district's total expenditures when calculating per-student charter school funding rates. Schools should continue to deduct certain federal expenditures, prekindergarten program expenditures, and Ready to Learn Block Grant expenditures.

Because charter schools are eligible to receive federal funds directly from PDE, Ready to Learn Block Grant funds are excluded from per-student charter school funding rates, and charter schools are not authorized to operate prekindergarten programs, these sources of funds should not be

factored into the per-student charter school funding rates a district must pay charter schools.

To assist stakeholders in calculating charter school rates, PDE has made available a revised PDE-363 form. A charter school that requests a redirection of funds pursuant to section 1725-A(a)(5) of the CSL must include with its request a completed PDE-363 (4/2018), demonstrating the deductions from the district's total expenditures, including certain federal expenditures, prekindergarten program expenditures, and Ready to Learn Block Grant expenditures. A charter school must also complete and submit the Summary of Unipay Request, Summary Information Sheet, and Individual Student Information Sheet. Failure to submit a completed PDE-363 or other forms, or failure to deduct the expenditures listed on the PDE-363, will result in rejection of the charter school's redirection request.

In its redirection request cover correspondence, the charter school must also identify the budget or other financial document that it relied upon in completing the PDE-363. If the per-student charter school funding rates at which the charter school is seeking redirection are those calculated by the district, a charter school may also comply with these requirements by including with its redirection request a copy of the PDE-363 completed by the district.

This information is required to document the basis of Charter School's request, and to provide the district with sufficient information to determine whether to request an opportunity to be heard under section 1725-A(a)(6) of the CSL.

The PDE-363 (4/2018) is available on PDE's website.