

No. 1999-36

AN ACT

HB 456

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 Office for Safe Schools, for Commonwealth payments for basic education grants, intermediate units, community colleges, secondary vocational education subsidies, small district assistance and basic education and for transportation; and authorizing area vocational-technical boards to establish capital reserve funds.

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

Section 1. Sections 917.1-A(h) and 919.1-A(e) of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, added April 27, 1998 (P.L.270, No.46), are amended to read:

Section 917.1-A. Commonwealth Payments.—* * *

(h) For the 1998-1999 school year *and each school year thereafter*, each intermediate unit shall receive a proportionate share of the amount available under subsection (a) minus the payments made under section 919.1-A(e) based on the amount received by the intermediate unit under subsection (g) for the 1997-1998 school year. [During] *Beginning with* the 1998-1999 school year, however, no intermediate unit shall receive less payment under this subsection than the amount of the payments the intermediate unit received under subsection (g) during the 1997-1998 school year.

Section 919.1-A. Capital Subsidy.—* * *

(e) Notwithstanding any provision of this act to the contrary, for the 1998-1999 school year *and each school year thereafter*, each intermediate unit shall receive the actual payment for capital subsidy which it received under this section and section [2502.6(b)] 2502.6 during the 1997-1998 school year.

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

Section 1215. Locally Issued Temporary Certification for Substitute Teachers.—A temporary substitute teacher certificate may be issued by a public school entity to an individual who presents a letter from a college or university verifying that the individual has completed an approved teacher preparation program, has successfully completed the certification testing requirements and has completed all requirements for the awarding of a bachelor's degree on a date certain. The temporary substitute teacher certificate shall only be used for day-to-day assignments and shall expire upon the termination of any summer school conducted in the summer

which follows the date of issuance or upon the receipt of Instructional I certification by the individual.

Section 3. Section 1302-A(c) of the act, added June 30, 1995 (P.L.220, No.26), is amended to read:

Section 1302-A. Office for Safe Schools.—* * *

(c) In addition to the powers and duties set forth under subsection (a), the office is authorized to make targeted grants to schools to fund programs which address school violence, including, but not limited to, the following programs:

- (1) Conflict resolution or dispute management.
- (2) Peer helpers programs.
- (3) Risk assessment, *safety-related* or violence prevention curricula.
- (4) Classroom management.
- (5) *Student codes of conduct.*
- (6) *Training to undertake a districtwide assessment of risk factors that increase the likelihood of problem behaviors among students.*
- (7) *Development and implementation of research-based violence prevention programs that address risk factors to reduce incidents of problem behaviors among students.*
- (8) *Comprehensive, districtwide school safety and violence prevention plans.*
- (9) *Security planning, purchase of security-related technology which may include metal detectors, protective lighting, surveillance equipment, special emergency communications equipment, electronic locksets, deadbolts and theft control devices and training in the use of security-related technology. Security planning and purchase of security-related technology shall be based on safety needs identified by the school entity's board of directors.*
- (10) *Institution of student, staff and visitor identification systems.*
- (11) *Establishment or enhancement of school security personnel, including school resource officers.*
- (12) *Provision of specialized staff and student training programs, including training for Student Assistance Program team members in elementary, middle and high schools in the referral of students at risk of violent behavior to appropriate community-based services, including mental health services.*
- (13) *Alternative education programs provided for in Article XIX-C.*
- (14) *Counseling services for students enrolled in alternative education programs.*

* * *

Section 4. Section 1372 of the act is amended by adding a clause to read: Section 1372. Exceptional Children; Education and Training.—* * *

(7) *Reporting of Exceptional Students.*

(i) *The department shall review each school district's incidence rate of mildly and severely disabled students as calculated under section 2509.5(z).*

When the incidence rate is thirty (30) per centum above or below the Statewide average incidence rate of mildly and severely disabled students, the department shall prepare an analysis of the process used by the school district to identify and place mildly and severely disabled students.

(ii) The department shall submit a written report to the school district of the department's findings relating to the process used by the school district to determine its incidence rate of mildly and severely disabled students under subclause (i). The report may include recommendations regarding the process used to identify mildly and severely disabled students.

(iii) Following receipt of the report under subclause (ii), the school district shall submit a written response to the department describing the basis for the deviation from the Statewide average incidence rate of mildly and severely disabled students.

(iv) The department may conduct site visits and review school district records relating to the process used to identify and place mildly and severely disabled students under this clause.

(v) The department shall submit a report to the majority and minority chairman of the Education and Appropriations Committees of the Senate and the majority and minority chairman of the Education and Appropriations Committees of the House of Representatives regarding the process used by school districts to identify and place mildly and severely disabled students. The report shall be submitted annually at the same time as the submission of the Governor's budget to the General Assembly.

Section 5. Section 1503-A(c) of the act, amended April 27, 1998 (P.L.270, No.46), is amended to read:

Section 1503-A. Basic Education Grants.—* * *

(c) (1) Grants shall be allocated through a grant review process established by the Secretary of Education.

(2) The secretary [shall] *may* establish matching requirements for grant recipients [with a market value/income aid ratio, as defined in section 2501 of this act, which is less than .4000]. Grant recipients with a market value/income aid ratio which is equal to or greater than .7000 shall be eligible for larger grant awards as determined by the secretary. A school district of the first class shall be eligible for a grant award which shall not exceed three million dollars (\$3,000,000), and a school district of the first class A shall be eligible for a grant award which shall not exceed six hundred thousand dollars (\$600,000), unless the grant awards are included within a partnership.

[(2.1) For the 1997-1998 and 1998-1999 school years, a school district shall be eligible for a grant in the same amount as a school district was eligible to receive for the 1996-1997 school year as provided in clause (2).

(2.2) For the 1997-1998 and 1998-1999 school years, an area vocational-technical school shall be eligible to receive from the amount of three million dollars (\$3,000,000) appropriated for the purposes of this

clause a grant in the same amount as the area vocational-technical school was eligible to receive for the 1997-1998 school year.]

(3) The application for a grant shall be made at such time and in such form as the Secretary of Education may require.

(4) [In order to receive funds, a] A school district or area vocational-technical school [must] *may collaborate or* form a partnership with one or more of the following: a political subdivision, a school district, an area vocational-technical school, an intermediate unit, a nonpublic school, a local library, an independent institution of higher education, a State-owned institution, a State-related institution, a community education council or any other entity approved by the Department of Education. [Exceptions to this requirement may be requested in the application where the applicant school district or area vocational-technical school justifies why it is better for the applicant to apply as a separate entity.]

Section 6. The act is amended by adding an article to read:

**ARTICLE XV-B.
READ TO SUCCEED PROGRAM.**

Section 1501-B. Establishment of Program.—There is hereby established in the Department of Education the Read to Succeed Program. The program shall provide competitive grants to school districts and charter schools to build strong reading skills in Pennsylvania students. The program shall emphasize students with the greatest need for intensive reading instruction and school programs that will enable students to learn to read by the end of the third grade.

Section 1502-B. Eligibility Requirements.—(a) The Department of Education shall establish eligibility criteria to be used to select schools and students in kindergarten through third grade to participate in the Read to Succeed Program.

(b) The secretary shall establish matching requirements for grant recipients.

Section 1503-B. Program Requirements.—School districts and charter schools shall apply for grants as prescribed by the Department of Education. The application will contain the following:

- (1) Identification of students with the greatest need.*
- (2) Methods of ongoing assessment.*
- (3) Reading instruction based on current reading research.*
- (4) Integration with the reading instruction programs and activities of the school district.*
- (5) Professional development plan.*
- (6) Opportunities for extended learning time.*
- (7) Coordination with community-based reading activities, including family literacy programs.*
- (8) Staff and program facilities.*

(9) A multiyear plan that shows how the school district or charter school will assume full financial and programmatic responsibility for the Read to Succeed Program at the conclusion of the grant period.

(10) The estimated budget for each specific program activity.

Section 1504-B. Technical Assistance and Monitoring.—The Department of Education shall provide technical assistance and establish methods to ensure the quality of the program receiving a grant, including program monitoring and onsite visitation.

Section 1505-B. Reports.—(a) A school district or charter school participating in the Read to Succeed Program shall provide program and fiscal reports as required by the Department of Education.

(b) Beginning in the year 2000, the department shall submit a report by December 31 of each year to the majority and minority chairman of the Education Committee of the Senate and the majority and minority chairman of the Education Committee of the House of Representatives.

Section 7. Sections 1703-A, 1723-A and 1726-A of the act, added June 19, 1997 (P.L.225, No.22), are amended to read:

Section 1703-A. Definitions.—As used in this article,

“Appeal board” shall mean the State Charter School Appeal Board established by this article.

“At-risk student” shall mean a student at risk of educational failure because of limited English proficiency, poverty, community factors, truancy, academic difficulties or economic disadvantage.

“Charter school” shall mean an independent public school established and operated under a charter from the local board of school directors and in which students are enrolled or attend. A charter school must be organized as a public, nonprofit corporation. Charters may not be granted to any for-profit entity.

“Department” shall mean the Department of Education of the Commonwealth.

“Local board of school directors” shall mean the board of directors of a school district in which a proposed or an approved charter school is located.

“Regional charter school” shall mean an independent public school established and operated under a charter from more than one local board of school directors and in which students are enrolled or attend. A regional charter school must be organized as a public, nonprofit corporation. Charters may not be granted to any for-profit entity.

“School entity” shall mean a school district, intermediate unit, joint school or area vocational-technical school.

“Secretary” shall mean the Secretary of Education of the Commonwealth.

“State board” shall mean the State Board of Education of the Commonwealth.

Section 1723-A. Enrollment.—(a) All resident children in this Commonwealth qualify for admission to a charter school within the provisions of subsection (b). If more students apply to the charter school than

the number of attendance slots available in the school, then students must be selected on a random basis from a pool of qualified applicants meeting the established eligibility criteria and submitting an application by the deadline established by the charter school, except that the charter school may give preference in enrollment to a child of a parent who has actively participated in the development of the charter school and to siblings of students presently enrolled in the charter school. First preference shall be given to students who reside in the district or districts.

(b) (1) A charter school shall not discriminate in its admission policies or practices on the basis of intellectual ability, except as provided in paragraph (2), or athletic ability, measures of achievement or aptitude, status as a person with a disability, proficiency in the English language or any other basis that would be illegal if used by a school district.

(2) A charter school may limit admission to a particular grade level, *a targeted population group composed of at-risk students*, or areas of concentration of the school such as mathematics, science or the arts. A charter school may establish reasonable criteria to evaluate prospective students which shall be outlined in the school's charter.

(c) If available classroom space permits, a charter school may enroll nonresident students on a space-available basis, and the student's district of residence shall permit the student to attend the charter school. The terms and conditions of the enrollment shall be outlined in the school's charter.

Section 1726-A. Transportation.—(a) Students who reside in the school district in which the charter school is located or who are residents of a school district which is part of a regional charter school shall be provided transportation to the charter school on the same terms and conditions as transportation is provided to students attending the schools of the district. *School districts of the first class shall also provide transportation to the students if they are the same age or are enrolled in the same grade, grades or their grade equivalents as any students of the district for whom transportation is provided under any program or policy to the schools of the district.* Nonresident students shall be provided transportation under section 1361. Districts providing transportation to a charter school outside the district shall be eligible for payments under section 2509.3 for each public school student transported.

(b) *In the event that the Secretary of Education determines that a school district of the first class is not providing the required transportation to students to the charter school, the Department of Education shall pay directly to the charter school funds for costs incurred in the transportation of its students. Payments to a charter school shall be determined in the following manner: for each eligible student transported, the charter school shall receive a payment equal to the total expenditures for transportation of the school district divided by the total number of school students transported by the school district under any program or policy.*

(c) The department shall deduct the amount paid to the charter school under subsection (b) from any and all payments made to the district.

(d) A school district of the first class shall submit a copy of its current transportation policy to the department no later than August 1 of each year.

Section 8. Section 1913-A(b)(1.4) of the act, amended June 25, 1997 (P.L.297, No.30) and April 27, 1998 (P.L.270, No.46), is amended to read:

Section 1913-A. Financial Program; Reimbursement or Payments.—* *

*

(b) * * *

(1.4) The equivalent full-time student reimbursement of a community college shall be the sum of credit course, noncredit course and stipend reimbursements. These reimbursements shall be calculated using a reimbursement factor of one thousand and forty dollars (\$1,040) for the 1993-1994 fiscal year, of one thousand eighty dollars (\$1,080) for the 1994-1995 fiscal year and of one thousand one hundred eighty dollars (\$1,180) for the 1995-1996 fiscal year and one thousand and two hundred and ten dollars (\$1,210) for the 1996-1997 fiscal year and one thousand two hundred sixty dollars (\$1,260) for the 1997-1998 fiscal year *and the 1998-1999 fiscal year and one thousand three hundred dollars (\$1,300) for the 1999-2000 fiscal year* and for each year thereafter and shall be determined as follows:

(i) Credit course reimbursement shall be calculated by multiplying the reimbursement factor by the number of equivalent full-time students enrolled in credit courses as determined by an audit to be made in a manner prescribed by the State Board of Education.

(ii) Noncredit course reimbursement shall be calculated as follows:

(A) eighty percent (80%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit courses for the 1993-1994 fiscal year, as determined by the audit referred to in paragraph (i);

(B) seventy percent (70%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit courses for the 1994-1995 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i); or

(C) one hundred percent (100%) of the reimbursement factor multiplied by the number of equivalent full-time students enrolled in eligible noncredit public safety courses that provide training for volunteer firefighters and emergency medical services for the 1995-1996 fiscal year and for each year thereafter, as determined by the audit referred to in paragraph (i).

(iii) Stipend reimbursement on account of a community college's operating costs for all equivalent full-time students enrolled in the following categories of two-year or less than two-year occupational or technical programs, shall be the sum of the following:

(A) One thousand one hundred dollars (\$1,100) per full-time equivalent student enrolled in advanced technology programs. For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the reimbursement rate shall be calculated

at one thousand one hundred seventy-five dollars (\$1,175) per full-time equivalent student enrolled in advanced technology programs. For the fiscal year 1998-1999 and each year thereafter, the reimbursement rate shall be calculated at one thousand four hundred sixty dollars (\$1,460) per full-time equivalent student enrolled in advanced technology programs. Advanced technology programs are programs using new or advanced technologies which hold promise for creating new job opportunities, including such fields as robotics, biotechnology, specialized materials and engineering and engineering-related programs.

(B) One thousand dollars (\$1,000) per full-time equivalent student enrolled in programs designated as Statewide programs. For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the reimbursement rate shall be calculated at one thousand seventy-five dollars (\$1,075) per full-time equivalent student enrolled in programs designated as Statewide programs. For the fiscal year 1998-1999 and each year thereafter, the reimbursement rate shall be calculated at one thousand three hundred sixty dollars (\$1,360) per full-time equivalent student enrolled in programs designated as Statewide programs. A Statewide program is a program which meets one or more of the following criteria:

(I) Program enrollment from out-of-sponsor area is twenty per cent or more of the enrollment for the program.

(II) A consortial arrangement exists with another community college to cooperatively operate a program or share regions in order to avoid unnecessary program duplication.

(C) Five hundred dollars (\$500) per full-time equivalent student enrolled in other occupational or technical programs. For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the reimbursement rate shall be calculated at five hundred seventy-five dollars (\$575) per full-time equivalent student enrolled in other occupational or technical programs. For the fiscal year 1998-1999 and each year thereafter, the reimbursement rate shall be calculated at eight hundred sixty dollars (\$860) per full-time equivalent student enrolled in other occupational or technical programs.

* * *

Section 9. Section 2502.8 of the act is amended by adding a subsection to read:

Section 2502.8. Payments on Account of Pupils Enrolled in Vocational Curriculums.—* * *

(c) For the school year 1998-1999 and each school year thereafter, any additional funding provided by the Commonwealth over the amount provided for the school year 1997-1998 will be distributed to area vocational-technical schools and to school districts with eight (8) or more vocational programs based on subsection (b).

Section 10. Sections 2502.13 and 2502.30 of the act, amended April 27, 1998 (P.L.270, No.46), are amended to read:

Section 2502.13. Small District Assistance.—For the 1984-1985 and 1985-1986 school years, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to fifty dollars (\$50) multiplied by that district's average daily membership. For the 1985-1986 school year, no school district shall receive less on account of this section than it did for the 1984-1985 school year. For the school year 1986-1987, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and has a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1985-1986 school year, an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership. For the school year 1987-1988, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1986-1987 school year, an amount equal to eighty-five dollars (\$85) multiplied by that district's average daily membership. For the school year 1988-1989, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten thousandths (0.5000) or greater, or received payments under this section for the 1987-1988 or 1988-1989 school year, an amount equal to one hundred five dollars (\$105). For the school year 1989-1990, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the 1987-1988 school year, an amount equal to one hundred fifteen dollars (\$115) multiplied by the district's average daily membership as provided for in section 212 of the act of July 1, 1990 (P.L.1591, No.7A), known as the "General Appropriation Act of 1990." For the school year 1990-1991, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, or received payments under this section for the prior school year, an amount equal to one hundred seventy dollars (\$170) multiplied by that district's average daily membership. For the school year 1990-1991, each school district with a population per square mile of less than ninety (90), which otherwise meets the average daily membership and market value/income aid ratio requirements of this section, or received payments under this section for the prior school year, shall instead receive an amount equal to one hundred ninety dollars (\$190) multiplied by that district's average daily membership. For the 1987-1988 school year through the 1990-1991 school year, no school district shall receive less on account of

this section than it did for the prior school year. For the school year 1994-1995, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater, an amount equal to ninety five dollars (\$95) multiplied by that district's average daily membership. For the school year 1997-1998 *and the school year 1998-1999*, the Commonwealth shall pay to each school district which has an average daily membership of one thousand five hundred (1,500) or less and a market value/income aid ratio of five thousand ten-thousandths (0.5000) or greater an amount equal to seventy-five dollars (\$75) multiplied by that district's average daily membership.

Section 2502.30. Temporary Special Aid to School Districts Suffering Loss of Tax Revenue Due to Reduction in Assessed Valuation of Taxable Property.—(a) Temporary special aid shall be paid in fiscal years 1994-1995, 1995-1996, 1996-1997 [and], 1997-1998, *1998-1999 and 1999-2000* to school districts experiencing a severe reduction in local revenue due to a decline in the assessed value of taxable properties. The allocation to these districts shall be determined by multiplying the reduction in assessed value between 1985-1986 and 1992-1993 by the 1992-1993 real estate millage rate. This aid shall be paid from undistributed funds not expended, encumbered or committed from appropriations for grants and subsidies made to the Department of Education. No other funds shall be used for assistance under this section. These funds shall be sufficient to provide temporary relief to seven school districts in fiscal year 1995-1996 at seventy-five per centum (75%) of the funds received in fiscal year 1994-1995, in fiscal year 1996-1997 at fifty per centum (50%) of the funds received in fiscal year 1994-1995 [and], in fiscal year 1997-1998 [and], *1998-1999 and in fiscal year 1999-2000* at twenty-five per centum (25%) of the funds received in fiscal year 1994-1995. This section shall expire October 1, [1999] *2000*.

(b) Payments made pursuant to subsection (a) shall be paid from a restricted receipt account, which is hereby established, for such payments. Funds shall be transferred by the Secretary of the Budget to the restricted account only to the extent necessary to make the payments authorized by this section. The money in the restricted account is hereby appropriated from the account for purposes of this section.

Section 11. The act is amended by adding a section to read:

Section 2502.36. Basic Education Funding for 1998-1999 School Year.—For the 1998-1999 school year, the Commonwealth shall pay to each school district a basic education funding allocation which shall consist of the following:

(1) An amount equal to the basic education funding allocation for the 1997-1998 school year pursuant to section 2502.35.

(2) A base supplement payable to qualifying school districts.

(i) *To qualify for the base supplement, a school district's 1999-2000 market value/income aid ratio must be equal to or greater than four thousand ten-thousandths (0.4000).*

(ii) *The base supplement is calculated for qualifying school districts as follows: multiply the school district's 1999-2000 market value/income aid ratio times its 1998-1999 average daily membership; multiply this product times seventy million five hundred thousand dollars (\$70,500,000); divide the resultant product by the sum of the products of the 1999-2000 market value/income aid ratio times the 1998-1999 average daily membership for all qualifying districts.*

(3) *A growth supplement is calculated for qualifying school districts as follows: multiply the increase in average daily membership between the 1997-1998 and 1998-1999 school years times four hundred dollars (\$400).*

(4) *A poverty supplement to qualifying school districts.*

(i) *To qualify for the poverty supplement, the number of children in low-income families residing in the district for the 1998 calendar year divided by the district's average daily membership for the 1998-1999 school year must be greater than or equal to ten per centum (10%).*

(ii) *The poverty supplement is calculated for qualifying school districts by multiplying the number of children in low-income families as defined in section 2501(21) residing in the district for the 1998 calendar year times fifty dollars (\$50).*

(5) *Each school district will be guaranteed a minimum increase to be calculated as follows:*

(i) *Each school district with a 1999-2000 market value/income aid ratio equal to or greater than seven thousand ten-thousandths (0.7000) will receive additional funding, as necessary, so that the sum of the amounts in clauses (2), (3), (4) and (5) will equal at least four per centum (4%) of the amount in clause (1).*

(ii) *Each school district with a 1999-2000 market value/income aid ratio less than seven thousand ten-thousandths (0.7000) will receive additional funding, as necessary, so that the sum of the amounts in clauses (2), (3), (4) and (5) will equal at least one per centum (1%) of the amount in clause (1).*

Section 12. Sections 2509.1 and 2509.5 of the act are amended by adding subsections to read:

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

(b.7) *Up to nine million five hundred thousand dollars (\$9,500,000) may be utilized for programs administered and operated during the 1999-2000 school year for institutionalized children by intermediate units as established in subsection (b.1).*

* * *

Section 2509.5. Special Education Payments to School Districts.—* * *

(u) *During the 1999-2000 school year, each school district shall be paid:*

(1) *an amount to be determined by multiplying fifteen percent (15%) of its school-age average daily membership by one thousand three hundred fifteen dollars (\$1,315); and*

(2) *an amount to be determined by multiplying one percent (1%) of its school-age average daily membership by fourteen thousand five hundred thirty-five dollars (\$14,535).*

(v) *During the 1999-2000 school year, a portion of the funds appropriated to the Department of Education for special education shall be available to provide supplemental funding for special education to school districts which operate special education programs. Only school districts that qualify under the provisions of subsection (w) shall be eligible to receive the supplemental special education funding.*

(w) *School districts shall qualify for supplemental payments under subsection (v) if:*

(1) (i) *The school district's special education expenditures for the 1996-1997 school year as a percentage of the sum of the school district's 1996-1997 school year expenditures for regular education, vocational-technical education and special education is equal to or greater than the special education expenditures of all school districts for the 1996-1997 school year as a percentage of the sum of the 1996-1997 school year expenditures of all school districts for regular education, vocational-technical education and special education;*

(ii) *the school district's market value/income aid ratio for the 1998-1999 school year is equal to or greater than five thousand four hundred ten thousandths (0.5400); and*

(iii) *the school district's equalized millage for the 1996-1997 school year is equal to or greater than sixteen and one half (16.5); or*

(2) *The school district satisfies the criterion set forth in clause (1)(i), does not satisfy the criterion set forth in clause (1)(ii), but the school district's equalized millage for the 1996-1997 school year is equal to or greater than twenty and six tenths (20.6).*

(3) *The school district does not satisfy the criteria of clause (1) or (2) but does satisfy the following:*

(i) *the number of school-age children in low-income families as defined in section 2501(21) for calendar year 1997 is equal to or greater than ten percent (10%) of the school district's 1997-1998 school year average daily membership; and*

(ii) *the school district's market value/income aid ratio for the 1998-1999 school year is equal to or greater than five thousand four hundred ten thousandths (0.5400).*

(x) *Qualifying school districts shall receive an additional twenty percent (20%) of the amount calculated in subsection (u)(1). The amount shall be paid pursuant to the payment schedule established in subsection (c).*

(y) *Additionally, during the 1999-2000 school year, each school district of the first class or first class A belonging to an intermediate unit the*

boundary of which is coterminous with that of the school district shall receive a proportionate share of ten million three hundred thousand dollars (\$10,300,000) based on the amount received by its coterminous intermediate unit for the cost of operating and administering classes or schools for students with exceptionalities as approved by the department for the 1990-1991 school year. This amount shall be added to the school district's payment under subsection (v): Provided, however, That during the 1999-2000 school year, no school district of the first class or first class A shall receive less payment under this subsection and subsection (v) than the amount of the payments the school district's coterminous intermediate unit received during the 1997-1998 school year under section 2509.1(d)(3).

(z) During the 1999-2000 school year, a school district with an incidence rate of mildly and severely disabled students greater than one hundred thirty percent (130%) of the Statewide average incidence rate of mildly and severely disabled students shall qualify to receive a supplemental payment, as specified in this subsection, from funds appropriated to the department for special education. A school district's incidence rate of mildly and severely disabled students shall be calculated by dividing the school district's 1997 child count of students with disabilities collected and reported under sections 611(d)(2) and 618(a) of the Individuals with Disabilities Education Act (Public Law 91-230, 20 U.S.C. §§ 1411(d)(2) and 1418(a)) and 34 CFR 300.750 by the school district's 1997-1998 total enrollment reported to the department. The Statewide average incidence rate of mildly and severely disabled students shall be calculated by dividing the Statewide total 1997 child count of students with disabilities for all school districts by the 1997-1998 Statewide total enrollment for all school districts. The payment to a qualifying school district shall be calculated as follows: (1) subtract one hundred thirty percent (130%) of the Statewide average incidence rate from the school district's incidence rate; (2) multiply the difference obtained in paragraph (1) by the school district's 1998-1999 school year average daily membership; and (3) multiply the product obtained in paragraph (2) by one thousand three hundred fifteen dollars (\$1,315).

(aa) For the 1999-2000 school year, the sum of payments to school districts received under subsections (u), (v), (y) and (z) must be greater than or equal to one hundred and two percent (102%) of the payments school districts for the 1998-1999 school year under subsections (p), (q) and (t).

Section 13. Section 2595(a) of the act, reenacted and amended April 27, 1998 (P.L.270, No.46), is amended and the section is amended by adding a subsection to read:

Section 2595. School Performance Incentives.—(a) The purpose of this section is to establish a program of school performance incentives to reward significant educational improvements, *to encourage accountability programs with school districts*, to evoke further school performance improvement and

to foster collegial participation by school employes in improving school performance.

* * *

(f.1) Up to one million dollars (\$1,000,000) of the allocation for school performance funding under this section shall be used to fund an incentive program for School District Performance Measures (SDPM) to be based upon the individual performance of employes of a school district.

(1) School districts shall apply annually for an SDPM award in a format established by the Department of Education.

(2) The Department of Education shall review school district professional teacher accountability plans that contain differentiated rewards and sanctions based on individual job performance.

(3) The Department of Education shall review the submitted school district accountability plans and rate them for impact on the individual employe according to financial and programmatic measures, including compensation and training and other rewards and sanctions.

(4) The Department of Education shall use the total impact of each plan times the number of professional staff affected in the school district to award SDPM incentive grants to school districts.

(5) If the amount for awards under this subsection exceed the amount allocated for that purpose, the awards shall be reduced to reflect the amount allocated.

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Section 14. This act shall take effect July 1, 1999, or immediately, whichever is later.

APPROVED—The 26th day of June, A.D. 1999.

THOMAS J. RIDGE