

## No. 580

## AN ACT

SB 792

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," further providing for Commonwealth payments to school districts.

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

Section 1. Subsection (6) of section 1372, act of March 10, 1949 (P. L. 30), known as the "Public School Code of 1949," amended September 12, 1961 (P. L. 1245), is amended, and a section heading is added to section 1372, to read:

Section 1372. Exceptional Children; Education and Training.—

\* \* \*

(6) Pupils Credited to District of Residence. The average daily membership of pupils enrolled in classes and schools for exceptional children, operated by a county board of school directors or by the Department of Public Instruction, shall be credited to the school district of residence for the purpose of determining the district's "teaching units" to be used in calculating the district's [standard] reimbursement [fraction] fractions or weighted average daily membership to be used in calculating a district's aid ratio and in determining payments to the district on account of instruction as provided in section two thousand five hundred two of the act to which this is an amendment.

Section 2. Clause (3) of section 2501 of the act is amended to read:

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

\* \* \*

(3) "Average Daily Membership" shall be computed in accordance with [the] rules of procedure as established by the [Department] Superintendent of Public Instruction [for the school term 1944-1945].

\* \* \*

Section 3. Clause (9) of section 2501 of the act, added July 13, 1957 (P. L. 864), is amended to read:

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

\* \* \*

(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, [and] 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.

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Section 4. Section 2501 of the act is amended by adding after clause (10), two new clauses to read:

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

\* \* \*

(10.1) "Weighted Pupil" shall mean a value placed upon district pupils in average daily membership at various levels of instruction. Such values shall be as follows:

<u>Kindergarten</u>	<u>0.50, if attending one</u> <u>session per day;</u> <u>1.00, if attending two</u> <u>sessions per day.</u>
<u>Elementary</u>	<u>1.00</u>
<u>Secondary</u>	<u>1.36</u>

(10.2) "Weighted Average Daily Membership" (WADM). The average daily membership for all resident pupils in the various levels of instruction shall be multiplied by the weight for that level as indicated to obtain the weighted average daily membership. The sum of the products so obtained shall be the weighted average daily membership for the district. The weighted average daily membership used in computing the aid ratio shall include kindergarten, elementary and secondary pupils.

\* \* \*

Section 5. Section 2501 of the act is amended by adding after clause (11), seven new clauses to read:

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

\* \* \*

(11.1) "Actual Instruction Expense per Weighted Average Daily Membership." For the school year 1966-1967, and each school year thereafter, the Superintendent of Public Instruction shall calculate for each school district the actual instruction expense per weighted average daily membership for each district pupil. The actual instruction expense shall include all General Fund expenses of the district except those for health services, transportation, debt service, capital outlay, home-bound instruction, and outgoing transfers to community colleges and technical institutes. From this cost shall be deducted the amount received from the State for driver's education; special class operation; vocational curriculums; area vocational technical schools; payments of tuition by district patrons, parents, the State and Federal government; and all moneys received from the State or Federal government under Public Laws 89-10 (Elementary and Secondary Education Act), 88-452 (Economic Opportunity Act), and 87-415 (Manpower Training and Development Act) and for projects under section 2508.3 of this act. The actual instruction expense so determined, when divided by the weighted average daily membership for the district shall be the actual instruction expense per weighted average daily membership.

(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 and each school year thereafter, the maximum amount shall be four hundred dollars (\$400). 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 the adequacy of such maximum amount.

(13) "District's Share of Total Cost." The district's share of total cost shall be the State's share subtracted from 1.00.

(14) "Aid Ratio" shall represent the Commonwealth's share of reimbursable cost as defined in clause (12). The aid ratio shall be determined in the following manner: (a) divide the market value per weighted average daily membership of the district by the market value per weighted average daily membership of the State; (b) determine the product of (a) multiplied by district's share of total cost; (c) subtract the resultant product in (b) from one (1.0000) to determine the aid ratio.

$$\text{Aid Ratio} = 1.0000 - \left\{ \begin{array}{l} \frac{\text{District MV/WADM}}{\text{State MV/WADM}} \end{array} \right. \quad \underline{\underline{X 0.50}}$$

(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.

(16) "Density Factor" shall be assigned for those school districts whether coterminous with a city, borough, town or township or not, whose population exceeds ten thousand (10,000) per square mile as determined by the Superintendent of Public Instruction from the most recent records of the United States Census Bureau. A school district qualifying under the density factor shall be paid by the Commonwealth on account of excess expenditures 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 pupils, such amount to be in addition to any other payments for such pupils: Provided, however, a school district qualifying under the density factor may, in lieu of the above payment, elect for any school year to be paid and the Commonwealth shall pay 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.

(17) "Sparsity Factor" shall be assigned for those districts whose population is less than fifty (50) per square mile as determined by the Superintendent of Public Instruction from the most recent records of the United States Census Bureau. A school district qualifying under the sparsity factor shall be paid by the Commonwealth on account of excess expenditures 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 pupils, such amount to be in addition to any other payment for such pupils: Provided, however, a school district qualifying under the sparsity factor may, in lieu of the above payment, elect for any school year to be paid and the Commonwealth shall pay 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.

Section 6. Section 2502 of the act is amended by adding after subsection (c), three new subsections to read :

## Section 2502. Payments on Account of Instruction.—

\* \* \*

(d) For the school year 1966-1967, 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), whichever is less, and by the weighted average daily membership for the district.

(e) For no school year shall any district receive less than an amount obtained by multiplying the minimum subsidy by the weighted average daily membership for the district.

(f) For the school year 1966-1967, 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 amount shall be paid on account of excess expenditures 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.

Section 7. The act is amended by adding after section 2502.2, a new section to read:

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).

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

Section 7. Section 2504 of the act, amended August 21, 1953 (P. L. 1223), is amended to read:

Section 2504. Payments on Account of Vocational Curriculums.—Every school district [and every vocational school district,] regardless of classification, and every county board of school directors with reference to [area technical schools operated by them which conform to county and State plans for technical schools or departments,] vocational departments of high schools or vocational schools, shall be paid by the Commonwealth for every school year, the sum of thirty-five dollars (\$35) in vocational agriculture and vocational industrial education; twenty dollars (\$20) in vocational home economics education; and fifty dollars

(\$50) in vocational distributive education per pupil in average daily membership in vocational curriculums, approved by the Superintendent of Public Instruction.

Section 8. The act is amended by adding after section 2510, a new section to read:

Section 2510.1. Payments on Account of Homebound Children.—  
Every school district, regardless of classification, shall be paid by the Commonwealth for the school year 1966-1967, and for each school year thereafter, on account of the instruction of homebound children, an amount determined by multiplying the mandated minimum hourly rate for instructing homebound children by the district's aid ratio.

Section 9. Section 2515 of the act, amended August 21, 1953 (P. L. 1223), is amended to read:

Section 2515. Ascertainment of Amounts Required; Apportionment.—The Superintendent of Public Instruction shall ascertain and determine the amount of funds required to meet each [of the four payments] payment to school districts, county boards of school directors and vocational school districts which become due and payable within each fiscal [biennium] year, on the data and material contained in the certificates which school districts, county boards of school directors and vocational school districts are required to file with the superintendent [immediately preceding the beginning of each biennium] at such time as he shall determine. The superintendent shall apportion and allot the same to and among the respective districts and boards. The amount paid to any district or board within any [biennium] fiscal year shall be computed on the data and information contained in the certificates required to be filed each year, as herein provided. Each district's valuation to be used for purposes of computing its standard reimbursement fraction for the school year 1949-1950 and thereafter or for purposes of computing the aid ratio for the school year 1966-1967, and thereafter, shall be the valuation placed upon its taxable real property by the State Tax Equalization Board.

Section 10. Section 2517 of the act, amended August 1, 1963 (P. L. 461) and August 13, 1963 (P. L. 770), is amended to read:

Section 2517. Semi-annual Payments.—The amount apportioned and allotted to each school district [or vocational school district] shall be



divided into [equal] semi-annual installments and the Superintendent of Public Instruction shall draw his requisition semi-annually upon the State Treasurer in favor of each district for the amount to which it is entitled. The first semi-annual payment may be an estimated amount based on but not to exceed fifty percent (50%) of the total amount apportioned and allocated to the school district during the previous school year for the same purposes. [Provided, That for the school years 1962-1963 and 1963-1964 to all school districts, and thereafter to school districts operating on a fiscal calendar year basis, the first semi-annual payment may be an estimated amount based on but not to exceed sixty percent (60%) of the total amount apportioned and allocated to the school district during the previous school year.] Payment thereof shall be made to [fourth class] all school districts [and to vocational school districts] during the months of [March and October of each year, and to first, second and third class school districts during the months of] April and November of each year.

Section 11. The first paragraph of section 2541 of the act, amended December 22, 1959 (P. L. 1975), 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 [subsidiary account reimbursement fraction.] aid ratio. 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.

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Section 12. Section 2542 of the act, amended July 13, 1957 (P. L. 864), is amended to read:

Section 2542. Board and Lodging in Lieu of Transportation.—In any case where the Commonwealth is required to reimburse any school district on account of pupil transportation and the school district, in lieu of such transportation, is authorized to and does pay for suitable board and lodging for any pupil, the Commonwealth shall pay to the school district an amount to be determined by multiplying the cost of such board and lodging by the districts [subsidiary account reimbursement fraction:] aid ratio: Provided, that in no case shall the Commonwealth's share of the cost exceed one dollar (\$1) per day per pupil for the actual number of days such pupil is in attendance at school, not exceeding five (5) days in any one week.

Section 13. Section 2574 of the act, added March 22, 1956 (P. L. 1315) is amended by adding a new clause to subsection (b) and a new clause to subsection (c) and subsection (e) added August 14, 1963 (P. L. 1065), is 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

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(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) in the case of elementary schools, (ii) two thou-

sand three hundred dollars (\$2300) 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) and the rated secondary pupil capacity by two thousand three hundred dollars (\$2300) 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

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(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 (\$1600) in the case of elementary schools, (ii) two thousand three hundred dollars (\$2300) 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) and the rated secondary pupil capacity of the altered or expanded building by two thousand three hundred dollars (\$2300) 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 [be the total cost of the project which shall include] 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 (\$3,000).

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 14. The act is amended by adding after section 2578, a new section to read :

Section 2578.1. Payments to School Districts Because of Density Factor.—<sup>1</sup>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 15. The act is amended by adding after section 2591, a new section to read :

Section 2592. Guaranteed Payment.—The Superintendent of Public Instruction shall, for each school district, determine the sum of the following subsidies payable in 1967-1968: instruction, as defined in section 2502, supplemental payments, tuition and extension education. The sum of such subsidies shall be divided by the weighted average daily

<sup>1</sup>“(A)” in original.

membership of all pupils during 1966-1967 to determine an amount per pupil.

In 1967-1968, and in each school year thereafter, each school district shall receive from the Commonwealth an amount which is the greater of (a) the amount per pupil determined for 1966-1967 according to the preceding paragraph times the weighted average daily membership applicable to the year for which payment is being made, or (b) the amount as determined in accordance with subsections (d) and (e) of section 2502 of this act.

In the event that a district is eligible under the density or sparsity fraction, there shall be added to its payment, as determined above, an amount determined by multiplying the aid ratio or by three hundred seventy-five thousandths (.375), whichever is greater times expenditures in excess of four hundred dollars (\$400) per weighted average daily membership, up to a maximum of, 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) and times the weighted average daily membership: Provided, however, a district eligible for added payment under the density or sparsity fraction may, in lieu of the above payment, elect for any school year to have added to its payment, and the Commonwealth shall add to its payment, 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.

Section 16. Effective June 30, 1968, the following sections or parts of sections of the act are repealed: clauses (4), (5), (6) and (7) of section 2501; section 2502.1, subsection (a) of section 2503 and sections 2503.1, 2510, 2520, subsection (a.1) of section 2577 and 2591.

APPROVED—The 1st day of February, A. D. 1966.

WILLIAM. W. SCRANTON