
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **717** Session of
1961

INTRODUCED BY MESSRS. SEYLER, SILVERT, WAGNER,
HAYS, SILVERT, SHAFER, STROUP AND KALMAN,
MAY 31, 1961.

REFERRED TO SELECT COMMITTEE ON EDUCATION,
MAY 31, 1961.

AN ACT

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" changing the fiscal year of school districts changing the basis of reimbursement to school districts providing for payments on account of handicapped and gifted children and for the discontinuance of certain other payments to school districts

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken through is to be omitted from bill.
Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

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

1 Section 1 Section 651 of the act of March 10 1949 (P L 30) known
2 as the "Public School Code of 1949" is amended to read

3 Section 651 Fiscal Year In all school districts of the first class
4 the fiscal year shall begin on the first day of [January] July in each year

5 Section 2 Section 671 of the act amended September 26 1951
6 (P L 1464) is amended to read

7 Section 671 Fiscal Year In all school districts of the second third
8 and fourth class the fiscal year shall begin on the first [Monday] day
9 of July in each year [Provided That the board of school directors of
10 any district of the second class may by resolution adopted by two-thirds
11 vote of the members thereof at a meeting of the board after not less
12 than ten days' notice of the fact that such resolution would be pre-
13 sented for action at such meeting fix the fiscal year instead of the first
14 Monday of July as hereinabove provided]

15 Section 3 Sections 2501 and 2502 of the act are repealed

16 Section 4 The act is amended by adding from the beginning of
17 Article XXV the following two new sections to read

1 Section 2501.1 Definitions For the purpose of this article the fol-
2 lowing terms and phrases shall have the meanings ascribed to them

3 (1) "District Teaching Unit" shall mean a unit formed by twenty-
4 two (22) secondary pupils who are residents of the school district in
5 average daily membership during the preceding school term in a sec-
6 ondary school in the district or in another district or in a joint secondary
7 school of which the district is a member or in an area technical school
8 in which the district participates or in an approved special education
9 program or in a secondary school of an adjacent state or thirty (30)
10 elementary pupils or kindergarten pupils who are residents of the school
11 district in average daily membership during the preceding school term
12 in an elementary school in the district in another district or in a joint
13 elementary school of which the district is a member or in an approved
14 special education program or in an elementary school in an adjacent
15 state Fractions thereof shall be fractional teaching units If the pupil-
16 teacher ratio of a school district exceeds thirty-three (33) the teaching
17 units of such district shall be obtained by multiplying the total num-
18 ber of all teaching units as defined above by thirty-three (33) and
19 dividing the product so obtained by the pupil-teacher ratio of the dis-
20 trict

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1 (2) "Reimbursable Teaching Units" shall mean the number of
2 such units within a school district determined by adding the quotients
3 obtained by (i) dividing by twenty-two (22) the number of secondary
4 pupils who are residents of the district in average daily membership
5 during the preceding school term in a secondary school in the district
6 or in a joint secondary school of which the district is a member or in
7 an area technical school in which the district participates or in a special
8 education program (ii) dividing by thirty (30) the number of elementary
9 pupils who are residents of the district in average daily membership
10 during the preceding school term in an elementary school in the dis-
11 trict or in a joint elementary school of which the district is a mem-
12 ber or in a special education program (iii) dividing by twenty-six (26)
13 the number of pupils who are residents of the district in average daily
14 membership during the preceding school term in a secondary school of
15 another school district in the Commonwealth (iv) dividing by thirty-five
16 (35) the number of pupils who are residents of the school district in
17 average daily membership during the preceding school term in an
18 elementary school of another school district in the Commonwealth
19 except that beginning with the school term 1966-1967 secondary and
20 elementary pupils who are residents of the school district but who are

1 in average daily membership in the public schools of another school
2 district in the Commonwealth shall be counted in the same manner
3 as is provided herein for such pupils who are in average daily mem-
4 bership in the public schools of the district Fractions thereof shall be
5 fractional teaching units If the pupil-teacher ratio of a district exceeds
6 thirty-three (33) the teaching units of such district shall be obtained
7 by multiplying the total number of all teaching units as defined above
8 by thirty-three (33) and dividing the product so obtained by the pupil-
9 teacher ratio of the district

10 (3) "Incentive Teaching Unit" shall mean the unit equivalent de-
11 termined for any program conducted by a school district which has been
12 approved by the State Council of Education and for which reimburse-
13 ment is provided at the same rate as that which the district receives
14 for a reimbursable teaching unit

15 (4) "Secondary Pupils" shall mean those public school pupils
16 engaged in a secondary school program or an area technical school pro-
17 gram as classified by the Department of Public Instruction but in no
18 case shall include any pupils below grade seven Pupils in special edu-
19 cation programs who are thirteen (13) years of age or above shall be
20 classified as secondary pupils

1 (5) "Elementary Pupils" shall mean those public school pupils
2 engaged in an elementary school program as classified by the Depart-
3 ment of Public Instruction but in no case shall include kindergarten
4 pupils Pupils in special education courses who are below the age of
5 thirteen (13) years shall be classified as elementary pupils

6 (6) "Average Daily Membership" shall be computed in accordance
7 with the rules of procedure as established by the Department of Public
8 Instruction for the school term 1944-1945

9 (7) "Standard Reimbursement Fraction" shall mean the amount
10 determined annually for each school district by subtracting from one
11 hundred per cent (100%) the product obtained by multiplying by thirty-
12 five one-hundredths (.35) the quotient obtained by dividing the district's
13 market value per district teaching unit by the state-wide average mar-
14 ket value per district teaching unit However in no case shall a school
15 district have a standard reimbursement fraction lower in value than
16 the minimum instruction subsidy divided by the maximum reimburse-
17 ment limit

18 (8) "Market Value Per District Teaching Unit" shall mean the
19 value placed upon the taxable property within a school district by the

1 State Tax Equalization Board divided by the number of district teaching
2 units in the district

3 (9) "Minimum Instruction Subsidy" shall mean the least amount
4 which a school district shall be paid by the Commonwealth on account
5 of instruction expenses for each reimbursable teaching unit The mini-
6 mum instruction subsidy shall be one thousand dollars (\$1000)

7 (10) "Average Instruction Expense Per Teaching Unit" shall
8 mean the amount determined by the Department of Public Instruction
9 separately for each kind of reimbursable teaching unit of the school
10 district composed of elementary pupils educated in the district's public
11 schools secondary pupils educated in the district's public schools ele-
12 mentary pupils educated in joint-elementary schools of which the dis-
13 trict is a member secondary pupils educated in joint-secondary schools
14 in which the district is a member secondary pupils educated in area
15 technical schools in which the district participates elementary pupils
16 who are residents of the district and are educated in the public schools
17 of another school district within the Commonwealth and secondary
18 pupils who are residents of the district and are educated in the public
19 schools of another school district within the Commonwealth by taking
20 separately the total of the expenses of (i) and (ii) below of the school

1 district or of a joint school of which the district is a member or of an
2 area technical school in which the district participates or of another
3 school district in which pupils of the district are educated and dividing
4 each such total of expenses by the number of teaching units in such
5 school district or joint school or area technical school or other school
6 district based on the number of all pupils on an equivalent full time
7 basis in average daily membership in the public schools of the school
8 district or joint school or area technical school or public schools of
9 such other school district respectively Expenses shall mean expenses in-
10 curred in the current school year for (i) salaries actually paid to super-
11 intendents assistant superintendent principals other supervisory per-
12 sonnel and teachers but not including salaries paid to guidance counselors
13 librarians kindergarten teachers school nurses principals and assistants
14 of special education schools teachers of approved special education pro-
15 grams and (ii) instructional materials as defined by the State Council
16 of Education but not for any amounts in excess of eleven (11) per cent
17 of the expenses of (i) above

18 (11) "Maximum Reimbursement Limit" shall mean the maximum
19 amount of instruction expense per reimbursable teaching unit on the
20 basis of which the amount of reimbursement payments are computed

1 The maximum reimbursement limit shall be For the school year 1962-
2 1963 six thousand seven hundred dollars (\$6700) for the school year
3 1963-1964 seven thousand dollars (\$7000) for the school year 1964-1965
4 seven thousand four hundred dollars (\$7400) for the school year 1965-
5 1966 seven thousand eight hundred dollars (\$7800) for the school year
6 1966-1967 eight thousand one hundred dollars (\$8100) for the school
7 year 1967-1968 eight thousand five hundred dollars (\$8500) for the
8 school year 1968-1969 eight thousand nine hundred dollars (\$8900) for
9 the school year 1969-1970 nine thousand three hundred dollars (\$9300)
10 Provided That in the event that Federal monies shall at any time be
11 made available to the Commonwealth for school purposes the Superin-
12 tendent of Public Instruction may from time to time increase the ap-
13 plicable maximum reimbursement limit for payment to school districts
14 to an extent necessary to absorb the amount of any allocation of Fed-
15 eral monies so that "maximum reimbursement limit" as hereinabove
16 stated shall always have reference to payments made out of appropria-
17 tions of Commonwealth monies irrespective of any available Federal
18 monies

19 (12) "Capital Account Reimbursement Fraction" shall mean the
20 amount computed annually in the month of December by the Depart-

1 ment of Public Instruction in accordance with the following procedure
2 The capital account reimbursement fraction of each school district
3 shall be computed (i) by subtracting from four thousand five hundred
4 dollars (\$4500) an amount to be determined by multiplying the school
5 district's market value per district teaching unit by four one-thousandths
6 (.004) and dividing the difference so obtained by four thousand five
7 hundred dollars (\$4500) and (ii) in the case of payments for every lease
8 or contract entered into or approved by the Superintendent of Public
9 Instruction prior to August 26 1953 and in the case of payments for
10 every lease approved by the Department of Public Instruction on or
11 after August 26 1953 but prior to March 22 1956 if the quotient ob-
12 tained in (i) above is greater than five thousand nine hundred ninety-
13 nine ten-thousandths (.5999) by multiplying the quotient obtained in
14 (i) by itself or if the quotient obtained in (i) above is less than six
15 thousand ten-thousandths (.6000) by multiplying the quotient obtained in
16 (i) above by fifty one-hundredths (.50) Provided That if the quotient ob-
17 tained in (i) above is negative it shall be treated as zero (0) or (iii) in
18 the case of payments on account of buildings for which the lease is
19 approved on or after March 22 1956 or in the case of payments on
20 account of the incurring of indebtedness by the issuance of general ob-

1 ligation bonds on account of buildings for which the general con-
2 struction contract is awarded on or after March 22 1956 if the quotient
3 obtained in (i) above is greater than four thousand nine hundred ninety-
4 nine ten-thousandths (.4999) by multiplying the quotient obtained in (i)
5 above by itself or if the quotient obtained in (i) above is less than five
6 thousand ten-thousandths (.5000) by multiplying the quotient obtained
7 in (i) above by itself and by fifty one-hundredths (.50) and adding the
8 product to the quotient obtained in (i) above multiplied by twenty-five
9 one-hundredths (.25) Provided That if the quotient obtained in (i)
10 above is negative it shall be treated as zero (0)

11 Section 2501.2 Payments on Account of Instruction (a) Except as
12 otherwise provided in this section every school district shall be paid on
13 account of instruction an amount determined by adding the several
14 amounts obtained by multiplying severally (1) the number of reim-
15 bursable teaching units composed of (i) elementary pupils educated in
16 the district's public schools (ii) secondary pupils educated in the district's
17 public schools (iii) elementary pupils educated in joint-elementary
18 schools of which the district is a member (iv) secondary pupils educated
19 in joint-secondary in which the district is a member (v) secondary pupils
20 educated in area technical schools in which the district participates (vi)

1 elementary pupils who are residents of the district and are educated in
2 the public schools of another district in the Commonwealth and (vii)
3 secondary pupils who are residents of the district and are educated in
4 the public schools of another district in the Commonwealth by (2) the
5 respective average instruction expense for each such reimbursable teach-
6 ing unit and by (3) the district's standard reimbursement fraction

7 (b) If for any such kind of reimbursable teaching unit the average
8 instruction expense is less than six thousand two hundred dollars (\$6200)
9 per reimbursable teaching unit the school district shall be reimbursed
10 for teaching units of such kind on the basis of the minimum reimburs-
11 able limit which shall be six thousand two hundred dollars (\$6200)
12 per reimbursable teaching unit for the school year 1961-1962 and for
13 each school year thereafter unless the amount determined on the
14 basis of the minimum instruction subsidy per reimbursable teaching
15 unit shall be greater in which case the district shall be reimbursed on
16 the basis of the minimum reimbursement subsidy for each kind of re-
17 imbursable teaching unit

18 (c) No school district shall be reimbursed for that part of the
19 average instruction expense per reimbursable teaching unit which ex-

1 ceeds the maximum reimbursement limit per reimbursable teaching
2 unit

3 (d) Notwithstanding for foregoing provisions of this section when
4 because of sparsity of population roads or climactic conditions or lack of
5 other available high school facilities the State Council of Education has
6 approved the continued operation of a small high school the district shall
7 receive an amount based on a number of basic teaching units equal to
8 the number of teachers approved by the State Council of Education
9 as being required to provide a satisfactory educational program in such
10 school provided that the number of teachers employed is not less than
11 the number approved

12 (e) For the purpose of payments on account of instruction provided
13 in this section and under section 2509.1 on account of incentive teaching
14 units each school district annually in the month of August shall submit
15 to the Department of Public Instruction a report of the actual ex-
16 penses incurred by such district for the school year just ended together
17 with a budget of estimated expenses for the current year Each school
18 district shall be paid on account of such expenses in the year in which
19 such expenses are budgeted and incurred The amounts payable however
20 shall be determined on the basis of the district's teaching units and

1 reimbursable teaching units of the year preceding the one in which
2 such expenses are budgeted and incurred Annually in the month of
3 October each school district shall be paid fifty per cent (50%) of the
4 amounts payable on account of instruction expense as determined
5 from the budget of estimated expenses and annually in the month of
6 April shall be paid the remaining fifty per cent (50%) of such amounts
7 payable as determined from the budget of estimated expenditures The
8 amount payable in the month of October of each year for the current
9 school year shall be adjusted to correct underestimates or overestimates
10 of the budget in the preceding year upon which payments were made
11 to the school district

12 Section 5 Section 2502.1 of the act added July 13 1957 (P L 864)
13 as amended December 30 1959 (P L 2088) is amended to read

14 Section 2502.1 Supplemental Payments The following supple-
15 mental payments except as provided in subsection (f) and (g) of this
16 section shall be made to districts of the third and fourth classes to
17 certain districts of the first class A and of the second class as herein-
18 after provided and to such other districts as have been approved by the
19 Department of Public Instruction prior to July 1 1954 that are the

1 district of residence on account of pupils enrolled in elementary schools
2 or high schools operated by joint boards of which the district of resi-
3 dence is a member

4 (a) In the case of joint elementary or high schools operated by
5 school districts of the third and fourth class and to districts of the
6 second class approved by the Department of Public Instruction prior
7 to July 1 1954 five hundred dollars (\$500) per teaching unit multiplied
8 by the [subsidiary account] standard reimbursement fraction of the dis-
9 trict of residence

10 (b) The following supplemental payments shall be made on ac-
11 count of resident pupils enrolled in schools operated by union or
12 merged school districts of the third and fourth class

13 In the case of a union or merged school district of the third or fourth
14 class within or comprising an approved administrative unit eight hun-
15 dred dollars (\$800) per teaching unit multiplied by the [subsidiary ac-
16 count] standard reimbursement fraction

17 (c) In the case of area technical schools and in addition to the supple-
18 mental payments provided in (a) and (b) above the following payments
19 shall be made on account of pupils enrolled in area technical schools in
20 which the district of residence participates (1) eight hundred dollars

1 (\$800) per eleven thousand eight hundred eighty (11,880) class hours
2 membership or more for pupils attending part-time multiplied by the
3 [subsidiary account] standard reimbursement fraction or (2) eight hun-
4 dred dollars (\$800) per teaching unit for pupils attending full time
5 multiplied by the [subsidiary account] standard reimbursement fraction
6 (d) In the case of school districts of the second class which became
7 districts of that class as the result of the merger or the union of two or
8 more districts of the third class or two or more districts of the fourth
9 class or two or more districts of both classes in compliance with provisions
10 of a county plan for the reorganization of school administrative units
11 and attendance areas established by the county board of school directors
12 and approved by the State Council of Education and in the case of merged
13 and union districts which became or which hereafter become school dis-
14 tricts of the second class by virtue of population growth eight hundred
15 dollars (\$800) per teaching unit multiplied by the district's [subsidiary
16 account] standard reimbursement fraction and further in the case of
17 school districts which result from the merger or the union of a district of
18 the first class A or of a district of the second class subsequent to the
19 first Monday of July 1961 with one or more districts of the fourth class
20 during the first year that supplemental payments are payable eight hun-

1 died dollars (\$800) per teaching unit multiplied by twice the total num-
2 ber of teaching units reported by the third and fourth class district of
3 the third class or with one or more districts of such merged or union dis-
4 trict for the year immediately preceding the effective date of the merger
5 or the union and by the [subsidiary account] standard reimbursement
6 fraction of the district of residence for each year thereafter eight hun-
7 dred dollars (\$800) per teaching unit multiplied by the total number of
8 teaching units reported by such merged or union district less the number
9 of teaching units for which no payment was allowed on the first payment
10 and by the [subsidiary account] standard reimbursement fraction of the
11 district of residence

12 (e) In the case of joint schools operating complete programs grades
13 one through twelve or kindergarten through twelve under joint articles
14 of agreement executed subsequent to July 1 1954 to which a school dis-
15 trict of the first class A or a school district of the second class is a signa-
16 tory with one or more districts of the third class or with one or more
17 districts of the fourth class five hundred dollars (\$500) per teaching
18 unit multiplied by the total number of teaching units brought into join-
19 ture from the district or districts of the third and fourth classes and by

1 the [subsidiary account] standard reimbursement fraction of the first
2 class A or of the second class district of residence

3 No union or merged district which is a member of a joint board or
4 organization shall receive supplemental aid on account of such joint
5 board membership

6 The supplemental payments specified for joint board membership
7 shall be made only for organizations established and operated in ac-
8 cordance with standards and regulations prescribed by the State Council
9 of Education and approved by the Department of Public Instruction

10 (f) Except for the payments provided in this section on account of
11 area technical schools amounts paid to a school district under the pro-
12 visions of this section shall be as follows for the school year 1960-1961
13 one hundred per cent (100%) of the amount stated above for the school
14 year 1961-1962 such amount less ten per cent (10%) for the school year
15 1962-1963 such amount less twenty per cent (20%) for the school year
16 1963-1964 such amount less thirty per cent (30%) for the school year
17 1964-1965 such amount less forty per cent (40%) After the school year
18 1964-1965 and for any school year thereafter no further payments shall
19 be made under this section to any district except that the payments on

1 account of area technical schools shall continue to be paid as provided
2 in this section

3 (g) No district entering into a union merger or jointure agreement
4 after the effective date of this act shall receive any of the payments pro-
5 vided for under this section

6 Section 6 Subsection (a) of section 2503 of the act amended July 13
7 1957 (P L 864) is amended to read

8 Section 2503 Payments on Account of Tuition (a) [Each school dis-
9 trict regardless of classification sending pupils to another school district
10 or vocational school district or to a joint school or an area technical
11 school in the establishment and maintenance in which it does not partici-
12 pate approved by the Department of Public Instruction shall be paid
13 by the Commonwealth for school years prior to the school year 1957-
14 1958 but not for the school year 1957-1958 or for school years there-
15 after on account of tuition an amount to be determined by multiplying
16 the sum of "overhead cost per pupil" and "instruction cost per elemen-
17 tary pupil" or "instruction cost per high school pupil" as the case may
18 be as defined in section two thousand five hundred sixty-one of this act
19 or in the case of district pupils attending a school not located in this
20 Commonwealth on the basis of a reasonable tuition charge per pupil to]

1 [be determined by the Superintendent of Public Instruction (i) by the
2 number of district pupils sent to schools of other districts or to joint
3 schools or area technical schools and (ii) by the district's subsidiary ac-
4 count reimbursement fraction and (iii) for tuition up to and including
5 the school year 1948-1949 by seventy-five one-hundredths (.75) and
6 thereafter by eighty-five one-hundredths (.85)] Each school district re-
7 gardless of classification sending pupils to a school not located within this
8 Commonwealth shall be paid by the Commonwealth for the school year
9 1957-1958 and for each school year thereafter an amount to be deter-
10 mined by multiplying such reasonable tuition charge per pupil as may be
11 determined by the Superintendent of Public Instruction (i) by the number
12 of district pupils sent to such schools not located in this Commonwealth
13 and (ii) by the district's [subsidiary account] standard reimbursement
14 fraction and (iii) by eighty-five one-hundredths (.85)

15 Section 7 Section 2503.1 of the act added July 10 1957 (P L 634)
16 amended December 15 1959 (P L 1840) is amended to read

17 Section 2503.1 Minimum Reimbursements to Union and Merged
18 Districts and Jointures (a) Except as provided in subsections (c) and (d)
19 of this section a [No] union or merged district created [after] prior to
20 the effective date of this [amending act] amendment shall for any year

1 during the first five years subsequent to the creation of the union or
2 merged district be paid reimbursement on account of instruction plus
3 reimbursement on account of supplemental payments plus reimbursement
4 on account of tuition a sum not less than the total reimbursement on
5 account of instruction and tuition paid to the component districts on ac-
6 count of the fiscal year prior to the effective date of the creation of such
7 union or merged district unless such union or merged district has a de-
8 crease in enrollment In the event of a decreased enrollment the Common-
9 wealth shall reduce the reimbursement payable under this amendment by
10 an amount to be obtained by multiplying the product of the maximum
11 [subsidy] reimbursement limit multiplied by the [basic account] stand-
12 ard reimbursement fraction of the union or merged district by the differ-
18 ent between the current number of teaching units and number of teach-
14 ing units of children from the component districts attending the public
15 schools during the school year prior to the effective date of the union or
16 merged district

17 (b) Except as provided in subsections (c) and (d) of this section
18 [No] a school district becoming a member of a jointure [subsequent]
19 prior to the passage of this act shall for any year during the first two
20 years be paid for reimbursement on account of instruction plus reimburse-

1 ment on account of supplemental payments plus reimbursement on ac-
2 count of tuition a sum not less than the product of (i) the number of
3 teaching units of the district for the year for which reimbursement is
4 to be made based on all pupils who are residents of the district and are in
5 average daily membership in the public schools of the district and all
6 pupils who are residents of the district and are in average daily member-
7 ship in the public schools of other districts multiplied by (ii) the quotient
8 of the sum of reimbursement on account of instruction plus reimburse-
9 ment on account of supplemental payments plus reimbursement on ac-
10 count of tuition received by the district for the school year immediately
11 before the year in which the school district first became a member of a
12 joint school district divided by the number of teaching units of said dis-
13 trict for which such payments on account of instruction and tuition ac-
14 count were made on account of the school year immediately before the
15 district first became a member of a joint school district based on the num-
16 ber of all pupils who are residents of the district and were in average
17 daily membership in the public schools of the district and all pupils who
18 were residents of the district and were in average daily membership in
19 the public schools of other districts

20 (c) For any remaining years of entitlement to payments under this

1 section the amounts paid to a school district shall be as follows for the
2 school year 1960-1961 shall be one hundred per cent (100%) of the
3 amount stated above for the school year 1961-1962 such amount less ten
4 per cent (10%) for the school year 1962-1963 such amount less twenty
5 per cent (20%) for the school year 1963-1964 such amount less thirty per
6 cent (30%) for the school year 1964-1965 such amount less forty per
7 cent (40%) After the school year 1964-1965 no further payments shall
8 be made under this section to any district

9 (d) No payment shall be made under this section to any district
10 entering into any union or merger or jointure agreement after the effec-
11 tive date of this amendment

12 Section 8 Section 2509 of the act amended November 16 1959 (P
13 L 1506) is repealed

14 Section 9 The act is amended by adding after Section 2508.3 a new
15 section to read

16 Section 2509 Payments on Account of Special Education Classes

17 (a) Beginning with the school year 1962-1963 and for each school year
18 thereafter every school district shall be paid by the Commonwealth sub-
19 ject to the limitations of subsection (e) of this section an amount de-
20 termined by multiplying (i) the district's reimbursement fraction by

1 (ii) the cost differential per special education pupil as determined in sub-
2 section (b) herein and (iii) by the number of elementary and secondary
3 pupils in average daily membership in approved special education and
4 remedial programs for the physically and mentally handicapped culturally
5 deprived emotionally disturbed and gifted in the district

6 (b) The cost differential per special education pupil shall be

7 (1) At the elementary level an amount determined by subtracting
8 the "instruction cost per elementary pupil" as defined in Section 2561
9 of this act from the "instruction cost per special class pupil" as here-
10 inafter defined for the preceding school term or from the instruction
11 cost per special class elementary pupil as approved for reimbursement
12 by the Department of Public Instruction in the budget for such classes
13 or schools for the school year in which classes are operated whichever
14 is the lesser

15 (2) At the secondary level an amount determined by subtracting
16 the "instruction cost per high school pupil" as defined in Section 2561
17 of this act from the "instruction cost per special class pupil" as here-
18 inafter defined for the preceding school term or from the instruction
19 cost per special class secondary pupil as approved for reimbursement
20 by the Department of Public Instruction in the budget for such classes

1 or schools for the school year in which the class is operated whichever
2 is the lesser

3 (c) The "instruction cost per special class pupil" shall be deter-
4 mined by adding (1) the salaries of directors and supervisors of special
5 education public school psychologists principals of special schools and
6 assistants teachers of approved special classes for physically and mentally
7 handicapped children or emotionally disturbed children or culturally
8 deprived and remedial children or gifted children and clerks and assis-
9 tants employed in the district's program for special education (2) the
10 district's contribution to the retirement fund and social security fund
11 on behalf of directors and supervisors of special education public school
12 psychologists principals of special schools and assistants teachers of ap-
13 proved special classes for physically and mentally handicapped children
14 or gifted children or culturally deprived and remedial children or emo-
15 tionally disturbed children and clerks and assistants employed in the
16 district's program for special education (3) the cost of textbooks and
17 supplies of the second class used in the district's special education classes
18 or schools Divide the sum of (1) (2) and (3) or that part thereof which
19 is approved by the Department of Public Instruction for reimburse-

1 ment by the total number of pupils in average daily membership in the
2 district's approved special classes for physically and mentally handi-
3 capped children emotionally disturbed children gifted children and cul-
4 tureally deprived and remedial children The quotient so obtained shall be
5 the "instruction cost per special class pupil"

6 (d) The average daily membership of speech correction classes shall
7 be calculated by multiplying (1) the average number of pupils in speech
8 correction classes per week by (2) the number of periods per week that
9 the speech correction is provided for the individual pupil by (3) the
10 number of minutes per period in speech correction class Divide the prod-
11 uct of (1) (2) and (3) by the total number of minutes spent in all classes
12 weekly by the average pupil The quotient thus obtained will be the
13 "average daily membership for pupils in speech correction classes"

14 (e) The amounts payable to any district under this section shall be
15 subject to the following limitations the amounts payable on account of
16 cultureally deprived and remedial children shall not exceed an amount
17 equal to five per cent (5%) of the total instruction cost of the district
18 multiplied by the district's standard reimbursement fraction the amounts
19 payable on account of emotionally disturbed children shall not exceed
20 an amount equal to one-half (1/2) of one per cent (1%) of the total

1 instruction cost of the district multiplied by the district's standard re-
2 imbursement fraction the amounts payable on account of gifted children
3 shall not exceed an amount equal to one-half ($\frac{1}{2}$) of one per cent (1%)
4 of the total cost of instruction of the district multiplied by the district's
5 standard reimbursement fraction

6 (f) Annually before the first day of July every school district or
7 joint board of school directors planning to conduct classes or schools
8 for the handicapped shall submit for prior review and approval to es-
9 tablish the amount on which reimbursement will be paid by the Depart-
10 ment of Public Instruction an estimate of the cost of classes or schools
11 for handicapped children to be operated by the district or joint board
12 during the ensuing school year and for transportation of pupils to and
13 from classes and schools for handicapped conducted by the district or
14 joint board of school directors

15 Section 10 Section 2509.1 of the act added July 27 1953 (P L 619)
16 amended December 19 1959 (P L 1940) is amended to read

17 Section 2509.1 Payment on Account of Transportation Classes and
18 Schools for Handicapped Institutionalized and Gifted Children Annually
19 before the first day of July every county board of school directors shall
20 submit for prior review and approval by the Department of Public

1 Instruction an estimate of the cost of operating and administering classes
2 or schools for handicapped [and] institutionalized or gifted children
3 including the cost of such fiscal controls as auditing and necessary treas-
4 urer's and secretary's bonds to be operated by the county board during
5 the ensuing school year and for transportation of pupils to and from
6 classes and schools for handicapped or gifted children whether or not
7 conducted by the county board On or before the first day of August
8 the Commonwealth shall pay to the county board of school directors
9 a sum equal to one-half ($\frac{1}{2}$) of the approved estimated annual cost of
10 operation and administration of classes and schools for handicapped
11 gifted and institutionalized children and transportation for handicapped
12 or gifted children and on or before the first day of January shall pay
13 an equal sum or a lesser sum as maybe shown to be necessary by an
14 adjusted budget based upon expenditures during the first half of the
15 school term At the end of each school year all unexpended funds shall
16 be credited to Commonwealth payments due for the succeeding school
17 year on account of the operation of such classes or upon direction of the
18 Superintendent of Public Instruction shall be returned to the Common-
19 wealth All such funds returned are hereby specifically appropriated to
20 the Department of Public Instruction for support of schools and classes

1 and transportation for handicapped or gifted children For each child
2 enrolled in any special class or school for handicapped or gifted children
3 operated by a county board of school directors the school district in
4 which the child is resident shall pay to the Commonwealth a sum equal
5 to the "tuition charge per elementary pupil" or the "tuition charge per
6 high school pupil" as determined for the schools operated by the district
7 or by a joint board of which the district is a member based upon the
8 costs of the preceding school term as provided for in section two thou-
9 sand five hundred sixty-one of the act to which this is an amendment
10 and an amount determined by multiplying the instruction cost per special
11 class pupil as defined in section 2509 by the district's standard reim-
12 bursement fraction and subtracting the product obtained thereby from
13 the instruction cost per special class pupil In the event that any school
14 district has not established such "tuition charge per elementary pupil"
15 or "tuition charge per high school pupil" the Superintendent of Public
16 Instruction shall fix a reasonable charge for such district for the year
17 in question In addition the district shall pay on account of transporta-
18 tion by the county board of pupils to and from classes and schools for
19 handicapped or gifted children whether or not conducted by the county

1 board an amount to be determined by subtracting from the cost of trans-
2 portation per pupil the reimbursement due the district on account of
3 such transportation in order to facilitate such payments by the several
4 school districts The Superintendent of Public Instruction shall with-
5 hold from any moneys due to such district out of any state appropri-
6 ation except from reimbursements due on account of rentals as provided
7 in section two thousand five hundred eleven point one of the act to
8 which this is an amendment the amounts due by such school districts
9 to the Commonwealth All amounts so withheld are hereby specifically
10 appropriated to the Department of Public Instruction for the support of
11 public schools The cost of operating and administering classes and schools
12 for institutionalized children including the cost of necessary fiscal con-
13 trols shall be paid by the Commonwealth

14 Handicapped children shall mean those children who are so classified
15 by the Department of Public Instruction on account of a physical or
16 mental handicap or an emotional disturbance and those children classi-
17 fied by the Department as culturally deprived or remedial

18 Section 11 The act is amended by adding after Section 2509.1 the
19 following new section to read

20 Section 2509.2 Payments on Account of Incentive Teaching Units

1 Each school district which provides a service enumerated below and
2 conducts it in accordance with the policies and standards established
3 by the State Council of Education shall be reimbursed as provided in
4 this section

5 (a) Guidance Counselors To each district employing a certified
6 guidance counselor there shall be allowed one incentive teaching unit
7 per counselor serving one thousand two hundred (1200) elementary
8 pupils or four hundred (400) secondary pupils for which the Common-
9 wealth shall pay the same amount which the district receives for a
10 reimbursable teaching unit

11 (b) Librarians To each district employing a certified librarian there
12 shall be allowed one incentive teaching unit per librarian serving one
13 thousand two hundred (1200) pupils in a school library which conforms
14 to standards established by the State Council of Education for which
15 the Commonwealth shall pay the same amount as the district receives
16 for a reimbursable teaching unit

17 (c) Kindergarten Teachers To each district employing a full-time
18 kindergarten teacher there shall be allowed one incentive teaching unit
19 per kindergarten teacher for which the Commonwealth shall pay the
20 same amount as the district receives for a reimbursable teaching unit

1 (d) Summer Schools To each district conducting a summer school
2 which presents a program approved by the State Council of Education
3 there shall be allowed one incentive teaching unit for each one hundred
4 thirty-two (132) secondary pupils or one hundred eighty (180) ele-
5 mentary pupils or three hundred sixty (360) kindergarten pupils in
6 average daily membership in such program on a basis equivalent to full-
7 time daily attendance during the school year for a period of six (6)
8 weeks for which the Commonwealth shall pay the same amount which
9 the district receives for a reimbursable teaching unit A school district
10 shall be reimbursed on a proportionate basis in accordance with the
11 rules of the Department of Public Instruction as to a program of more
12 or less than six (6) weeks duration and as to attendance of less than the
13 equivalent of a full-time basis

14 Section 12 Section 2510 of the act amended July 13 1957 (P L.
15 864) is amended to read

16 Section 2510 Payments on Account of Extension Classes and In-
17 struction of Home Bound Children Every school district regardless
18 of classification shall be paid by the Commonwealth for every school
19 term of school years prior to the school year 1957-1958 on account of
20 approved extension classes and the instruction of home bound children

1 an amount determined by multiplying the mandated minimum salaries
2 of instructional employes conducting such classes and instruction home
3 bound children by the district's [subsidiary account] standard reim-
4 bursement fraction and for the school year 1957-1958 and for each
5 school year thereafter on account of approved extension classes except
6 adult extension recreation classes and on account of the instruction
7 of home bound children an amount determined by multiplying the man-
8 dated minimum salaries of instructional employes conducting such
9 classes and instructing home bound children by the district's [subsidiary
10 account] standard reimbursement fraction

11 Section 13 Section 2511 of the act is amended to read

12 Section 2511 Payments on Account of Closed Schools Every school
13 district of the fourth class and every school district of the third class
14 which is in or coterminous with a township shall be paid by the Com-
15 monwealth for every school term on account of closed schools the sum
16 of two hundred dollars (\$200) for each school permanently closed or
17 discontinued in the district since one thousand nine hundred eleven
18 (1911) or which may hereafter be permanently closed or discontinued
19 or which was heretofore permanently closed or discontinued under the

1 provisions of the act approved the twenty-fifth day of April one thou-
2 sand nine hundred one (Pamphlet Laws 105) entitled "An act to pro-
3 vide for the centralization of township schools and to provide high schools
4 for townships" but no payments shall be made under this section to
5 any district for the school year 1966-1967 or for any school year there-
6 after

7 Section 14 Section 2541 of the act amended December 22 1959
8 (P L 1975) is amended to read

9 Section 2541 Payments on Account of Pupil Transportation School
10 districts shall be paid by the Commonwealth for every school year on
11 account of pupil transportation which and the means and contracts pro-
12 viding for which have been approved by the Department of Public In-
13 struction in the cases hereinafter enumerated an amount to be deter-
14 mined by multiplying the cost of approved reimbursable pupil trans-
15 portation incurred by the district by the district's [subsidiary account]
16 standard reimbursement fraction In addition thereto the Commonwealth
17 shall pay to school districts which own their own vehicles an annual
18 depreciation charge of ten per centum (10%) to be calculated on the
19 basis of the approved cost at which the district acquired the vehicle for
20 which depreciation is claimed With respect to vehicles purchased prior

1 to January 1 1956 the number of depreciation payments shall be limited
2 to ten such payments With respect to vehicles purchased on or after
3 January 1 1956 the annual depreciation charge shall not exceed seven
4 hundred dollars (\$700) for such vehicles The number of annual de-
5 preciation charges shall be limited so that the total amount of such
6 payments shall not exceed the cost of the vehicle as approved by the
7 Department of Public Instruction at the time of the purchase In no
8 case shall the Commonwealth pay in depreciation charges more than
9 ten thousand five hundred dollars (\$10,500) for any one vehicle

10 Such payments for pupil transportation shall be made in the fol-
11 lowing cases

12 (1) To school districts of the fourth class and districts of the third
13 class which are located wholly within the boundary lines of a township
14 or within the boundary lines of a borough which has a population of
15 less than five hundred (500) inhabitants to the square mile to districts
16 of the third class operating schools jointly with districts of the fourth
17 class or with other districts of the third class entitled to payment on
18 account of transportation to merged or union school districts in which
19 one or more of the component districts were heretofore eligible for
20 reimbursement on account of transportation and to school districts which

1 were eligible heretofore for reimbursement on account of transporta-
2 tion for the transportation of elementary school pupils residing within
3 any part of the district last served by any elementary school closed since
4 the first Monday of July one thousand nine hundred seven or within
5 a district all of whose schools have been closed or who are assigned to
6 a training school of a State [teachers'] college and in each case who
7 reside one and one-half ($1\frac{1}{2}$) miles or more from the school to which
8 they are assigned

9 (2) To school districts of the fourth class and districts of the third
10 class which are located wholly within the boundary lines of a township
11 or within the boundary lines of a borough which has a population of
12 less than five hundred (500) inhabitants to the square mile to merged
13 or union school districts in which one or more of the component districts
14 were heretofore eligible for reimbursement on account of transportation
15 and to school districts which were eligible heretofore for reimburse-
16 ment on account of transportation for the transportation of any child
17 living more than two (2) miles by the nearest public highway from
18 the nearest school in session and to districts of the third class operating
19 schools jointly with districts of the fourth class or with other districts
20 of the third class entitled to payment on account of transportation for

1 the transportation of any child living more than two (2) miles by the
2 nearest public highway from the nearest jointly operated school in ses-
3 sion offering the proper grades including pupils who are attending area
4 technical schools

5 (3) To all school districts for the transportation of physically or
6 mentally handicapped children regularly enrolled in special classes ap-
7 proved by the Department of Public Instruction or enrolled in a regular
8 class in which approved educational provisions are made for them

9 (4) To all third and fourth class school districts for pupils trans-
10 ported to and from approved consolidated schools or approved joint con-
11 solidated schools or approved vocational district schools living one and
12 one-half miles or more from the school of attendance

13 Consolidated schools or joint consolidated schools or vocational dis-
14 trict schools shall so long as they are approved by the State Council of
15 Education as to organization control location equipment courses of study
16 qualifications of teachers methods of instruction condition of admission
17 expenditures of money methods and means of transportation and the
18 contracts providing therefor constitute approved consolidated schools or
19 approved joint consolidated schools or approved vocational district schools

1 (5) To all school districts for pupils transported to and from schools
2 used for the purpose of better gradation and approved by the county
3 superintendent of schools

4 (6) To all school districts for pupils transported to and from area
5 technical schools

6 (7) To all school districts for the transportation of non-resident
7 children who are placed in the home of a resident or who are inmates
8 of an orphan asylum or home or a children's home or other institution
9 for the care and training of orphans or other children and who attend
10 the public schools and who live two miles or more from the nearest
11 school with the proper grades

12 Section 15 Section 2542 of the act is amended to read

13 Section 2542 Board and Lodging in Lieu of Transportation In any
14 case where the Commonwealth is required to reimburse any school dis-
15 trict on account of pupil transportation and the school district in lieu
16 of such transportation is authorized to and does pay for suitable board
17 and lodging for any pupil the Commonwealth shall pay to the school
18 district an amount to be determined by multiplying the cost of such
19 board and lodging by the district's [subsidiary account] standard reim-
20 bursement fraction Provided That in no case shall the Commonwealth's

- 1 share of the cost exceed one dollar (\$1) per day per pupil for the actual
- 2 number of days such pupil is in attendance at school not exceeding
- 3 five (5) days in any one week

4 Section 16 This act shall take effect July 1 1962

We certify that this bill has passed the Senate and the House of
Representatives.

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives

Approved The day of A. D. 1961.

.....
Governor