

No. 417

AN ACT

Amending the act of March ten, one thousand nine hundred forty-nine (Pamphlet Laws 30), 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," changing the basis for reimbursement on account of rentals payable to the State Public School Building Authority, municipality authorities and nonprofit corporations and the conditions therefor and limitations on approval of projects for reimbursement purposes, and providing for reimbursement on account of sinking fund charges on indebtedness for school buildings hereafter constructed, and making an appropriation.

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

Public School
Code of 1949.

Section 1. The last paragraph of section seven hundred ninety, added August twenty-six, one thousand nine hundred fifty-three (Pamphlet Laws 1471), and section 2511.1, act of March ten, one thousand nine hundred forty-nine (Pamphlet Laws 30), known as the "Public School Code of 1949," and its amendments, are repealed.

Last paragraph
of section 790,
added August 26,
1953, P. L.
1471, and section
2511.1, act of
March 10, 1949,
P. L. 30, and its
amendments, are
repealed.

Section 2. Article XXV. of the act is amended by adding, at the end, a new subdivision to read:

(f) *School Building Rentals and Sinking Fund Charges.*

Section 2571. Standard Reimbursement Fraction for School Building Rentals and Sinking Fund Charges.

—(a) *For the purpose of reimbursement on account of all public school building rentals and sinking fund charges, a school district's standard reimbursement fraction shall be computed, for projects heretofore or hereafter constructed, by subtracting from four thousand five hundred dollars (\$4500) an amount determined by multiplying the school district's valuation per district teaching unit by four-one thousandths (.004) and dividing the difference so obtained by four thousand five hundred dollars (\$4500).*

(b) *The school district's valuation is the valuation placed upon its taxable real property by the State Tax Equalization Board. The Department of Public Instruction shall compute the standard reimbursement fraction of each school district entitled to payments on account of public school buildings annually in the month of December.*

Section 2572. State Public School Building Authority Leases Heretofore Approved.—(a) The Commonwealth shall pay annually to each school district

Article XXV, act
of March 10,
1949, P. L. 30,
amended by
adding a new
subdivision (f)
comprising
sections 2571,
2572, 2573,
2574, 2575,
2576, 2577,
2578, 2579
and 2580.

erecting or sharing in the erection of a building or buildings or providing educational equipment under the provisions of the State Public School Building Authority Act for every lease or contract entered into or approved by the Superintendent of Public Instruction prior to August 26, 1953, an amount to be determined (1) by multiplying the school district's standard reimbursement fraction for school building rentals by fifty one-hundredths ($50/100$) and by the annual rental charge as fixed by the State Public School Building Authority, or (2) if the district's standard reimbursement fraction for school building rentals is greater than five thousand nine hundred ninety-nine ten-thousandths (.5999), by multiplying the standard reimbursement fraction for school building rentals by itself and by the portion of the annual rental charge fixed by the State Public School Building Authority.

(b) The Commonwealth shall pay annually to each school district erecting or sharing in the erection of a building or buildings under the provisions of the State Public School Building Authority Act for every lease approved by the Department of Public Instruction on or after August 26, 1953, but prior to the effective date of this amending act, an amount to be determined (1) by multiplying the school district's standard reimbursement fraction for school building rentals by fifty one-hundredths ($50/100$) and by that portion of the annual rental charge sufficient during the period of the lease to pay the cost of acquiring or constructing the school buildings the cost of acquiring the land upon which the school buildings are situate and the interest on such cost, or (2) if the district's standard reimbursement fraction for school building rentals is greater than five thousand nine hundred ninety-nine ten-thousandths (.5999), by multiplying the standard reimbursement fraction for school building rentals by itself and by the portion of the annual rental charge stated above.

Section 2573. *Municipality Authority and Nonprofit Corporation Leases Heretofore Approved.*—(a) The Commonwealth shall also pay annually to each school district which shall have entered into a lease approved by the Department of Public Instruction prior to August 26, 1953, with a municipality authority or with a nonprofit corporation for the rental of a school building or buildings or providing education equipment an amount to be determined (1) by multiplying the school district's standard reimbursement fraction for school building rentals by fifty one-hundredths ($50/100$) and by the annual rental or share thereof provided for under its lease with such municipality authority or nonprofit corporation, or (2) if the district's standard reimbursement

fraction for school building rentals is greater than five thousand nine hundred ninety-nine ten-thousandths (.5999), by multiplying the standard reimbursement fraction for school building rentals by itself and by the annual rental or share thereof provided for under its lease with such municipality authority or nonprofit corporation.

(b) The Commonwealth shall also pay annually to each school district which shall have entered into a lease approved by the Department of Public Instruction on or after August 26, 1953, but prior to the effective date of this amending act, with a municipality authority or with a nonprofit corporation for the rental of a school building or buildings, an amount to be determined (1) by multiplying the school district's standard reimbursement fraction for school building rentals by fifty one-hundredths (50/100) and by that portion of the annual rental or share thereof provided for under its lease with such municipality authority or nonprofit corporation sufficient during the period of the lease to pay the cost of acquiring or constructing the school buildings, the cost of acquiring land upon which the school buildings are situate, and the interest on such costs, or (2) if the district's standard reimbursement fraction for school building rentals is greater than five thousand nine hundred ninety-nine ten-thousandths (.5999), by multiplying the standard reimbursement fraction for school building rentals by itself and by the portion stated above of the annual rental or share thereof provided for under its lease with such municipality authority or nonprofit corporation.

Section 2574. Approved Reimbursable Rental for Leases Hereafter Approved and Approved Reimbursable Sinking Fund Charges on Indebtedness.—(a) For school building projects for which the general construction contract is awarded subsequent to the effective date of this amending act and for approved school building projects for which the general construction contract was awarded but for which a lease was not approved by the Department of Public Instruction prior to the effective date of this amending act, the Department of Public Instruction shall calculate an approved reimbursable rental or approved reimbursable sinking fund charges. Approved reimbursable rental or sinking fund charges shall consist of that part of the annual rental or sinking fund charge attributable to

(1) The cost of acquiring the land upon which the school buildings are situate to the extent that the cost is deemed reasonable by the Department of Public Instruction and the interest on such cost of acquisition, and

(2) *The approved building construction cost and the interest on such construction cost.*

(b) *For new school buildings the approved building construction cost shall be the lesser of*

(1) *The cost of constructing the school buildings including the cost of essential fixtures and equipment but excluding architect's fees in excess of six per cent (6%) of the contract price, or*

(2) *The product of the rated pupil capacity as determined by the Department of Public Instruction at the time the project is approved and (i) one thousand one hundred dollars (\$1100) in the case of elementary schools, (ii) one thousand seven hundred dollars (\$1700) in the case of secondary schools, (iii) an amount in the case of combined elementary-secondary schools obtained by multiplying the rated elementary pupil capacity by one thousand one hundred dollars (\$1100) and the rated secondary pupil capacity by one thousand seven hundred dollars (\$1700) and dividing the sum by the total rated pupil capacity.*

(c) *For additions or alterations to existing buildings approved building construction cost shall be the lesser of*

(1) *The cost of constructing the additions or alterations including the cost of essential fixtures and equipment but excluding architect's fees in excess of six per cent (6%) of the contract price, or*

(2) *The difference obtained by subtracting the appraisal value of the existing building from the product of rated pupil capacity of the altered or expanded building as determined by the Department of Public Instruction at the time the project is approved and (i) one thousand one hundred dollars (\$1100) in the case of elementary schools, (ii) one thousand seven hundred dollars (\$1700) in the case of secondary schools, (iii) an amount in the case of combined elementary-secondary schools obtained by multiplying the rated elementary pupil capacity of the altered or expanded building by one thousand one hundred dollars (\$1100) and the rated secondary pupil capacity of the altered or expanded building by one thousand seven hundred dollars (\$1700) and dividing the sum by the total rated pupil capacity of the altered or expanded building.*

Appraisal value shall be the valuation made immediately before the additions or alterations are begun by three competent appraisers, one appointed by the school authorities, one by the Superintendent of Public Instruction, and the third by the other two.

(d) *For purposes of calculating the amount of rental reimbursement the approved reimbursable rental for a school project constructed for two or more school districts shall annually be apportioned among the par-*

participating districts on the basis of the proportion which the valuation of each district as certified by the state tax equalization board during the preceding school year bears to the total valuation of all participating districts.

Section 2575. Payments on Account of Leases Hereafter Approved and on Account of Sinking Fund Charges on Indebtedness for School Buildings Hereafter Constructed.—The Commonwealth shall pay annually to each school district erecting or sharing in the erection of a building or buildings under the provisions of the Public School Building Authority Act, the Municipality Authority Act, or section 758 of the Public School Code of 1949, on account of buildings for which the lease is approved subsequent to the effective date of this amending act or through the incurring of indebtedness by the issuance of general obligation bonds on account of buildings for which the general construction contract is awarded subsequent to the effective date of this amending act, an amount to be determined

(1) By multiplying the district's standard reimbursement fraction by itself and by fifty one-hundredths (50/100) and adding the product to the districts standard reimbursement fraction multiplied by twenty-five one-hundredths (25/100) and multiplying the sum by the approved reimbursable rental or approved reimbursable sinking fund charge, or

(2) If the district's standard reimbursement fraction is greater than four thousand nine hundred ninety-nine ten-thousandths (.4999) by multiplying the district's standard reimbursement fraction by itself and by the approved reimbursable rental or approved reimbursable sinking fund charge. Standard reimbursement fraction referred to herein is that provided by section 2571 for the purpose of reimbursement on account of public school building rentals and sinking fund charges.

Section 2576. Approval of Department of Public Instruction.—(a) No payment shall be made to any school district on account of any lease entered into with the State Public School Building Authority or any municipality authority or nonprofit corporation or on account of sinking fund charges on indebtedness for school buildings unless such lease or sinking fund charge is approved by the Department of Public Instruction. Except as hereinafter provided, the Department of Public Instruction may give its approval to any lease heretofore or hereafter entered into and to any payments on account of sinking fund charges on indebtedness for school buildings if it shall find that the leased project or the project for which the indebtedness is incurred in conformance with county-wide plans prepared by the county board of school directors and approved by the

State Council of Education for the orderly development of improved attendance areas and administrative units and for the improved housing of public schools in the Commonwealth, that the school building will conform with standards and regulations prescribed by the department with respect to educational and architectural design, building materials, fixtures and equipment, location, usefulness for community activities, safety, comfort and convenience, and that the school district or school districts which incur the indebtedness or to which the project is to be leased will have the ability to meet from current revenues the rental or sinking fund charge or their respective shares of rental or sinking fund charge and to defray the cost of their respective shares of the cost of operation and maintenance of the project.

(b) The department shall have the right to disapprove or approve with reservation a lease because of any failure on the part of the authority or school district to comply with the provisions of the laws of the Commonwealth relating to such authority or school district only to such extent as will prevent the school district from paying a greater sum as rental because of such noncompliance with law. For that purpose, the department may require a modification of the lease if not at that time executed or may approve the lease with the reservation that the department will pay the reimbursement on that amount only which would have been determined by reason of the lower rental.

(c) The Department of Public Instruction shall not approve any project for which Commonwealth reimbursement is sought unless an inspection has been made by the department of the location and adequacy of existing school facilities and the determination made that existing facilities are inadequate in terms of prevailing educational standards.

Section 2577. Limitations on Approval of Projects for Reimbursement Purposes.—(a) The Superintendent of Public Instruction shall not give his approval for reimbursement purposes to any phase of any project or any project to be undertaken by the State Public School Building Authority or by any municipality authority or nonprofit corporation or by any school district, that would cause the approved reimbursable costs of projects to exceed six hundred and twenty-five million dollars (\$625,000,000) during the school year 1955-1956, seven hundred and twenty-five million dollars (\$725,000,000) during the school year 1956-1957, eight hundred and twenty-five million dollars (\$825,000,000) during the school year 1957-1958, and nine hundred and twenty-five million dollars (\$925,000,000) during the school year 1958-1959 in the aggregate for all the

authorities, nonprofit corporations, and school districts combined for projects already undertaken and to be undertaken.

(b) The Department of Public Instruction shall determine reimbursement eligibility of all projects including projects submitted for approval prior to the effective date of this act in the order of date of filing of applications for project approval with the department. If a delay in departmental processing of any application on file is occasioned by the applying school district, the department shall proceed to determine reimbursement eligibility of projects next in order.

(c) Unless the general construction contract for any project is awarded within ten months subsequent to the date of approval by the department, approval shall be withdrawn, except that when a district shows to the satisfaction of the department that the contract has not been let for reasons beyond its control or that withdrawal of approval would work undue hardship, the department may grant extensions beyond the ten-months period for two periods of sixty days each before approval is withdrawn. A project for which approval is withdrawn may be resubmitted to the Department as a new project.

Section 2578. Payments.—(a) Payments to a school district shall be determined and approved by the Department of Public Instruction. The amount so approved shall be included in and be payable from any future appropriations made to the Department of Public Instruction.

(b) All payments due school districts by the Commonwealth on account of obligations to the State Public School Building Authority, sinking fund charges, or rentals under leases with municipality authorities for building or educational equipment for area technical schools, shall be paid to the county board of school directors operating the school. School districts not originally parties to an agreement with the State Public School Building Authority or a lease with a municipality authority for buildings or educational equipment for an area technical school but later electing to participate in the operation of the school and agreeing to pay a part of the annual payments due under the agreement or lease shall be entitled to payments by the Commonwealth to the same extent as though they had originally been parties to the agreement or lease. The amount thereof shall be paid to the county board of school directors. No payments shall be made on account of obligations or rentals for buildings or educational equipment for area technical schools unless the schools conform to county-wide plans prepared by the county board of school directors and approved by the State Board for Vocational Education.

Section 2579. Inspection of Projects by Department of Public Instruction.—The Department of Public Instruction shall inspect, during construction, the work performed by or under contract with a municipality authority, nonprofit corporation, or school district, on all projects for the rental or sinking fund charge of which the Commonwealth will make reimbursement, and shall compel compliance with approved plans.

Section 2580. Changes in the Amount of Lease Rentals.—Reimbursements to school districts on account of rental payments in excess of the amount specified in the lease between the school districts and the State Public School Building Authority or any municipality authority or nonprofit corporation or in the case of refinancing on account of rental payments provided by a renegotiated lease shall be calculated in the same manner as the specified lease rental.

Appropriation.

Section 3. The sum of four hundred five thousand dollars (\$405,000), or as much thereof as is necessary, is appropriated to the Department of Public Instruction for the two fiscal years ending May 31, 1957, to carry out the provisions of this act.

Act effective immediately.

Section 4. This act shall take effect immediately.

APPROVED—The 22nd day of March, A. D. 1956.

GEORGE M. LEADER

No. 418

AN ACT

Amending the act of July twenty-nine, one thousand nine hundred fifty-three (Appropriation Acts *1953 No. 24-A), entitled "An act making an appropriation to the Department of Mines for the sealing and dewatering of and extinguishment of fires in abandoned coal mines," authorizing the use of the funds for flushing mine voids in certain cases.

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

Section 1, act of July 29, 1953, Appropriation Acts 1953, No. 24-A, amended.

Section 1. Section one, act of July twenty-nine, one thousand nine hundred fifty-three (Appropriation Acts **1953 No. 24-A), entitled "An act making an appropriation to the Department of Mines for the sealing and dewatering of and extinguishment of fires in abandoned coal mines," is amended to read:

Section 1. The sum of one million five hundred thousand dollars (\$1,500,000), or as much thereof as may be

* "19" in original.

** "19" in original.