

No. 96

AN ACT

HB 2287

Amending the act of March 10, 1949 (P. L. 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," increasing minimum salaries of professional employes; providing for additional compensation for graduate credits; authorizing revision of budgets and temporary loans; and further providing for payments to school districts.

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

Section 1. Section 1142, act of March 10, 1949 (P. L. 30), known as the "Public School Code of 1949," amended December 9, 1965 (P. L. 1057), is amended to read:

Section 1142. Minimum Salaries and Increments.—(a) Except as hereinafter otherwise provided, all school districts and vocational school districts shall pay all regular and temporary teachers, supervisors, directors and coordinators of vocational education, psychologists, teachers of classes for exceptional children, supervising principals, vocational teachers, and principals in the public schools of the district the minimum salaries and increments for the school [year 1965-1966] year 1968-1969 and each school year thereafter, as provided in the following tabulation in accordance with the column in which the professional employe is grouped and the step which the professional employe has attained [by agreement or] by years of experience within the school district [whichever is higher,] each step after step 1 constituting one year of service. When a school district, by agreement, places a professional employe on a step in the salary scale, each step thereafter shall constitute one year of service. When a district adopts a salary scale in excess of the mandated scale, it shall not be deemed to have altered or increased the step which the employe has gained through years of service.

(b) Professional employes shall be grouped in the following columns:

[Class 1.] Class A. Teachers holding a standard certificate valid for the subject or grades in which the teacher is giving instruction.

[Class 2.] Class B. Teachers holding a college certificate valid for the subjects or grades in which the teacher is giving instruction.

[Class 3. Teachers holding a Master's Degree and who also hold a college certificate valid for the subjects or grades in which the teacher is giving instruction.

Class 4.] Class C. Teachers of classes approved by the Department of Public Instruction for exceptional children holding a standard certificate valid for the subjects or grades in which the teacher is giving instruction.

[Class 5.] Class D. Teachers of classes approved by the Department of Public Instruction for exceptional children holding a college certificate valid for the subjects or grades in which the teacher is giving instruction.

[Class 6. Teachers of classes approved by the Department of Public Instruction for exceptional children holding a Master's Degree and who also hold a college certificate valid for the subjects or grades in which the teacher is giving instruction.

Class 7.] Class E. Supervisors, directors and coordinators of vocational education, who devote one-half or more of their time to supervision of instruction, and psychologists, holding a standard or college certificate.

[Class 8. Such supervisors, directors and coordinators of vocational education, who devote one-half or more of their time to supervision of instruction, and psychologists, holding a Master's Degree.

Class 9.] Class F. Principals, who devote one-half or more of their time to supervision and administration and having less than twenty (20) teachers under their supervision, who hold a standard certificate, or college certificate. [or Master's Degree.

Class 10.] Class G. Such principals, having twenty (20) or more teachers under their supervision, but less than forty (40), and who hold a standard certificate, or college certificate. [or Master's Degree.

Class 11.] Class H. Such principals, having forty (40) *or more* teachers under their supervision, but less than sixty (60), and who hold a standard certificate, or college certificate. [or Master's Degree.

Class 12.] Class I. Such principals, having sixty (60) or more but less than eighty (80) teachers under their supervision, and who hold a standard certificate, or college certificate. [or Master's Degree.

Class 13.] Class J. Such principals, having eighty (80) or more teachers under their supervision, and who hold a standard certificate, or college certificate. [or Master's Degree.

Class 14. Supervising principals, having less than twenty (20) teachers under their supervision, and who hold a standard certificate, college certificate or Master's Degree.

Class 15.] Class K. Supervising principals, having [twenty (20) or more] less than forty (40) teachers under their supervision, [but less than forty (40),] and who hold a standard certificate, or college certificate. [or Master's Degree.

Class 16.] Class L. Supervising principals, having forty (40) or more teachers under their supervision, but less than sixty (60), who hold a standard certificate, or college certificate, [or Master's Degree.

Class 17.] Class M. Supervising principals, having sixty (60) or more but less than eighty (80) teachers under their supervision, and who hold a standard certificate, or college certificate. [or Master's Degree.

Class 18.] Class N. Supervising principals, having eighty (80) or more but less than one hundred (100) teachers under their supervision, and who hold a standard certificate or college certificate. [or Master's Degree.

Class 19.] Class O. Supervising principals, having one hundred (100) or more teachers under their supervision, and who hold a standard certificate or college certificate. [or Master's Degree.

Class 20.] Class P. Vocational teachers, holding a standard or college certificate valid for the subjects or grades in which the teacher is giving instruction, and who is employed for the entire calendar year because of seasonal activities.

[(c) Minimum Salary Schedule

	1	2	3	4	5	6	7	8	9	10
K			7500			7700				
J			7200			7400				
I		6900	6900		7100	7100		8150		
H	6600	6600	6600	6800	6800	6800	7850	7850		
G	6300	6300	6300	6500	6500	6500	7550	7550	7950	8450
F	6000	6000	6000	6200	6200	6200	7250	7250	7650	8150
E	5700	5700	5700	5900	5900	5900	6950	6950	7350	7850
D	5400	5400	5400	5600	5600	5600	6650	6650	6950	7450
C	5100	5100	5100	5300	5300	5300	6350	6350	6550	7050
B	4800	4800	4800	5000	5000	5000	6050	6050	6150	6650
A	4500	4500	4500	4700	4700	4700	5750	5750	5750	6250

	11	12	13	14	15	16	17	18	19	20
I										8150
H										7850
G	8950	9450	9950	9350	9850	10350	10850	11350	11850	7550
F	8650	9150	9650	9050	9550	10050	10550	11050	11550	7250
E	8350	8850	9350	8750	9250	9750	10250	10750	11250	6950
D	7950	8450	8950	8250	8750	9250	9750	10250	10750	6650
C	7550	8050	8550	7750	8250	8750	9250	9750	10250	6350
B	7150	7650	8150	7250	7750	8250	8750	9250	9750	6050
A	6750	7250	7750	6750	7250	7750	8250	8750	9250	5750

(d) Principals, supervising principals and vocational teachers grouped in columns nine (9) through twenty (20) inclusive, holding a Master's Degree, shall receive thereafter two (2) additional service increments of three hundred dollars (\$300) each.]

(c) Minimum Salary Schedule for the 1968-1969 school year:

	A	B	C	D	E	F	G	H
10		8100		8300				
9	7800	7800	8000	8000	9050			
8	7500	7500	7700	7700	8750	9450	9950	10450
7	7200	7200	7400	7400	8450	9150	9650	10150
6	6900	6900	7100	7100	8150	8850	9350	9850
5	6600	6600	6800	6800	7850	8550	9050	9550
4	6300	6300	6500	6500	7550	8150	8650	9150
3	6000	6000	6200	6200	7250	7750	8250	8750
2	5700	5700	5900	5900	6950	7350	7850	8350
1	5400	5400	5600	5600	6650	6950	7450	7950

	I	J	K	L	M	N	O	P
10								9350
9								9050
8	10950	11450	11650	12150	12650	13150	13650	8750
7	10650	11150	11350	11850	12350	12850	13350	8450
6	10350	10850	11050	11550	12050	12550	13050	8150
5	10050	10550	10750	11250	11750	12250	12750	7850
4	9650	10150	10250	10750	11250	11750	12250	7550
3	9250	9750	9750	10250	10750	11250	11750	7250
2	8850	9350	9250	9750	10250	10750	11250	6950
1	8450	8950	8750	9250	9750	10250	10750	6650

(d) Subsequent Minimum Salary Schedule

	A	B	C	D	E	F	G	H
13		9600		9800				
12	9300	9300	9500	9500	10550			
11	9000	9000	9200	9200	10250	11550	12050	12550
10	8700	8700	8900	8900	9950	11250	11750	12250
9	8400	8400	8600	8600	9650	10950	11450	11950
8	8100	8100	8300	8300	9350	10550	11050	11550
7	7800	7800	8000	8000	9050	10150	10650	11150
6	7500	7500	7700	7700	8750	9750	10250	10750
5	7200	7200	7400	7400	8450	9350	9850	10350
4	6900	6900	7100	7100	8150	8950	9450	9950
3	6600	6600	6800	6800	7850	8550	9050	9550
2	6300	6300	6500	6500	7550	8150	8650	9150
1	6000	6000	6200	6200	7250	7750	8250	8750

	I	J	K	L	M	N	O	P
13								10850
12								10550
11	13050	13550	14350	14850	15350	15850	16350	10250
10	12750	13250	14050	14550	15050	15550	16050	9950
9	12450	12950	13750	14250	14750	15250	15750	9650
8	12050	12550	13250	13750	14250	14750	15250	9350
7	11650	12150	12750	13250	13750	14250	14750	9050
6	11250	11750	12250	12750	13250	13750	14250	8750
5	10850	11350	11750	12250	12750	13250	13750	8450
4	10450	10950	11250	11750	12250	12750	13250	8150
3	10050	10550	10750	11250	11750	12250	12750	7850
2	9650	10150	10250	10750	11250	11750	12250	7550
1	9250	9750	9750	10250	10750	11250	11750	7250

(e) In the case of any professional employe or temporary professional employe who holds a Master's Degree or its equivalent, two (2) additional steps of three hundred dollars (\$300) each shall be added to his class.

[(e)] (f) The mandated salaries provided in this section shall be applicable to all professional and temporary professional employes within their respective class. The annual salaries payable under this section for the school [year 1965-1966] year 1968-1969, and each school year thereafter, shall include an annual service increment for service in the school district during the previous school year by advancing the salary of the professional or temporary professional employe [to the next higher] at least one full step on the minimum salary schedule [from the step attained by the employe in the previous school year] or to the step [in] on which he [was] is entitled to be placed by virtue of years of experience within the school district, whichever is higher.

[(f) Where the difference between the salary earned by a professional or temporary professional employe for the school year 1964-1965 and the salary to which such employe is entitled in accordance with the foregoing provisions of this section exceeds nine hundred dollars (\$900), such employe shall be paid for the school year 1965-1966 an amount at least nine hundred dollars (\$900) in excess of the salary paid in the previous year, and such employe shall receive for the school year 1966-1967 and thereafter, not less than the full minimum salary provided under the foregoing provisions of this section.]

(g) Any professional employe or temporary professional employe who holds a Master's Degree or its equivalent shall be placed on a step which shall be at least three hundred dollars (\$300) in addition to the minimum salary of an employe who holds a college certificate and who does not hold a Master's Degree and who has the same number of years of service in the district.

Section 2. Section 1144 of the act, amended August 1, 1963 (P. L. 466), is amended to read:

Section 1144. Additional Increments for College Certificate or Master's Degree.—Any professional employe or temporary professional employe, who, during the term of his employment, shall receive a college certificate or shall earn a Master's Degree, shall, commencing with the next succeeding school term, be entitled to the compensation prescribed for his new status, which shall be at least three hun-

dred dollars (\$300) in excess of the annual service increment earned by him during the previous year.

Any temporary professional employe who holds a Master's Degree at the time of his initial employment in the public schools of this Commonwealth shall receive, commencing with the second year of service, compensation of at least three hundred dollars (\$300) in excess of that to which such employe would otherwise be entitled.

Section 3. Clauses (8), (9), (10), (12) and (15) of section 2501 of the act, clause (8) added July 13, 1957 (P. L. 864), clause (9) amended February 1, 1966 (P. L. 1642), clause (10) amended October 21, 1965 (P. L. 601) and clauses (12) and (15), added February 1, 1966 (P. L. 1642), are amended to read:

Section 2501. Definitions.—For the purposes of this article the following terms shall have the following meanings:

* * *

[(8) "Capital Account Reimbursement Fraction." The Department of Public Instruction shall compute the capital account reimbursement fraction of each school district annually in the month of December.

The capital account reimbursement fraction of each school district shall be computed (i) by subtracting from four thousand five hundred dollars (\$4500), an amount to be 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); and (ii) in the case of payments for every lease or contract entered into or approved by the Superintendent of Public Instruction prior to August 26, 1953, and in the case of payments for every lease approved by the Department of Public Instruction on or after August 26, 1953, but prior to March 22, 1956, if the quotient obtained in (i) above is greater than five thousand nine hundred ninety-nine ten-thousandths (.5999), by multiplying the quotient obtained in (i) above by itself, or if the quotient obtained in (i) above is less than six thousand ten-thousandths (.6000), by multiplying the quotient obtained in (i) above by fifty one-hundredths (.50): Provided, That if the quotient obtained in (i) above is negative, it shall be treated as zero (0), or (iii) in the case of payments on account of buildings for which the lease is approved on or after March 22, 1956, or in the case of payments on account of the incurring of indebtedness by the issuance of general obligation bonds on account of buildings for which the general construction contract is awarded on or after March 22, 1956, if the quotient obtained in (i) above is greater than four thousand nine hundred ninety-nine ten-thousandths (.4999), by multiplying the quotient obtained in (i) above by itself, or if the quotient obtained in (i) above is less than five thousand ten-thousandths (.5000), by multiplying the quotient obtained in (i) above by itself and by fifty one-hundredths (.50) and adding the product to the quotient obtained in (i) above multiplied by

twenty-five one-hundredths (.25) : Provided, That if the quotient obtained in (i) above is negative, it shall be treated as zero (0).]

(9) "Valuation." A school district's or vocational school district's valuation, to be used for purposes of computing the basic account standard reimbursement fraction, the subsidiary account reimbursement fraction, [the capital account reimbursement fraction] and the aid ratio shall be the valuation placed upon its taxable real property by the State Tax Equalization Board.

(10) "Number of District Teaching Units for Purposes of Determination of Basic Account Standard Reimbursement Fraction, and Subsidiary Account Reimbursement Fraction [and Capital Account Reimbursement Fraction]." A school district's or vocational school district's number of district teaching units for purposes of determination of the basic account standard reimbursement fraction and the

subsidiary account reimbursement fraction [and the capital account reimbursement fraction] shall be obtained as follows: (i) divide by twenty-two (22) the number of district pupils in average daily membership in a public high school and in high school grades of a laboratory school of a State-owned college during the preceding school term, (ii) divide by thirty (30) the number of district pupils in average daily membership in a public elementary school and laboratory school of a State-owned college during the preceding school term, and (iii) add the quotients obtained under (i) and (ii) above, except when the pupil-teacher ratio exceeds thirty-three (33), in which case, the sum obtained under (i) and (ii) above shall be multiplied by thirty-three (33) and the product so obtained shall be divided by the pupil-teacher ratio of the district. No school district or vocational school district shall be credited with less than one teaching unit. No school district or vocational school district shall be assigned a basic account standard reimbursement fraction lower in value than the minimum instruction subsidy divided by the maximum instruction subsidy. All one-room schools operated in accordance with the provisions of this act shall, if their operation is approved, be credited with at least one teaching unit. The State Board of Education shall withhold its approval of any one-room one-teacher school, unless (i) topography, distance or condition of roads are such as to make transportation of pupils impractical, or (ii) it is impossible to accommodate pupils in existing graded schools in the district or other districts, or (iii) the district is financially unable to construct a consolidated school.

* * *

(12) "State's Share of Total Cost." For the school year 1966-1967 and each school year thereafter, the State's share of total reimbursable cost shall be fifty percent (50%). Total reimbursable cost shall be the lesser of actual expense per WADM as defined in clause (11.1) or a maximum amount to be fixed by the General Assembly from time to time to represent the estimated average actual expense per WADM in the year for which the reimbursement is to be payable. For the school

year [1966-1967] commencing the first day of July within the year of the effective date of this amendment and each school year thereafter, the maximum amount shall be [four hundred dollars (\$400).] five hundred fifty dollars (\$550). The Superintendent of Public Instruction annually shall calculate the State average "actual instruction expense per weighted average daily membership" and shall supply the same to the General Assembly [in order to determine] to assist the General Assembly in evaluating the adequacy of such maximum amount.

* * *

(15) "Minimum Subsidy." In no case shall a district receive for each pupil in weighted average daily membership, an amount less than [forty dollars (\$40) per weighted average daily membership.] ten percent (10%) of the actual cost of instruction or fifty-five dollars (\$55) whichever is the lesser amount.

* * *

Section 4. Subsections (d) and (f) of section 2502 and section 2502.3 of the act, added February 1, 1966 (P. L. 1642), are amended and ¹ section ² 2502 is amended by adding at the end thereof a new subsection to read:

Section 2502. Payments on Account of Instruction.—

* * *

(d) For the school year [1966-1967] commencing the first day of July within the year of the effective date of this amendment and each school year thereafter, each school district shall be paid by the Commonwealth on account of instruction of the district's pupils an amount to be determined by multiplying the aid ratio times the actual instruction expense per weighted average daily membership or by [four hundred dollars (\$400).] five hundred fifty dollars (\$550), whichever is less, and by the weighted average daily membership for the district. For the school year 1967-1968 and each school year thereafter, each school district shall be paid by the Commonwealth on account of instruction of the district's pupils an amount to be determined by multiplying the aid ratio times the actual instructional expense per weighted average daily membership, or by five hundred fifty dollars (\$550), whichever is less. Each school district qualifying for density and sparsity payments under section 2501, (16) or (17), shall be

¹ "the" in original.

² "2502" not in original.

paid by the Commonwealth on account of instruction of the district's pupils an amount to be determined by decreasing the actual instructional expense per weighted pupils in average daily membership (WADM) by the amount of the density or sparsity payments per WADM (except where payments are made to school districts with a WADM in excess of fifty thousand (50,000) where there shall be no decrease) but in no case shall the amount of the remainder be less than four hundred dollars (\$400) per WADM, and then by multiplying the remainder by the aid ratio and then by the WADM of the district provided that the remainder upon which payment is calculated shall not be less than four hundred dollars (\$400) nor more than five hundred fifty dollars (\$550).

* * *

(f) For the school year [1966-1967,] commencing the first day of July within the year of the effective date of this amendment, and each school year thereafter, each school district so entitled shall be paid, in addition to any other subsidy to which it is entitled, an amount for density or sparsity of population. [This] Except as provided below, this amount shall be paid on account of [excess] expenditures in excess of four hundred dollars (\$400) per weighted average daily membership, not to exceed for the school year 1966-1967 one hundred dollars (\$100), for the school year 1967-1968 one hundred fifty dollars (\$150), for the school year 1968-1969 two hundred dollars (\$200), for the school year 1969-1970 and each school year thereafter two hundred fifty dollars (\$250) [in excess of four hundred dollars (\$400),], an amount to be determined by multiplying the excess expenditures by the aid ratio or by three hundred seventy-five thousandths (.375) whichever is greater, and by the number of weighted average daily membership, such amount to be in addition to any other payment for such pupils: Provided, however, a school district entitled to additional payment for density or sparsity of population may, in lieu of the above payment, elect for any school year to be paid and the Commonwealth shall pay such additional entitlement on account of excess expenditures per weighted average daily membership in excess of four hundred dollars (\$400) a sum of thirty dollars (\$30) per weighted average daily membership, such amount to be in addition to any other payments for such pupils.

The payment for the density factor for those qualifying school

districts with a WADM in excess of fifty thousand (50,000) shall be the actual cost of instruction per WADM multiplied by fifteen percent (15%) and by the WADM of the district.

(g) It is hereby stated to be the objective of the Commonwealth to provide to each child educated in the schools of Pennsylvania, a minimum education of four hundred dollars (\$400) per pupil in weighted average daily membership.

To this end, and except as hereinafter provided, for the first school year within the year of the effective date of this amendment only, each district whose actual cost of instruction per weighted average daily membership is less than four hundred dollars (\$400), shall receive an additional payment (provided such amount is positive) by subtracting from the product of four hundred dollars (\$400) times the WADM, the sum of the payment provided in section 2502 (d) plus the payment for poverty under section 2502.3 and the product of the most recent market value of the district as released by the State Tax Equalization Board multiplied by twelve and thirty-eight one-hundredths mills (.01238). Any district qualifying for a payment under this subsection shall not be entitled to receive payments under clauses (16) and (17) of section 2501.

Section 2502.3. Payments on Account of Poverty.—For the school year 1966-1967, and each school year thereafter, each school district shall be paid, in addition to any other subsidy to which it is entitled, an amount on account of children of low income families equal to the sum of (1) the number of children aged five (5) to seventeen (17) years, inclusive, in the district of families having an annual income of less than two thousand dollars (\$2,000), and (2) the number of children aged five (5) to seventeen (17) years, inclusive, in such district of families having an annual income in excess of two thousand dollars (\$2,000) which receive Commonwealth payments on account of dependent children under title (iv) of the Federal Social Security Act, multiplied by [ninety dollars (\$90).] one hundred and twenty dollars (\$120).

The Superintendent of Public Instruction shall determine the number of children under clauses (1) and (2) of this section from the most recent satisfactory data available in the same manner as pro-

vided under the Federal Elementary and Secondary Education Act of 1965.

Section 5. Section 2511 of the act is repealed.

Section 6. The first paragraph of section 2541 of the act, amended February 1, 1966 (P. L. 1642), is amended to read:

Section 2541. Payments on Account of Pupil Transportation.—School districts shall be paid by the Commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Public Instruction, in the cases hereinafter enumerated, an amount to be determined by multiplying the cost of approved reimbursable pupil transportation incurred by the district by the district's aid ratio. In addition thereto, the Commonwealth shall pay to each district qualifying a payment for excessive cost of transportation, said amount to be determined by subtracting from the cost of the approved reimbursable transportation the sum of the Commonwealth transportation payment immediately above, plus the product of one-half mill (0.0005) times the latest market value of the district as determined by the State Tax Equalization Board, provided such amount is not negative. In addition thereto, the Commonwealth shall pay to school districts which own their own vehicles, an annual depreciation charge of ten per centum (10%), to be calculated on the basis of the approved cost at which the district acquired the vehicle for which depreciation is claimed. With respect to vehicles purchased prior to January 1, 1956, the number of depreciation payments shall be limited to ten such payments. With respect to vehicles purchased on or after January 1, 1956, the annual depreciation charge shall not exceed seven hundred dollars (\$700) for such vehicles. The number of annual depreciation charges shall be limited, so that the total amount of such payments shall not exceed the cost of the vehicle as approved by the Department of Public Instruction at the time of the purchase. In no case shall the Commonwealth pay, in depreciation charges, more than ten thousand five hundred dollars (\$10,500) for any one vehicle.

* * *

Section 7. Section 2572 of the act, amended July 13, 1957 (P. L. 864), is amended to read:

Section 2572. State Public School Building Authority and Municipality Authority and Nonprofit Corporation Leases Heretofore Approved.—(a) The Commonwealth shall pay annually to each school district 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, and 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 non-profit corporation, for the rental of a school building or buildings or providing educational equipment, an amount to be determined by multiplying the school district's capital account reimbursement fraction computed for the year 1967 or aid ratio whichever is larger

by the annual rental charge as fixed by the State Public School Building Authority, or by the annual rental or share thereof provided for under its lease with such municipality authority or non-profit corporation, as the case may be.

(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 March 22, 1956, and 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 March 22, 1956, with a municipality authority or with a non-profit corporation for the rental of a school building or buildings, an amount to be determined by multiplying the school district's capital account reimbursement fraction computed for the year 1967 or aid ratio

whichever is larger by that portion of the annual rental charge or share thereof provided for under its lease with the State Public School Building Authority or municipality authority or non-profit corporation, as the case may be, 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.

Section 8. Clause (3) of subsection (b), clause (3) of subsection (c), and subsection (e) of section 2574 of the act, clause (3) of subsection (b) and clause (3) of subsection (c) added, and subsection (e) amended, February 1, 1966 (P. L. 1642), are amended to read:

Section 2574. Approved Reimbursable Rental For Leases Hereafter Approved and Approved Reimbursable Sinking Fund Charges on Indebtedness.—

* * *

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

* * *

(3) The provisions of clause (2) of subsection (b) hereof shall apply to all school building projects for which the general construction contract is awarded prior to July 1, 1966, and for approved school building projects for which a lease was approved by the Department of Public Instruction prior to July 1, 1966. For school buildings for which the general construction contract is awarded subsequent to July 1, 1966 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 July 1, 1966, 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 six hundred dollars (\$1600)] two thousand three hundred dollars (\$2300) in the case of elementary schools, (ii) [two thousand three hundred dollars (\$2300)] three thousand dollars (\$3000) 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 six hundred dollars (\$1600)] two thousand three hundred dollars (\$2300) and the rated secondary pupil capacity by [two thousand three hundred dollars (\$2300)] three thousand dollars (\$3000) 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

* * *

(3) The provisions of clause (2) of subsection (c) hereof shall apply to all school building projects for which the general construction contract is awarded prior to July 1, 1966 and for approved school building projects for which a lease was approved by the Department of Public Instruction prior to July 1, 1966. For school buildings for which the general construction contract is awarded subsequent to July 1, 1966 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 July 1, 1966, 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 six hundred dollars (\$1,600)] two thousand three hundred dollars (\$2300) in the case of elementary schools, (ii) [two thousand three hundred dollars (\$2300)] three thousand dollars (\$3000) 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 six hundred dollars (\$1600)] two thousand three hundred dollars (\$2300) and the rated secondary pupil capacity of the altered or expanded building by [two thousand three hundred dollars (\$2300)] three thousand dollars (\$3000) 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.

* * *

(e) For area vocational-technical school and technical institute projects leased subsequent to July 1, 1964, by or for lease to a board of school directors authorized to operate such a school, the Department of Public Instruction shall calculate an approved reimbursable rental charge.

For area vocational-technical school and technical institute projects constructed or purchased subsequent to July 1, 1964, by a board of school directors authorized to operate such a school, the Department of Public Instruction may calculate an approved reimbursable sinking fund charge.

Approved reimbursable rental or sinking fund charge shall consist of that part of the annual rental or sinking fund attributable to:

(1) Cost of acquiring land and preparing it for use to the extent that such costs are deemed reasonable by the Department of Public Instruction and the interest on such cost of acquisition, cost of preparation and the cost of sewage treatment and the interest on such cost.

(2) Machinery, apparatus, furniture and equipment and all other necessary expenses and interest charges, but excluding architects' fees in excess of six percent of the construction cost.

The approved building construction cost and the interest on such construction cost shall not exceed the product of the rated full-time pupil capacity, as determined by the Department of Public Instruction at the time the project is approved and two thousand two hundred dollars (\$2,200).

The provisions of the foregoing paragraph shall apply to all school building projects for which the general construction contract is awarded prior to July 1, 1966, and for approved school building projects for which a lease was approved by the Department of Public Instruction prior to July 1, 1966. For school buildings for which the general construction contract is awarded subsequent to July 1, 1966, 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 July 1, 1966, the approved building construction cost and the interest on such construction cost shall not exceed the product of the rated full-time pupil capacity, as determined by the Department of Public Instruction at the time the project is approved, and [three thousand dollars (\$3000)] three thousand seven hundred dollars (\$3700).

The Department of Public Instruction shall not approve the expenditure of any funds borrowed or obtained by the sale of bonds by any authority, nonprofit corporation, profit corporation, company or individual for construction of area vocational-technical schools or technical institutes for bleachers, athletic field, lighting equipment

or apparatus used to promote and conduct interscholastic athletics.

Section 9. Section 2575 of the act, amended August 14, 1963 (P. L. 1065), is amended to read:

Section 2575. Payments on Account of Leases Hereafter Approved and on Account of Sinking Fund Charges on Indebtedness for School Buildings Hereafter Constructed.—(a) 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, section 758 of the Public School Code of 1949, or section 791 of the Public School Code of 1949, on account of buildings for which the lease is approved on or after March 22, 1956, 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 on or after March 22, 1956, an amount to be determined by multiplying the district's capital account reimbursement fraction computed for the year 1967 or aid ratio whichever is larger by the approved reimbursable rental or approved reimbursable sinking fund charge.

(b) The Commonwealth shall pay, annually, to each school district which constructs, purchases or leases with the approval of the Department of Public Instruction an area vocational-technical school building or technical institute building or which shares in the construction, purchase or lease of such building or buildings under provisions of the Public School Building Authority Act, the Municipality Authority Act, section 758 of the Public School Code of 1949, or section 791 of the Public School Code of 1949, or other agency, or through the incurring of indebtedness by the issuance of general obligation bonds, an amount to be determined by multiplying the district's [capital account reimbursement fraction] aid ratio or fifty per cent, whichever is more, by the approved reimbursable rental approved reimbursable sinking fund charge multiplied by the district's proportionate share of such rental sinking fund charge.

[The capital account reimbursement fraction of each school district to be used in determining reimbursement payable to a school district on account of the annual rental or sinking fund charge for area vocational-technical schools shall be computed by subtracting from four thousand five hundred dollars (\$4,500) an amount to be determined by multiplying the school district's valuation per teaching unit by four one-thousandth (.004) and dividing the difference so obtained by four thousand five hundred dollars (\$4,500).]

Section 10. Section 2575.1 of the act, amended January 26, 1966 (P. L. 1591), is amended to read:

Section 2575.1. Payments on Account of Building Costs.—The Commonwealth shall pay to any school district making a preliminary payment on account of the approved building construction cost as authorized by section 783 or by clause (4) of section 790 or by clause

(5) of section 791 of this act, an amount determined by multiplying the district's capital account reimbursement fraction computed for the year 1967 or aid ratio whichever is larger by the amount of the payment made by the school district.

Whenever any school district provides the full payment on account of approved building construction cost without incurring debt, or without assuming a lease, the Commonwealth shall pay to such school district an amount determined by multiplying the district's capital account reimbursement fraction computed for the year 1967 or aid ratio whichever is larger by the amount of the payment made by the school district.

The payment required by this section shall be made for the year in which the school district made its payment on account of the approved building construction cost.

Section 11. Section 2578.1 of the act, added February 1, 1966 (P. L. 1642), is amended to read:

Section 2578.1. Payments to School Districts Because of Density Factor.—Beginning with the school year 1965-1966 and in each school year thereafter, to districts eligible under the density factor, payments on leases or sinking fund charges shall be no less than fifty percent (50%) of the approved reimbursable rental or sinking fund charge for a school building project [for which the general construction contract is awarded subsequent to the effective date of this amendatory act.]. Such payments shall be made annually, semi-annually or as may otherwise be required by the terms of any agreement entered into by the school district with the approval of the Superintendent of Public Instruction.

Section 12. Notwithstanding any other provisions of the "Public School Code of 1949," to which this is an amendment, the board of school directors or board of education of each school district is hereby authorized, for the school years 1968-1969, and thereafter to make such revisions in its budget as may be necessary to meet the salary payments provided in this act, and if necessary, to make temporary loans to provide the additional revenue required.

Section 13. During the 1968-1969 fiscal year, each school district shall be paid seven and one-half per cent (7½%) increase in its total basic instruction subsidy that is payable to the school district during 1968-1969 on account of the 1967-1968 year of operation. The total basic instructional subsidy, as used here, shall include the basic subsidy, the guarantee, the density-sparsity factor (exclusive of capital) and poverty moneys or a sum equal to three hundred dollars (\$300) times the number of professional or temporary employes employed by the school district. The selection of the option shall be made by each school board. In the case of school districts operating joint schools or departments under an approved joint agreement, the number of professional employes to be credited to each member school

district shall be determined by multiplying the number of professional employes of the joint school or department times the percentage assigned to each member district of the joint school or department as certified on the application for semi-annual payments for the school year 1968-1969. Upon receipt of such payments by the school districts, the funds received shall be allocated by the school districts exclusively for the adjustment and payment of a salary increase to bring each professional and temporary professional employe (as defined in subsection (b) of section 1142 of this act) to at least the minimum step on the salary schedule in subsection (c) of section 1142 of this act. In each school district the excess, if any, of the additional subsidy herein provided over the amount necessary to bring all professional and temporary professional employes to such minimum steps, shall be applied to increasing the salary and/or payment of increments of professional and temporary professional employes. Any school district which adopts or has adopted an increased salary schedule for the school year 1968-1969, may apply the additional subsidy herein provided to fund that increase.

Section 14. The provisions of section 2, that part of section 6 which concerns the time of payments to school districts, sections 12 and 13 of this act and the provisions of section 1 with the exception of subsection (d) of section 1142 of the act to which this is an amendment shall take effect immediately.

The amendment of subsection (d) of section 1142 and the provisions of sections 3, 4, 5, that part of section 6 which provides for payments on account of pupil transportation, sections 7, 8, 9 and 10 of this amendatory act shall take effect following the declaration by the Senate and the House of Representatives by concurrent resolution that sufficient funds for the Commonwealth's increased payments on account of instruction under section 2502, pupil transportation and increased reimbursable rentals and sinking fund charges under sections 2541 and 2574 as amended herein are available. Salary increases as provided in subsection (d) of section 1142 of the act to which this is an amendment and increased payments shall be payable in the year designated in the resolution. Increased payments shall be based upon the prior year's costs. Any deductions in payments on account of the provisions of section 5 shall commence at the same time.

APPROVED—The 12th day of June, A. D. 1968.

RAYMOND P. SHAFER.