

No. 1995-26

AN ACT

HB 20

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," further providing for investment of school district funds, for the compensation of the special board of control and for tuition grants for certain children with exceptionalities; prohibiting the possession of weapons; further providing for children with exceptionalities; providing for safe schools and for agricultural education programs; imposing duties on the Department of Education; further providing for community college reimbursement and for small district assistance; providing for basic education funding and for aid to districts suffering revenue loss due to reduction in assessed valuation of taxable property; further providing for payments to intermediate units, for payment for nonpublic school transportation, for special education payments to school districts and extraordinary special education program expenses; and providing for distance learning grants.

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

Section 1. Section 440.1(c) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, amended July 1, 1981 (P.L.200, No.62), is amended to read:

Section 440.1. Investment of School District Funds.—* * *

(c) Authorized types of investments for school district funds shall be:

(i) United States Treasury bills.

(ii) Short-term obligations of the United States Government or its agencies or instrumentalities.

(iii) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

(iv) Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

(v) *Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. § 77a et seq.): Provided, That the following are met:*

(A) *Only investments of that company are in the authorized investments for school district funds listed in clauses (i) through (iv) and repurchase agreements fully collateralized by such investments.*

(B) *The investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds).*

(C) *The investment company is rated in the highest category by a nationally recognized rating agency.*

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Section 2. Section 692.2 of the act, amended January 14, 1970 (1969 P.L.468, No.192), is amended to read:

Section 692.2. Compensation of Special Board of Control.—The members of the special board appointed by the court, or the member other than the executive director of the intermediate unit appointed on a temporary basis by the Superintendent of Public Instruction, shall be paid **[ten dollars (\$10)]** *seventy-five dollars (\$75)* for each meeting of the regular board of school directors of the distressed school district which they attend: Provided, however, That the total amount to be paid in any fiscal year to each such member shall not exceed **[one hundred twenty dollars (\$120)]** *nine hundred dollars (\$900)*. Such payments shall be made from the funds of the school district and shall be charged to administrative services even though no previous provision has been made in the budget of the school district for such expenses.

Section 3. Section 1309 of the act, amended June 17, 1993 (P.L.49, No.16), is amended to read:

Section 1309. Cost of Tuition; How Fixed.—(a) The cost of tuition in such cases shall be fixed as is now provided by law for tuition costs in other cases, except in the following circumstances:

(1) Where, for the accommodation of such children, it shall be necessary to provide a separate school or to erect additional school buildings, the charge for tuition for such children may include a proportionate cost of the operating expenses, rental, and interest on any investment required to be made in erecting such new school buildings.

(2) When a child who is an inmate of an institution is **[an exceptional child]** *a child with exceptionalities*, the district in which the institution is located may charge the district of residence, and the district of residence shall pay a special education charge in addition to the applicable tuition charge. Such special education charge *when combined with the applicable tuition charge* shall not exceed **[an additional fifty percent (50%) of the applicable tuition charge.]** *the total net cost of the special education program provided. In the case of a child with exceptionalities who is an inmate of an institution and who is served under section 2509.1(b), the district in which the institution is located may charge the district of residence an amount that does not exceed the total cost of the special*

education program provided minus the amount received per child from the Commonwealth under section 2509.1(b).

(b) The tuition herein provided for shall be paid annually by the Secretary of Education, the district of residence or the institution as the case may be.

Section 4. The act is amended by adding a section to read:

Section 1317.2. Possession of Weapons Prohibited.—(a) *Except as otherwise provided in this section, a school district or area vocational-technical school shall expel, for a period of not less than one year, any student who is determined to have brought a weapon onto any school property, any school-sponsored activity or any public conveyance providing transportation to a school or school-sponsored activity.*

(b) *Every school district and area vocational-technical school shall develop a written policy regarding expulsions for possession of a weapon as required under this section. Expulsions shall be conducted pursuant to all applicable regulations.*

(c) *The superintendent of a school district or an administrative director of an area vocational-technical school may recommend discipline short of expulsion on a case-by-case basis. The superintendent or other chief administrative officer of a school entity shall, in the case of an exceptional student, take all steps necessary to comply with the Individuals with Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400 et seq.).*

(d) *The provisions of this section shall not apply to the following:*

(1) *a weapon being used as part of a program approved by a school by an individual who is participating in the program; or*

(2) *a weapon that is unloaded and is possessed by an individual while traversing school property for the purpose of obtaining access to public or private lands used for lawful hunting, if the entry on school premises is authorized by school authorities.*

(e) *Nothing in this section shall be construed as limiting the authority or duty of a school or area vocational-technical school to make an alternative assignment or provide alternative educational services during the period of expulsion.*

(f) *All school districts and area vocational-technical schools shall report all incidents involving possession of a weapon prohibited by this section as follows:*

(1) *The school superintendent or chief administrator shall report the discovery of any weapon prohibited by this section to local law enforcement officials.*

(2) *The school superintendent or chief administrator shall report to the Department of Education all incidents relating to expulsions for possession of a weapon on school grounds, school-sponsored activities or public conveyances providing transportation to a school or school-sponsored activity. Reports shall include all information as required under section 1303-A.*

(g) As used in this section, the term "weapon" shall include, but not be limited to, any knife, cutting instrument, cutting tool, nunchaku, firearm, shotgun, rifle and any other tool, instrument or implement capable of inflicting serious bodily injury.

Section 5. Section 1371 of the act, amended January 14, 1970 (1969 P.L.468, No.192), is amended to read:

Section 1371. Definition of [Exceptional] Children *with Exceptionalities*; Reports; Examination.—(1) The term ["exceptional children"] "*children with exceptionalities*" shall mean children of school age [who deviate from the average in physical, mental, emotional or social characteristics to such an extent that they require special educational facilities or services and shall include all children in detention homes.] *who have a disability or who are gifted and who, by reason thereof, need specially designed instruction.*

(2) It shall be the duty of the district superintendent, in every school district in accordance with rules of procedure prescribed by the [Superintendent of Public Instruction] *Secretary of Education*, to secure information and report to the [proper intermediate unit] *Department of Education*, on or before the fifteenth day of October of each year, and thereafter as cases arise, every [exceptional child] *child with exceptionalities* within said district. [As soon thereafter as possible the child shall be examined by a person certified by the Department of Public Instruction as a public school psychologist, and also by any other expert which the type of handicap and the child's condition may necessitate. A report shall be made to the proper intermediate unit of all such children examined and of all children residing in the district who are enrolled in special classes.] *A report shall be made to the Department of Education of all children determined to need special education services or programs consistent with chapter 14 of State Board of Education Regulations, as well as chapter 342 of Department Standards.*

Section 6. Section 1376(c.1) of the act, amended June 7, 1993 (P.L.49, No.16), is amended to read:

Section 1376. Cost of Tuition and Maintenance of Certain Exceptional Children in Approved Institutions.—* * *

(c.1) Any funds remaining from the appropriation line items "for special education - approved private schools" *or for Pennsylvania Charter Schools for the Deaf and Blind* from the general appropriations acts for fiscal years 1978-1979 [through 1990-1991 inclusive] *and each fiscal year thereafter* shall be transferred by the State Treasurer into a restricted account (continuing appropriation) for audit resolution which is hereby established. The Department of Education shall also deposit into this restricted account any funds returned to or recovered by the department from approved private schools *or chartered schools* for overpayments during fiscal years 1978-1979 [through 1990-1991 inclusive] *and each fiscal year thereafter*. The funds in the restricted account are hereby appropriated upon approval of the

Governor to the Department of Education for payments to approved private schools for audit resolutions for fiscal years 1978-1979 [through 1990-1991 inclusive] and each fiscal year thereafter. Funds in this restricted account shall not be subject to the limitations in subsection (c) which prohibit advance payments and final reimbursement from exceeding the appropriation available for approved private schools. [Any uncommitted funds remaining in this restricted account on June 30, 1995, shall lapse into the General Fund.] During the 1995-1996 fiscal year and during each fiscal year thereafter, the Department of Education shall review the activity in the restricted account and may recommend that the Governor authorize the lapsing into the General Fund of any funds that are estimated not to be needed for audit resolution.

* * *

Section 7. The act is amended by adding an article to read:

**ARTICLE XIII-A.
SAFE SCHOOLS.**

Section 1301-A. Definitions.—As used in this article,

“Office” shall mean the Office for Safe Schools.

“School entity” shall mean any public school district, intermediate unit or area vocational-technical school.

“School property” shall mean any public school grounds, any school-sponsored activity or any conveyance providing transportation to a school entity or school-sponsored activity.

“Weapon” shall include, but not be limited to, any knife, cutting instrument, cutting tool, nunchaku, firearm, shotgun, rifle and any other tool, instrument or implement capable of inflicting serious bodily injury.

Section 1302-A. Office for Safe Schools.—(a) There is hereby established in the Department of Education an Office for Safe Schools.

(b) The office shall have the following powers and duties:

(1) To coordinate anti-violence efforts between school, professional, parental, governmental, law enforcement and community organizations and associations.

(2) To collect, develop and disseminate information, policies, strategies and other information to assist in the development of programs to impact school violence.

(3) To provide direct training to school employes, parents, law enforcement officials and communities on effective measures to combat school violence.

(4) To advise school entities and nonpublic schools on the development of policies to be used regarding possession of weapons by any person, acts of violence and protocols for coordination with and reporting to law enforcement officials and the Department of Education.

(5) To develop forms to be used by school entities for reporting incidents involving acts of violence and possession of weapons on school property.

(c) In addition to the powers and duties set forth under subsection (a), the office is authorized to make targeted grants to schools to fund programs which address school violence, including, but not limited to, the following programs:

- (1) Conflict resolution or dispute management.*
- (2) Peer helpers programs.*
- (3) Risk assessment or violence prevention curricula.*
- (4) Classroom management.*

(d) Grant applications shall contain information as the office may require. The office shall conduct a thorough annual evaluation of each program for which a grant under this section is made.

Section 1303-A. Reporting.—(a) The office shall conduct a one-time survey of all school entities to determine the number of incidents involving acts of violence on school property and all cases involving possession of a weapon by any person on school property which occurred within the last five (5) years. The survey shall be based on the best available information provided by school entities.

(b) All school entities shall report all new incidents involving acts of violence or possession of a weapon by any person on school property at least twice a year, as provided by the office, on a form to be developed and provided by the office. The form shall include:

- (1) Age or grade of student.*
- (2) Name and address of school.*
- (3) Circumstances surrounding the incident, including type of weapon.*
- (4) Sanction imposed by the school.*
- (5) Notification of law enforcement.*
- (6) Remedial programs involved.*
- (7) Parental involvement required.*
- (8) Arrests, convictions and adjudications, if known.*

If a person other than a student is involved, the report shall state the relationship of the individual involved to the school entity.

(c) All school entities shall develop a memorandum of understanding with local law enforcement which sets forth procedures to be followed when an incident involving an act of violence or possession of a weapon by any person occurs on school property. Law enforcement protocols shall be developed in cooperation with local law enforcement and the Pennsylvania State Police.

Section 1304-A. Sworn Statement.—(a) Prior to admission to any school entity, the parent, guardian or other person having control or charge of a student shall, upon registration, provide a sworn statement or affirmation stating whether the pupil was previously suspended or expelled from any public or private school of this Commonwealth or any other state

for an act or offense involving weapons, alcohol or drugs or for the wilful infliction of injury to another person or for any act of violence committed on school property. The registration shall be maintained as part of the student's disciplinary record.

(b) Any wilful false statement made under this section shall be a misdemeanor of the third degree.

Section 1305-A. Transfer of Records.—Whenever a pupil transfers to another school entity, a certified copy of the student's disciplinary record shall be transmitted to the school entity to which the pupil has transferred. The school entity to which the student has transferred should request the record. The sending school entity shall have ten (10) days from receipt of the request to supply a certified copy of the student's disciplinary record.

Section 1306-A. Availability of Records.—A student's disciplinary record, as well as records maintained under section 1307-A, shall be available for inspection to the student and his parent, guardian or other person having control or charge of the student, to school officials and to State and local law enforcement officials as provided by law. Permission of the parent, guardian or other person having control or charge of the student shall not be required for transfer of the individual's student record to another school entity within this Commonwealth or in another state in which the student seeks enrollment or is enrolled.

Section 1307-A. Maintenance of Records.—All school entities and private schools within this Commonwealth shall maintain updated records of all incidents of violence, incidents involving possession of a weapon and convictions or adjudications of delinquency for acts committed on school property by students enrolled therein on both a district-wide and school-by-school basis. Records maintained under this section shall be contained in a format developed by the Pennsylvania State Police in cooperation with the office within ninety (90) days of the effective date of this section. A statistical summary of these records shall be made accessible to the public for examination by the public during regular business hours.

Section 1308-A. Report.—The Secretary of Education shall survey all school districts and nonpublic schools to determine the extent to which additional costs have been incurred in implementing administrative and reporting requirements established for public and nonpublic schools in section 1317.2 and in sections 1304-A through 1307-A. The Secretary of Education shall issue a report to the chairman and the minority chairman of the Appropriations Committee and the Education Committee of the Senate and the Appropriations Committee and Education Committee of the House of Representatives by April 1, 1996, concerning the extent to which additional costs have been incurred by school districts and nonpublic schools.

Section 1309-A. Technical Assistance.—The Department of Education shall provide guidelines and technical assistance to assist school districts and nonpublic schools in implementing the provisions of this act.

Section 8. The act is amended by adding a section to read:

Section 1549. Agricultural Education.—(a) *The General Assembly declares it is the purpose of this section to:*

(1) *Require the department to develop and disseminate agricultural education materials for school entities or private or nonpublic kindergartens, elementary or secondary schools in this Commonwealth. The materials shall incorporate agricultural concepts into the basic school curricula and shall be designed to educate the general student population about the importance of the agriculture industry and the role of agriculture in the students' lives.*

(2) *Encourage the agricultural education efforts of other agencies where appropriate, including, but not limited to, those of the county conservation districts, the Cooperative Extension Service of The Pennsylvania State University, the University of Pennsylvania Veterinary School, the Department of Agriculture, the Department of Environmental Resources, the Department of Community Affairs, the State System of Higher Education and the Department of Transportation.*

(b) *The department shall have the power and its duty shall be to:*

(1) *Provide resource information to educators and public and private schools and organizations on agricultural education.*

(2) *Provide for distribution to school entities or private or nonpublic kindergartens, elementary or secondary schools in this Commonwealth materials on agricultural education. Such materials may include instruction on issues related to agriculture, including, but not limited to, food safety, pesticides, farmland preservation, waste management, wetlands, nutrient management, food production and food processing, animal health and statutory and regulatory protections of the right to farm.*

(3) *Identify, recognize and establish awards for exemplary agricultural education curricula developed in Commonwealth schools.*

(4) *Use local school district occupational advisory committees to serve as the conduit to bring youth and adult education programs into communities and schools, focusing on agricultural industry issues of importance to this Commonwealth.*

(c) *The secretary shall prepare and submit an annual report to the Governor and the General Assembly outlining agricultural education programs and achievements, highlighting new initiatives and recommending future program needs.*

(d) (1) *The Secretary of Education shall consult, at least annually, with the Secretary of Agriculture and a cross section of the agriculture and education communities to:*

(i) *Assess the trends and needs in agricultural education.*

(ii) *Consider the manner in which any funds are used to support agricultural education activities.*

(iii) *Make recommendations to the Governor and the General Assembly regarding legislative or regulatory changes to improve agricultural*

education, pursuant to the preparation and submittal of the report required by subsection (c).

(2) When consulting with a cross section of the agriculture and education communities, the secretary shall consider seeking comments from individuals named in lists submitted by the State Council on Farm Organizations, the Agricultural Awareness Foundation and the Pennsylvania Vocational-Agricultural Teachers Association. Such lists may include, but not be limited to:

(i) Farmers.

(ii) Representatives of the agricultural processing and agricultural marketing industries.

(iii) Faculty members of the College of Agricultural Sciences of the Commonwealth's land-grant university.

(iv) Faculty members from a State System of Higher Education institution, each of whom shall have background in or knowledge of agricultural education.

(v) A teacher of vocational agriculture.

(vi) A teacher involved in agricultural education other than vocational agriculture.

(vii) An administrator of a school entity which conducts an agricultural education program.

(viii) A member of a local school district occupational advisory committee.

(ix) Members of the public who are knowledgeable about agricultural education.

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

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

"Farmer." Any person who engages in the accepted activities, practices and procedures year after year to produce and prepare for market poultry, livestock and their products or in the production and harvesting of agricultural, agronomic, horticultural, silvicultural and aquacultural crops and commodities and whose operation is conducted on not less than ten contiguous acres in area or, if less than ten contiguous acres in area, has an anticipated yearly gross income of at least ten thousand dollars (\$10,000).

"School entity." A public school district, intermediate unit or area vocational-technical school.

"Secretary." The Secretary of Education of the Commonwealth.

Section 9. Sections 1913-A(b)(1.4) and 2502.13 of the act, amended June 7, 1993 (P.L.49, No.16), are amended to read:

Section 1913-A. Financial Program; Reimbursement or Payments.—* *

*

(b) * * *

(1.4) The equivalent full-time student reimbursement of a community college shall be the sum of credit course, noncredit course and stipend reimbursements. These reimbursements shall be calculated using a reimbursement factor of one thousand and forty dollars (\$1,040) for the 1993-1994 fiscal year **[and]**, of one thousand eighty dollars (\$1,080) for the 1994-1995 fiscal year **and of one thousand one hundred eighty dollars (\$1,180) for the 1995-1996 fiscal year** and for each year thereafter and shall be determined as follows:

(i) Credit course reimbursement shall be calculated by multiplying the reimbursement factor by the number of equivalent full-time students enrolled in credit courses as determined by an audit to be made in a manner prescribed by the State Board of Education.

(ii) Noncredit course reimbursement shall be calculated as follows:

(A) eighty percent (80%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit courses for the 1993-1994 fiscal year, as determined by the audit referred to in paragraph (i); **[or]**

(B) seventy percent (70%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit courses for the 1994-1995 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i).; **or**

(C) one hundred percent (100%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit public safety courses that provide training for volunteer firefighters and emergency medical services for the 1995-1996 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i).

(iii) Stipend reimbursement on account of a community college's operating costs for all equivalent full-time students enrolled in the following categories of two-year or less than two-year occupational or technical programs, shall be the sum of the following:

(A) One thousand one hundred dollars (\$1,100) per full-time equivalent student enrolled in advanced technology programs. **For the fiscal year 1995-1996 and each year thereafter, the reimbursement rate shall be calculated at one thousand one hundred seventy-five dollars (\$1,175) per full-time equivalent student enrolled in advanced technology programs.** Advanced technology programs are programs using new or advanced technologies which hold promise for creating new job opportunities, including such fields as robotics, biotechnology, specialized materials and engineering and engineering-related programs.

(B) One thousand dollars (\$1,000) per full-time equivalent student enrolled in programs designated as Statewide programs. **For the fiscal year 1995-1996 and each year thereafter, the reimbursement rate shall be calculated at one thousand seventy-five dollars (\$1,075) per full-time equivalent student enrolled in programs designated as Statewide programs.**

A Statewide program is a program which meets one or more of the following criteria:

(I) Program enrollment from out-of-sponsor area is twenty per cent or more of the enrollment for the program.

(II) A consortial arrangement exists with another community college to cooperatively operate a program or share regions in order to avoid unnecessary program duplication.

(C) Five hundred dollars (\$500) per full-time equivalent student enrolled in other occupational or technical programs. *For the fiscal year 1995-1996 and each year thereafter, the reimbursement rate shall be calculated at five hundred seventy-five dollars (\$75) per full-time equivalent student enrolled in other occupational or technical programs.*

* * *

Section 2502.13. Small District Assistance.—For the 1984-1985 and 1985-1986 school years, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to fifty dollars (\$50) multiplied by that district's average daily membership. For the 1985-1986 school year, no school district shall receive less on account of this section than it did for the 1984-1985 school year. For the school year 1986-1987, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1985-1986 school year, an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school year 1987-1988, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1986-1987 school year, an amount equal to eighty-five dollars (\$85) multiplied by that district's average daily membership. For the school year 1988-1989, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten thousandths (0.5000) or greater, or received payments under this section for the 1987-1988 or 1988-1989 school year, an amount equal to one hundred five dollars (\$105). For the school year 1989-1990, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1987-1988 school year, an amount equal to one hundred fifteen dollars (\$115) multiplied by the district's average daily membership as provided for in section 212 of the act of July 1, 1990 (P.L.1591, No.7A), known as the "General Appropriation Act of

1990." For the school year 1990-1991, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the prior school year, an amount equal to one hundred seventy dollars (\$170) multiplied by that district's average daily membership. For the school year 1990-1991, each school district with a population per square mile of less than ninety (90), which otherwise meets the average daily membership and market value/income aid ratio requirements of this section, or received payments under this section for the prior school year, shall instead receive an amount equal to one hundred ninety dollars (\$190) multiplied by that district's average daily membership. For the 1987-1988 school year through the 1990-1991 school year, no school district shall receive less on account of this section than it did for the prior school year. *For the school year 1994-1995, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to ninety five dollars (\$95) multiplied by that district's average daily membership.*

Section 10. The act is amended by adding sections to read:

Section 2502.29. Basic Education Funding.—(a) *For the purposes of this section, the phrase "base amount" shall mean for each school district the amount of funds received by the school district for the school year 1993-1994 pursuant to section 2502.21 plus the amount of funds received by the school district for foundation funding for equity for school year 1993-1994 pursuant to the act of June 16, 1994 (P.L.1473, No.6A), known as the "General Appropriation Act of 1994," and any supplements thereto.*

(b) (1) *For 1994-1995, each school district shall receive the amount calculated pursuant to clause (2) or (3), whichever is greater.*

(2) *The base amount of the district divided by the average daily membership of the district during the 1993-1994 school year multiplied by one hundred three per centum (103%) multiplied by the average daily membership of the district during the 1994-1995 school year.*

(3) *The base amount of the district multiplied by one hundred one per centum (101%) if the market value/income aid ratio (MV/PIAR) is less than five thousand ten-thousandths (0.5000), the base amount of the district multiplied by one hundred two per centum (102%) if the market value/income aid ratio (MV/PIAR) is greater than or equal to five thousand ten-thousandths (0.5000) and less than seven thousand ten-thousandths (0.7000), and the base amount of the district multiplied by one hundred four per centum (104%) if the market value/income aid ratio (MV/PIAR) is greater than or equal to seven thousand ten-thousandths (0.7000).*

Section 2502.30. Temporary Special Aid to School Districts Suffering Loss of Tax Revenue Due to Reduction in Assessed Valuation of Taxable Property.—*Temporary special aid shall be paid in fiscal years 1994-1995,*

1995-1996, 1996-1997 and 1997-1998 to school districts experiencing a severe reduction in local revenue due to a decline in the assessed value of taxable properties. The allocation to these districts shall be determined by multiplying the reduction in assessed value between 1985-1986 and 1992-1993 by the 1992-1993 real estate millage rate. This aid shall be paid from undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the Department of Education. No other funds shall be used for assistance under this section. These funds shall be sufficient to provide temporary relief to seven school districts at seventy-five per centum (75%) of the funds received in fiscal year 1994-1995, fifty per centum (50%) of the funds received in fiscal year 1995-1996 and twenty-five per centum (25%) of the funds received in fiscal year 1996-1997. This section shall expire October 1, 1998.

Section 11. Section 2509.1 of the act, amended August 5, 1991 (P.L.219, No.25), July 9, 1992 (P.L.392, No.85) and June 7, 1993 (P.L.49, No.16), is amended to read:

Section 2509.1. Payments to Intermediate Units.—(a) Annually, before the first day of July, every intermediate unit shall submit, for prior review and approval by the Department of Education, an estimate of 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, whether or not such classes, schools or programs are conducted by the intermediate unit. On or before the first day of September, the Commonwealth shall pay to the intermediate unit a sum equal to one-half of the approved annual cost of such transportation in the prior year and, on or before the first day of February, shall pay a sum equal to one-quarter of the approved estimated annual cost of such transportation for the current school year, and on or before June 30, the Commonwealth shall pay the remaining quarter adjusted to reflect actual approved cost.

(b) On or before the first day of July 1991, every intermediate unit shall submit, for prior review and approval by the Department of Education, an estimate of the cost of operating and administering classes or schools for institutionalized children operated by the intermediate unit during the 1990-1991 school year. During the 1991-1992 school year, the Commonwealth shall pay each intermediate unit the approved amount.

(b.1) For programs operated during the 1992-1993 school year [and each school year thereafter] and the 1993-1994 school year, the Commonwealth shall pay intermediate units, based on their costs of operating and administering classes or schools for institutionalized children, an amount to be determined by the Department of Education following review of annual reports of the costs of such classes or schools for the immediately preceding year. To qualify for such payments, each intermediate unit that operates and administers classes or schools for institutionalized children annually shall submit to the Department of Education on or before the first day of July a report of the cost of operating and administering such classes or schools.

Notwithstanding the foregoing, intermediate units may submit their annual reports for the 1991-1992 school year until June 30, 1993, although this date may be extended as deemed necessary by the Secretary of Education provided that for programs operated during the 1992-1993 school year and the 1993-1994 school year the aggregate amounts paid on this account shall not exceed twenty million six hundred thousand dollars (\$20,600,000) per year.

(b.2) Up to twenty-one million two hundred thousand dollars (\$21,200,000) may be utilized for programs operated during the 1994-1995 school year for institutionalized children by intermediate units as established in subsection (b.1).

(b.3) Up to twenty-two million dollars (\$22,000,000) may be utilized for programs operated during the 1995-1996 school year for institutionalized children by intermediate units as established in subsection (b.1).

(c) For the 1991-1992 school year and each school year thereafter, five percent (5%) of the State special education appropriation shall be paid to the intermediate units on account of special education services. Of this five percent (5%), thirty-five percent (35%) shall be distributed equally among all twenty-nine (29) intermediate units. The remaining sixty-five percent (65%) shall be distributed to each intermediate unit in proportion to the number of average daily membership of the component school districts of each intermediate unit as compared to the Statewide total average daily membership.

(d) (1) For the 1991-1992 school year, each intermediate unit which is coterminous to a school district of the first class or first class A shall be paid fifty percent (50%) of the amount received by the intermediate unit for the cost of operating and administering classes or schools for **[exceptional children] children with exceptionalities**, as approved by the Department of Education for the 1990-1991 school year. For the 1991-1992 school year, each intermediate unit not coterminous with a school district which operates all the special education programs for **[handicapped] children with disabilities** for its constituent school districts shall be paid ten percent (10%) of the amount received by the intermediate unit for the cost of operating and administering classes or schools for **[handicapped] children with disabilities**, as approved by the Department of Education for the 1990-1991 school year. For the 1992-1993 and the 1993-1994 school years *up to and including the 1994-1995 school year*, each intermediate unit which is coterminous to a school district of the first class or first class A shall be paid twenty-five percent (25%) of the amount received by the intermediate unit for the cost of operating and administering classes or schools for **[exceptional children] children with exceptionalities**, as approved by the Department of Education for the 1990-1991 school year.

(2) For the 1995-1996 school year, each intermediate unit which is coterminous to a school district of the first class or first class A shall be paid a proportionate share of twenty-nine million nine hundred thousand

dollars (\$29,900,000) based on the amount received by the intermediate unit for the cost of operating and administering classes or schools for children with exceptionalities, as approved by the Department of Education for the 1990-1991 school year.

(3) For the 1996-1997 school year, each intermediate unit which is coterminous to a school district of the first class or first class A shall be paid a proportionate share of twenty million six hundred thousand dollars (\$20,600,000) based on the amount received by the intermediate unit for the cost of operating and administering classes or schools for children with exceptionalities, as approved by the Department of Education for the 1990-1991 school year.

(4) For the 1997-1998 school year, each intermediate unit which is coterminous to a school district of the first class or first class A shall be paid a proportionate share of ten million three hundred thousand dollars (\$10,300,000) based on the amount received by the intermediate unit for the cost of operating and administering classes or schools for children with exceptionalities, as approved by the Department of Education for the 1990-1991 school year.

(e) For the 1991-1992 school year and for each school year thereafter, payments to intermediate units under this section shall consist of an amount payable in three (3) installments during the school year as follows: in August, fifty percent (50%) of the payments due; in November, forty-five percent (45%) of the payments due; and on June 1, the balance of the payments due.

(f) For each school year up to and including 1990-1991, for each child enrolled in any special class or school for exceptional children operated by an intermediate unit, the school district in which the child is resident shall pay to the Commonwealth a sum equal to the "tuition charge per elementary pupil" or the "tuition charge per high school pupil," as determined for the schools operated by the district or by a joint board of which the district is a member, for the same year in which the special class or school is operated, as provided for in section two thousand five hundred sixty-one of the act to which this is an amendment. In the event that any school district has not established such "tuition charge per elementary pupil" or "tuition charge per high school pupil," the Secretary of Education shall fix a reasonable charge for such district for the year in question. Except that for the 1990-1991 school year, the school district payment to the Commonwealth under this subsection, for each child enrolled in other than intermediate unit classes or schools for institutionalized children, shall be limited to twenty-five percent (25%) of the applicable tuition charges in the case of all intermediate units. In addition, the district shall pay on account of transportation by the intermediate unit of pupils to and from classes and schools for exceptional children, whether or not conducted by the intermediate unit, an amount to be determined by subtracting from the cost of transportation per pupil the reimbursement due the district on account of such transportation. In order to facilitate such payments by the several school districts, the Secretary of

Education shall withhold from any moneys due to such district out of any state appropriation, except from reimbursements due on account of rentals as provided in section two thousand five hundred eleven point one of the act to which this is an amendment, the amounts due by such school districts to the Commonwealth. All amounts so withheld are hereby specifically appropriated to the Department of Education for the support of public schools.

(g) (1) For the 1991-1992 school year and each school year thereafter, for each child enrolled in an intermediate unit class for institutionalized children, the school district in which the child is resident shall pay to the Commonwealth a sum equal to the "tuition charge per elementary pupil" or the "tuition charge per high school pupil," as determined for the schools operated by the district or by a joint board of which the district is a member, for the same year in which the class or school is operated, as provided for in section 2561. In the event that any school district has not established such "tuition charge per elementary pupil" or "tuition charge per high school pupil," the Secretary of Education shall fix a reasonable charge for such district for the year in question.

(2) In addition, the district shall pay to the Commonwealth on account of transportation by the intermediate unit of pupils to and from classes and schools for exceptional children and of eligible young children to and from early intervention programs, whether or not conducted by the intermediate unit, an amount to be determined by subtracting from the cost of transportation per pupil the reimbursement due the district on account of such transportation.

(3) In order to facilitate such payments by the several school districts, the Secretary of Education shall withhold from any moneys due to such districts out of a State appropriation, except from reimbursements due on account of rentals, the amounts due by such school districts to the Commonwealth. All amounts so withheld are hereby specifically appropriated to the Department of Education for the support of public schools.

Section 12. Section 2509.3 of the act, amended July 9, 1992 (P.L.392, No.85) and July 9, 1992 (P.L.403, No.88), is amended to read:

Section 2509.3. Payments on Account of Transportation of Nonpublic School Pupils.—Each school district, regardless of classification, shall be paid by the Commonwealth the sum of thirty-five dollars (\$35) for each nonpublic school pupil transported in the school year 1978-1979 through the school year 1983-1984. For the school year 1984-1985 through the school year 1989-1990, each school district shall be paid the sum of seventy dollars (\$70) for each nonpublic school pupil transported. For the school years 1990-1991 and 1991-1992, each school district shall be paid the sum of one hundred twenty-four dollars (\$124) for each nonpublic school pupil transported. For the school year 1992-1993 **[and each school year thereafter]** *and the 1993-1994 school year*, each school district shall be paid the sum of one hundred fifty-nine dollars (\$159) for each nonpublic school pupil transported. *For the school year 1994-1995 and each school year thereafter, each school district*

shall be paid the sum of two hundred dollars (\$200) for each nonpublic school pupil transported.

Section 13. Section 2509.5 of the act is amended by adding subsections to read:

Section 2509.5. Special Education Payments to School Districts.—* * *

(h) During the 1994-1995 school year, each school district shall be paid:

(1) an amount to be determined by multiplying fifteen percent (15%) of its school age average daily membership by one thousand thirty-five dollars (\$1,035); and

(2) an amount to be determined by multiplying one percent (1%) of its school age average daily membership by twelve thousand five hundred dollars (\$12,500).

(i) During the 1995-1996 school year, each school district shall be paid:

(1) an amount to be determined by multiplying fifteen percent (15%) of its school age average daily membership by one thousand forty dollars (\$1,040); and

(2) an amount to be determined by multiplying one percent (1%) of its school age average daily membership by thirteen thousand dollars (\$13,000).

(j) (1) During the 1994-1995 school year, up to ten million five hundred thousand dollars (\$10,500,000) of the funds appropriated to the Department of Education for special education shall provide supplemental funding for special education to school districts which operate special education programs and whose net special education expenditure rate exceeds one hundred fifty percent (150%) of the Statewide special education expenditure rate with the special education expenditure rate being determined by dividing net special education expenditures by total education expenditures as determined by the Secretary of Education. Such payments shall be in an amount to be determined by the Secretary of Education and shall be made pursuant to the payment schedule established in subsection (c).

(2) During the 1995-1996 school year, up to five million two hundred fifty thousand dollars (\$5,250,000) of the funds appropriated to the Department of Education for special education shall provide supplemental funding pursuant to this subsection as determined by the Secretary of Education. Such payments shall be in an amount equal to fifty percent (50%) of the amounts paid to districts eligible under clause (1) during the 1994-1995 school year and shall be made pursuant to the payment schedule established in subsection (c).

(3) During the 1996-1997 school year, up to two million six hundred twenty-five thousand dollars (\$2,625,000) of the funds appropriated to the Department of Education for special education shall provide supplemental funding pursuant to this subsection as determined by the Secretary of Education. Such payments shall be in an amount equal to twenty-five percent (25%) of the amounts paid to districts eligible under this subsection

during the 1994-1995 school year and shall be made pursuant to the payment schedule established in subsection (c).

Section 14. Section 2509.8 of the act, amended June 7, 1993 (P.L.49, No.16), is amended to read:

Section 2509.8. Extraordinary Special Education Program Expenses.—(a) The Department of Education shall, for the 1991-1992 school year, *the 1994-1995 school year and each school year thereafter*, set aside one percent (1%) of the State special education appropriation for extraordinary expenses to be incurred in providing a special education program or service to **[an exceptional student] one or more students with disabilities** as approved by the Secretary of Education.

(b) (1) Subject to the limitation in clause (2), the Department of Education shall, for the 1992-1993 and 1993-1994 school years, set aside two percent (2%) of the State special education appropriation for extraordinary expenses incurred in providing special education programs or services to one or more **[exceptional students] students with disabilities** as approved by the Secretary of Education.

(2) In the 1992-1993 school year, only one-half of the two percent (2%) set aside may be expended immediately, and the other one-half of the amount set aside shall not be expended until all authorized expenditures under sections 2509, 2509.1, 2509.5, 2509.9 and 2509.10 have been made to the qualified school entities.

(c) The Secretary of Education shall establish guidelines for the application, approval, distribution and expenditure of these funds and shall report annually to the General Assembly on such expenditures.

Section 15. The act is amended by adding a section to read:

Section 2597. Distance Learning Grants.—(a) The Secretary of Education shall allocate grants for distance learning to school entities from funds appropriated for this purpose. The amount of a grant may vary depending on the needs of the applicants. Grants shall be directed toward rural school entities and other school entities demonstrating financial need based on the wealth and fiscal condition of the district.

(b) An application for a grant shall address the manner in which a school entity shall enhance instructional programming for students through distance learning.

(c) As used in this section, the term "school entity" means a school district, intermediate unit, joint school or area vocational-technical school.

Section 16. This act shall take effect as follows:

(1) The addition of section 1317.2, Article XIII-A and section 1549 of the act shall take effect in 90 days.

(2) The remainder of this act shall take effect immediately.

APPROVED—The 30th day of June, A.D. 1995.

THOMAS J. RIDGE