

## No. 1992-85

## AN ACT

## SB 6

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 the use of increased State allocations, for payments on account of transportation of nonpublic school pupils, for payments on account of building costs, for limitation of certain payments, for payments to intermediate units, for special education payments, for extraordinary special education expenses and for certain payment guarantees; providing for a summer employment program for disadvantaged youth; and imposing powers and duties on the Department of Education.

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

Section 1. Section 687(g) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, added August 5, 1991 (P.L.219, No.25), is amended to read:

Section 687. Annual Budget; Additional or Increased Appropriations; Transfer of Funds.—\* \* \*

(g) (1) Notwithstanding any other provisions of this act, the board of school directors of each school district is required to, and shall, reopen its 1991-1992 budget during the month of August 1991 for the purposes of adjusting their budgets to reflect the following increased *State* allocations for fiscal year 1991-1992 provided by the General Assembly through the act of August 4, 1991 (P.L.484, No.7A), known as the "General Appropriation Act of 1991": subsidy payments on account of instruction; small district assistance payment; payments on account of transportation of nonpublic school pupils; *and* State reimbursement for health services; *and* local savings accruing as a result of decreases in employer retirement contribution rates].

(2) In those districts which levy taxes and where the [additional State revenues provided by the General Assembly and the local savings as a result of a decrease in employer retirement contribution rates] *increased State allocations* exceed the State revenue figures [and local revenues] utilized by the school district at the time of adoption of its original fiscal year 1991-1992 budget, the district shall use these [additional State funds] *increases in State allocations* to abate local property tax or nuisance taxes, or both, which were levied at the time of original budget adoption within sixty (60) days of the reopening of the district's budget. *Districts may implement such tax abatements in the form of tax credits against 1992-1993 tax bills or may use such increases in State allocations to reduce or retire outstanding school district indebtedness.*

(3) Those districts which levy taxes and in which the [additional State revenues generated as a result of passage of the "General Appropriation Act

of 1991,'] *increased State allocations*, when compared to State revenue figures utilized in their originally adopted budget, exceed the budgeted figures by an amount insufficient to cost-effectively prepare and mail adjusted tax notices shall apply to the Department of Education for a waiver of this tax rebate provision.

(4) *Districts that obtain waivers from the Department of Education shall use all the increased State allocations to meet fiscal year 1991-1992 program needs. Districts that do not obtain waivers from the Department of Education shall use all the increased State allocations to abate local tax levies. Districts that implement such tax abatement in the form of a credit against 1992-1993 tax bills may hold the increased State allocations in a reserve account or fund balance during the 1991-1992 fiscal year.* Under no *other* circumstances shall any of these [additional State revenues] *increased State allocations* be used to increase a district's existing fund balance or for deposit into any district reserve accounts [but shall be specifically utilized to meet fiscal year 1991-1992 program needs and to reduce local tax levies].

(5) At such time as school districts mail out adjusted tax notices resulting from 1991-1992 budget reopening actions, such notice shall include the following statement:

"These decreased school district tax assessments result from additional revenues allocated to the district as a result of passage of the 'General Appropriation Act of 1991' by the Pennsylvania General Assembly."

(6) The Department of Education shall establish the administrative procedures necessary to *implement and to* audit school district compliance with the provisions of this section and shall report its findings to the Education Committee of the Senate and the Education Committee of the House of Representatives.

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Section 2. The act is amended by adding sections to read:

*Section 1854. Summer Youth Employment Program.—In order to implement Federal emergency legislation for disadvantaged youth, the Department of Education, in cooperation with the Department of Labor and Industry, shall develop, implement and administer for fiscal year July 1, 1992, to June 30, 1993, a summer youth employment and training program that complies with Title II-B of the Federal Job Training Partnership Act (Public Law 97-300, 29 U.S.C. § 1501 et seq.). The General Assembly hereby appropriates for fiscal year July 1, 1992, to June 30, 1993, to the Department of Education, with the approval of the Governor, all additional Federal moneys made available to the Commonwealth under Title II-B of the Job Training Partnership Act for this purpose.*

*Section 2502.19. Limitation of Payments.—Notwithstanding any other provision of this article, for the 1991-1992 school year only, the Commonwealth shall pay to each school district an equalized subsidy for basic education (ESBE) which shall consist of the same ESBE payment made to the school district for the 1990-1991 school year.*

Section 3. Section 2509.1(c) of the act, amended August 5, 1991 (P.L.219, No.25), is amended and the section is amended by adding subsections to read:

Section 2509.1. Payments to Intermediate Units.—\*\*\*

*(b.1) On or before the last day of June, 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 current school year. The Commonwealth shall pay each intermediate unit the approved amount during the following school year.*

(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.

\* \* \*

*(g) 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.*

Section 4. Section 2509.3 of the act, amended August 5, 1991 (P.L.219, No.25), 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]. *For the school year 1984-1985 through the school year [1990-1991] 1989-1990*, each school district shall be paid the sum of seventy dollars (\$70) for each nonpublic school pupil transported, and for the school [year 1991-1992] *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 and for the school year 1992-1993 and each school year thereafter, each school district shall be paid the sum of one hundred fifty-nine dollars (\$159) for each nonpublic school pupil transported.

Section 5. Sections 2509.5, 2509.6 and 2509.8 of the act, added August 5, 1991 (P.L.219, No.25), are amended to read:

Section 2509.5. Special Education Payments to School Districts.—  
(a) This section applies to Commonwealth payments to school districts for the support of programs and services for exceptional children **[during the school year 1991-1992]**.

(b) During the 1991-1992 school year, [school districts] *each school district* shall be paid:

(1) an amount to be determined by multiplying five hundred twenty-five dollars (\$525) by seventeen percent (17%) of [the] *its* average daily membership [of resident pupils]; and

(2) an amount to be determined by multiplying seven thousand dollars (\$7,000) by one percent (1%) of [the] *its* average daily membership [of resident pupils].

(c) Payments to school districts pursuant to this section and any additional payments pursuant to sections 2509.6 and 2509.7 shall consist of an amount payable in six (6) installments as follows: in July, fifteen percent (15%) of the estimated amount due; in September, fifteen percent (15%) of the estimated amount due; in November, fifteen percent (15%) of the estimated amount due; in January, fifteen percent (15%) of the estimated amount due; in March, fifteen percent (15%) of the estimated amount due; and in June, the balance due, determined by subtracting the payments made during July, September, November, January and March from the special education payment earned by the school district.

Section 2509.6. Average Cost Guarantee.—(a) For the 1991-1992 school year, the dollars available to school districts for operating and administering classes for exceptional children shall be guaranteed at eight thousand five hundred five dollars (\$8,505) per average daily membership for special education programs and services offered by school districts during the 1990-1991 school year and ten thousand two hundred ninety dollars (\$10,290) per average daily membership for special education programs and services offered by the intermediate unit during the 1990-1991 school year.

(b) The dollars available to school districts for operating and administering classes for exceptional children shall be the sum of the following: total average daily membership for students receiving special education multiplied by the tuition charge pursuant to section 2561, plus the amount calculated pursuant to sections 2509(f) and 2509.5(b) and three times the district's payment to the Commonwealth for noninstitutionalized children's programs pursuant to section 2509.1(f). [The sum thus obtained shall be divided by the average daily membership for students reported in intermediate unit and school district special education programs during 1990-1991. The quotient obtained is the amount available per special education average daily membership.]

(c) [For each average daily membership in special education in 1990-1991, each school district shall receive from the Commonwealth the funds equal to the greater of subsection (a) or (b).] *If the actual dollars available to a school district, as calculated pursuant to subsection (b), are less than the total guaranteed dollars available to a school district pursuant to subsection (a), then the Commonwealth shall pay to such school district funds equal to the amount of the difference between the total guaranteed dollars available pursuant to subsection (a) and the actual dollars available pursuant to subsection (b).*

Section 2509.8. Extraordinary Special Education Program Expenses.—The Department of Education shall, for the 1991-1992 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 as approved by the Secretary of Education. 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 6. The act is amended by adding a section to read:

**Section 2509.9. Special Education Payments to Intermediate Units and School Districts for 1992-1993.**—*Notwithstanding any provision of this act to the contrary, special education payments during the 1992-1993 school year shall be made in the following manner:*

(1) *Payments to intermediate units shall be equal to amounts payable under section 2509.1(d) and shall be made in accordance with the schedule under section 2509.1(e) during the 1992-1993 school year.*

(2) *Payments to school districts shall be equal to those paid to school districts on account of special education services and paid during the 1991-1992 school year in accordance with the schedule under section 2509.5(c), excluding those payments made under section 2509(f).*

(3) *Payments to intermediate units and school districts shall be made only through December 31, 1992.*

*Under no circumstances shall any intermediate unit receive less than it received under section 2509.1(d) during the 1991-1992 school year, nor for the 1992-1993 school year shall any school district receive less than it received during the 1991-1992 school year, excluding payments to school districts under section 2509(f) by the end of the 1992-1993 school year.*

Section 7. Section 2575.1 of the act, amended June 12, 1968 (P.L.192, No.96), is amended to read:

Section 2575.1. Payments on Account of Building Costs.—(a) The Commonwealth shall pay to any school district making a preliminary payment on account of the approved building construction *or approved renovation* 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.

(b) Whenever any school district provides the full payment on account of approved building construction *or approved renovation* 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.

(c) 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 *or approved renovation* cost.

Section 8. The amendment or addition of sections 687(g), 2502.19, 2509.1(c), 2509.3, 2509.5, 2509.6, 2509.8 and 2509.9 of the act shall be retroactive to August 5, 1991.

Section 9. This act shall take effect as follows:

- (1) The amendment or addition of sections 687(g), 1854 and 2509.3 of the act shall take effect immediately.
- (2) The remainder of this act shall take effect in 60 days.
- (3) This section shall take effect immediately.

APPROVED—The 9th day of July, A. D. 1992.

ROBERT P. CASEY