

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL****No. 252** Session of  
1989

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**Report of the Committee of Conference**

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To the Members of the Senate and House of Representatives:

We, the undersigned, Committee of Conference on the part of the Senate and House of Representatives for the purpose of considering Senate Bill No. 252, entitled:  
"An act 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 GROUP INSURANCE CONTRACTS; further providing for property tax assessment in certain school districts; FURTHER PROVIDING FOR SUBMISSION OF BUDGETS BY INTERMEDIATE UNITS; PROVIDING FOR THE USE OF CERTAIN RETURNED FUNDS; AND PROVIDING FOR BUSINESS ADMINISTRATORS,"

respectfully submit the following bill as our report:

RALPH W. HESS

F. JOSEPH LOEPER

ROBERT J. MELLOW

(Committee on the part of the Senate.)

RONALD R. COWELL

MAX PIEVSKY

SAMUEL E. HAYES, JR.

(Committee on the part of the House of Representatives.)

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," further providing for filling  
6 vacancies on certain boards of school directors, for group  
7 insurance contracts and for property tax assessments in  
8 certain school districts; providing for business  
9 administrators; further providing for the duties of the State  
10 Board of Education; further providing for an economic  
11 supplement; further defining "personal income valuation" and  
12 "market value/income aid ratio" to expand tax credits for  
13 income earned out-of-State; further providing for subsidies;  
14 providing for equipment grants; and making editorial changes.

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

17 Section 1. Sections 315, 316 and 317 of the act of March 10,  
18 1949 (P.L.30, No.14), known as the Public School Code of 1949,  
19 amended November 28, 1973 (P.L.361, No.127), are amended to  
20 read:

21 Section 315. Filling of Vacancies.--In case any vacancy  
22 shall occur in any board of school directors by reason of death,  
23 resignation, removal from the district, or otherwise, such  
24 vacancy shall, in a school district of the first class [or of  
25 the first class A], be filled for the unexpired term by the  
26 court of common pleas of the county in which such school  
27 district is situated from the qualified electors of the  
28 district; and in a school district of the second, third, or  
29 fourth classes, the remaining members of the board of school  
30 directors shall, by a majority vote thereof, fill such vacancy  
31 from the qualified electors of the district within thirty (30)  
32 days thereafter. In a district of the second, third, or fourth  
33 class, the person selected to fill such vacancy shall be a  
34 qualified elector of the district and shall hold his office, if  
35 the term thereof so long continues, until the first Monday of

1 December after the first municipal election occurring more than  
2 sixty (60) days after [his appointment] the vacancy shall have  
3 occurred. At such election an eligible person shall be elected  
4 for the remainder of the unexpired term. If, by reason of a tie  
5 vote or otherwise, such vacancy shall not have been filled by  
6 the board of school directors within thirty (30) days after such  
7 vacancy shall have occurred from the qualified electors of the  
8 district, the court of common pleas of the proper county, upon  
9 the petition of ten or more resident taxpayers, shall fill such  
10 vacancy by the appointment of a suitable person from the  
11 qualified electors of the district if the term of the vacant  
12 office so long continues, until the first Monday of December  
13 after the first municipal election occurring more than sixty  
14 (60) days after [his appointment] the vacancy shall have  
15 occurred. At such election an eligible person shall be elected  
16 for the remainder of the unexpired term. When any member of a  
17 board of school directors heretofore or hereafter enlists or is  
18 inducted into the military or naval forces of the United States  
19 in time of war, a temporary vacancy shall be declared, which  
20 shall be filled by the remaining members of the board or the  
21 court, as the case may be from the qualified electors of the  
22 district, until the return of such member of the board from the  
23 military or naval service, or until the expiration of the term  
24 for which he shall have been elected, whichever shall be the  
25 shorter period.

26 Section 316. Vacancies in Majority of Members.--In case  
27 vacancies occur whereby the offices of a majority of the members  
28 of any board of school directors, other than the board of school  
29 directors of a school district of the first class or of the  
30 first class A becomes vacant, such vacancies shall be filled by

1 the court of common pleas of the county in which such school  
2 district is situated from the qualified electors of the  
3 district. The persons selected to fill such vacancies shall hold  
4 their offices, if the terms thereof continue so long, until the  
5 first Monday in December after the first municipal election  
6 occurring more than sixty (60) days after [their appointment]  
7 the vacancy shall have occurred, at which election eligible  
8 persons shall be elected for the remainder of the respective  
9 unexpired term.

10 Section 317. Vacancies in All Members.--If at any time  
11 vacancies exist or occur in the membership of all the members of  
12 any board of school directors in any school district, other than  
13 a school district of the first class or of the first class A,  
14 the court of common pleas of the county in which such district,  
15 or the largest part in area thereof, is located, shall, after  
16 ten (10) days from the time such vacancies exist or occur,  
17 appoint a board of properly qualified persons from the qualified  
18 electors of the district who shall serve, if the terms thereof  
19 continue so long, until the first Monday in December after the  
20 first municipal election occurring more than sixty (60) days  
21 after [their appointment] the vacancy shall have occurred; at  
22 which election a board of school directors for such district  
23 shall be elected for the remainder of the respective unexpired  
24 term. Whenever a vacancy of the entire membership of a board of  
25 school directors in any school district of the fourth class  
26 occurs, the executive director of the intermediate unit may  
27 enter and take full charge of and, at the expense of the  
28 district, maintain the schools thereof in accordance with the  
29 provisions of the school laws of the Commonwealth, under the  
30 direction of the Secretary of Education, and may continue in

1 charge thereof until a board of school directors has been  
2 appointed from the qualified electors of the district and has  
3 qualified.

4 Section 2. Section 513(b.1) of the act, added October 20,  
5 1988 (P.L.827, No.110), is amended to read:

6 Section 513. Group Insurance Contracts.--\* \* \*

7 (b.1) (1) School districts, intermediate units and area  
8 vocational-technical schools shall give employes and their  
9 dependents, upon the employe's retirement, the option of  
10 continuing coverage in the group health plan to which they  
11 belonged as employes.

12 (2) Notwithstanding the provisions of Title XXII of the  
13 Public Health Service Act (58 Stat. 682, 42 U.S.C. § 300 bb-1 et  
14 seq.) and amendments thereto, annuitants of the Public School  
15 Employees' Retirement System may continue to purchase that  
16 coverage after retirement, as defined in paragraph (4), until  
17 sixty-five years of age or until they are covered by another  
18 plan. An annuitant who is eligible to be covered as an employe  
19 or dependent by any other employer-provided health plan shall  
20 not be eligible for coverage in the school unit's health plan:  
21 Provided, however, That such annuitant shall be eligible for  
22 reinstatement in the school unit's health plan whenever such  
23 alternate coverage ceases.

24 (3) Purchase of the coverage provided for in this subsection  
25 shall equal the cost of the program for active employes and  
26 dependents plus an additional two per centum.

27 (4) For purposes of this section, an annuitant shall mean a  
28 member of the Public School Employees' Retirement System who has  
29 taken superannuation retirement, has retired with thirty (30) or  
30 more years of credited service, or has taken disability

1 retirement.

2 (5) Qualifying annuitants who retired from the school entity  
3 prior to July 1, 1989, or subsequent to that date shall be  
4 eligible for continuing coverage under the school unit's group  
5 health plan. No qualifying annuitant, however, may purchase such  
6 coverage until July 1, 1989. Annuitants shall be required to  
7 comply with the following conditions in order to purchase  
8 continuing coverage as provided in this section:

9 (i) Annuitants who retired prior to July 1, 1989, shall,  
10 within sixty (60) days of the effective date of this act, be  
11 notified by the Public School Employees' Retirement System of  
12 their entitlement to purchase continuing medical coverage as  
13 provided herein. Within forty-five (45) days from the date of  
14 such notice, annuitants who elect to purchase continuing  
15 coverage shall provide written notification to the school unit  
16 from which they retired of their decision to enroll in its  
17 health plan.

18 (ii) Annuitants who retire after July 1, 1989, shall, within  
19 sixty (60) days of their retirement, be notified by the school  
20 unit to which they belonged at the time of retirement of their  
21 entitlement to purchase continuing medical coverage as provided  
22 herein. Within forty-five (45) days from the date of such  
23 notice, annuitants who elect to purchase continuing coverage  
24 shall provide written notification to the school unit of their  
25 decision to enroll in the health plan to which they belonged at  
26 the time of retirement.

27 (iii) The school unit shall be responsible for providing  
28 annuitants with written notification of deadlines for payment of  
29 premiums. Failure to pay prescribed premiums and fees, as  
30 provided in this section, in not less than sixty (60) days from

1 the date of notice, shall automatically terminate eligibility of  
2 an annuitant to participate in the health care plan: Provided,  
3 however, That nothing in this subsection shall prohibit the  
4 reinstatement of persons into the health plan in accordance with  
5 procedures established by the school unit, consistent with  
6 policies of the provider of the health plan.

7 (6) School districts, intermediate units and area  
8 vocational-technical schools shall report annually to the  
9 Department of Education the increased costs resulting  
10 exclusively from the inclusion of qualified annuitants and their  
11 dependents in the entity's group health plan, for the purpose of  
12 evaluating the feasibility of future Commonwealth funding.

13 \* \* \*

14 Section 3. Section 677.1 of the act, amended July 22, 1970  
15 (P.L.555, No.191), is amended to read:

16 Section 677.1. Additions and Revisions to Duplicates.--  
17 Whenever in second, third and fourth class school districts  
18 there is any construction of a building or buildings not  
19 otherwise exempt as a dwelling[, after September first of any  
20 year] and such building is not included in the tax duplicate of  
21 the school district, the authority responsible for assessments  
22 in the city, borough, township or county shall, upon the request  
23 of the board of school directors, direct the assessor in the  
24 district to inspect and [reassess] assess, subject to the right  
25 of appeal and adjustment provided by the act of Assembly under  
26 which assessments are made, all taxable property in the district  
27 to which major improvements have been made [after September  
28 first,] and to give notice of such [reassessments] change in the  
29 assessed valuation within ten days to the authority responsible  
30 for assessments, the school district and the property owner.

1 Such property shall then be added to the duplicate, and shall be  
2 taxable for school purposes at the [reassessed] assessed  
3 valuation for that proportionate part of the fiscal year of the  
4 school district remaining after the property was improved. Any  
5 improvement made during the month shall be computed as having  
6 been made on the first of the next succeeding month. A certified  
7 copy of the additions or revisions to the duplicate shall be  
8 furnished monthly by the board of school directors to the tax  
9 collector for the district, and within ten days thereafter the  
10 tax collector shall notify the owner of the property of the  
11 taxes due the school district.

12 Section 4. The act is amended by adding a section to read:

13 Section 1089. Business Administrator.--(a) A governing  
14 board of a school entity may employ or continue to employ a  
15 person serving in the function of business administrator of the  
16 school entity who shall perform such duties as the governing  
17 board may determine, including, but not limited to, the business  
18 responsibilities specified in section 433 of this act.

19 (b) The governing board may enter into a written employment  
20 agreement with a person hired after the effective date of this  
21 section to serve as a business administrator or into an amended  
22 or renewed agreement with a person serving in that function as  
23 of such effective date. The agreement may define the period of  
24 employment, salary, benefits, other related matters of  
25 employment and provisions of renewal and termination of the  
26 agreement.

27 (c) Unless otherwise specified in an employment agreement,  
28 the governing board shall, after due notice, giving the reasons  
29 therefor, and after hearing if demanded, have the right at any  
30 time to remove a business administrator for incompetency.

1 intemperance, neglect of duty, violation of any of the school  
2 laws of this Commonwealth or other improper conduct.

3 (d) A person serving as business administrator shall not be  
4 a member of the governing board of the school entity.

5 (e) A person serving as business administrator may serve as  
6 secretary or treasurer of the governing board.

7 (f) For purposes of this section, the term "school entity"  
8 shall mean a school district, intermediate unit or an area  
9 vocational-technical school. The term "governing board" shall  
10 mean the board of directors or joint board of such entity.

11 Section 5. Section 1472 of the act is amended by adding a  
12 subsection to read:

13 Section 1372. Exceptional Children; Education and  
14 Training.--\* \* \*

15 (1.1) During the school year 1989-1990 the following  
16 provisions shall apply to the State Board of Education.

17 (i) Not later than March 1, 1990, the State Board of  
18 Education shall adopt revised Chapter 13 Special Education  
19 regulations and approve revised 22 Pa. Code, Ch. 341 department  
20 standards for the education and training of exceptional  
21 children, and such revised regulations and standards shall be  
22 effective beginning with the school year and fiscal year 1990-  
23 1991. Such revised regulations and standards shall, at a minimum  
24 provide measures as may be necessary to assure fiscal  
25 accountability, prudent management, appropriate education  
26 support services and special classes to meet the needs of  
27 pupils, and assurance of continued service to children receiving  
28 special education instruction and services on the effective date  
29 of such revised regulations and standards, including a  
30 requirement that no changes in such instruction or service be

1 made unless through changes in the child's Individualized  
2 Education Program.

3 (ii) Due to the urgent need for an expedited but public  
4 regulatory process, the State Board of Education, in adopting  
5 such revised regulations and approving such revised department  
6 standards shall follow the procedures set forth in this  
7 subsection.

8 (A) The State Board of Education shall conduct such public  
9 hearings and receive such testimony as it deems appropriate,  
10 provided, however, that the State Board of Education conduct at  
11 least three public hearings prior to the final adoption of such  
12 revised regulations and approval of such revised department  
13 standards. Not later than November 10, 1989, at the time the  
14 State Board of Education announces its intention to adopt such  
15 revised regulations and to approve such revised department  
16 standards, it shall announce its intention pursuant to the  
17 provisions of the act of July 31, 1968 (P.L.769, No.240),  
18 referred to as the Commonwealth Documents Law, and shall  
19 transmit copies of such proposed regulations and standards to  
20 the Chairmen of the standing Committees on Education of the  
21 Senate and House of Representatives to permit those Committees  
22 thirty (30) days to review and comment upon such proposed  
23 regulations and standards. At the time the State Board finally  
24 adopts such final form regulations and approves such revised  
25 department standards, it shall transmit copies of such  
26 regulations and standards to the Chairmen of the standing  
27 Committees' on Education of the Senate and House of  
28 Representatives and the Independent Regulatory Review  
29 Commission. The final form regulations and revised department  
30 standards shall be subject to review in accordance with the

1 procedures set forth in the act of June 25, 1982 (P.L.633,  
2 No.181), known as the "Regulatory Review Act," for proposed  
3 final regulations. Other than as herein provided regulations  
4 adopted pursuant to this paragraph shall not be subject to  
5 review under the act of June 25, 1982 (P.L.633, No.181), known  
6 as the "Regulatory Review Act."

7 (B) The State Board of Education may transmit to the  
8 Governor and the Secretary of Education, recommendations, if  
9 any, for changes in statutes.

10 (iii) The Department of Education shall require the  
11 submission of appropriate program and fiscal data from the  
12 school districts and intermediate units in order to assist in  
13 the development of regulations, and proposed program standards.  
14 Each school district and intermediate unit shall provide such  
15 data at such time and in such form as the department may  
16 require.

17 Section 6. Section 1376 of the act, amended December 20,  
18 1983 (P.L.267, No.73), is amended to read:

19 Section 1376. Cost of Tuition and Maintenance of Certain  
20 Exceptional Children in Approved Institutions.--(a) When any  
21 child between [the ages of six (6)] school entry age and twenty-  
22 one (21) years of age and resident in this Commonwealth, who is  
23 blind or deaf, or afflicted with cerebral palsy and/or brain  
24 damage and/or muscular dystrophy and/or mentally retarded and/or  
25 socially and emotionally disturbed, is enrolled, with the  
26 approval of the Department of Education, as a pupil in an  
27 approved private school for the blind or deaf, or cerebral  
28 palsied and/or brain damaged and/or muscular dystrophied and/or  
29 mentally retarded, and/or socially and emotionally disturbed,  
30 approved by the Department of Education, in accordance with

1 standards and regulations promulgated by the [Council of Basic]  
2 State Board of Education, the school district in which such  
3 child is resident shall pay the greater of either twenty per  
4 centum (20%) of the actual audited cost of tuition and  
5 maintenance of such child in such school, as determined by the  
6 Department of Education; or its "tuition charge per elementary  
7 pupil" or its "tuition charge per high school pupil," and the  
8 Commonwealth shall pay, out of funds appropriated to the  
9 department for special education, [eighty per centum (80%) of  
10 the cost of their] the balance due for the costs of such child's  
11 tuition and maintenance, as determined by the [Department.]  
12 department. For the school years 1989-1990, 1990-1991 and 1991-  
13 1992, the school district payment shall be no greater than forty  
14 percent (40%) of the actual audited costs of tuition and  
15 maintenance of such child in such school. The department will  
16 credit the district of residence with average daily membership  
17 for such child consistent with the rules of procedure developed  
18 in accordance with section 2501. If the residence of such child  
19 in a particular school district cannot be determined, the  
20 Commonwealth shall pay, out of moneys appropriated to the  
21 department for special education, the whole cost of tuition and  
22 maintenance of such child. The Department of Education shall be  
23 provided with such financial data from approved private schools  
24 as may be necessary to determine the reasonableness of costs for  
25 tuition and room and board concerning Pennsylvania resident  
26 approved reimbursed students. The Department of Education shall  
27 evaluate such data and shall disallow any cost deemed  
28 unreasonable. Any costs deemed unreasonable by the Department of  
29 Education for disallowance shall be considered an adjudication  
30 within the meaning of Title 2 of the Pa.C.S. (relating to

1 administrative law and procedure) and regulations promulgated  
2 thereunder.

3 (b) When any person less than [six (6)] school entry age or  
4 more than twenty-one (21) years of age and resident in this  
5 Commonwealth, who is blind or deaf, or afflicted with cerebral  
6 palsy and/or brain damage and/or muscular dystrophy, is  
7 enrolled, with the approval of the Department of Education, as a  
8 pupil in an approved private school for the blind or deaf, or  
9 cerebral palsied and/or brain damaged and/or muscular  
10 dystrophied, approved by the Department of Education, the  
11 Commonwealth shall pay to such school, out of moneys  
12 appropriated to the department for special education, the actual  
13 audited cost of tuition and maintenance of such person, as  
14 determined by the Department of Education, subject to review and  
15 approval in accordance with standards and regulations  
16 promulgated by the [Council of Basic] State Board of Education,  
17 and in addition, in the case of any child less than [six (6)  
18 years of age] school entry age, who is blind, the cost, as  
19 determined by the Department of Education of instructing the  
20 parent of such blind child in caring for such child.

21 (c) Each approved private school, prior to the start of the  
22 school year, shall submit to the department such information as  
23 the department may require in order to establish an estimate of  
24 reimbursable costs. Based upon this information, any other data  
25 deemed necessary by the department and in accordance with  
26 department standards, the department shall develop for each  
27 approved private school an estimate of reimbursable costs. Based  
28 upon such estimate, the department shall provide each approved  
29 private school with quarterly payments in advance of department  
30 audit. The department may withhold a portion of such payments

1 not exceeding five percent (5%) of such payment, pending final  
2 audit. In no event shall either the advance payments or final  
3 reimbursement made by the department following audit exceed the  
4 appropriation available for approved private schools.

5 (d) No private institution receiving payment in accordance  
6 with this section shall impose any charge on the student and/or  
7 parents who are Pennsylvania approved reimbursable residents for  
8 a program of individualized instruction and maintenance  
9 appropriate to the child's needs; except that charges for  
10 services not part of such program may be made if agreed to by  
11 the parents.

12 Section 7. Section 1376.1 of the act, added May 31, 1979  
13 (P.L.33, No.11), is amended to read:

14 Section 1376.1. Actual Cost of Tuition and Maintenance of  
15 Certain Exceptional Children in the Four Chartered Schools for  
16 Education of the Deaf and the Blind.--(a) The following term,  
17 whenever used or referred to in this section, shall have the  
18 following meaning. "Chartered school" shall mean any of the four  
19 (4) chartered schools for the education of the deaf or the  
20 blind: the Pennsylvania School for the Deaf; the Overbrook  
21 School for the Blind; the Western Pennsylvania School for Blind  
22 Children; and the Western Pennsylvania School for the Deaf.

23 (b) When any child of school age resident in this  
24 Commonwealth, who is blind or deaf, is enrolled with the  
25 approval of the Department of Education as a pupil in any of the  
26 four (4) chartered schools in accordance with standards and  
27 regulations promulgated by the [Council of Basic] State Board of  
28 Education, the school district in which such child is resident  
29 shall pay the greater of either twenty percent (20%) of the  
30 actual cost of tuition and maintenance of such child in such

1 institution, as determined by the Department of Education; or  
2 its "tuition charge per elementary pupil" or its "tuition charge  
3 per high school pupil," and the Commonwealth shall pay, out of  
4 funds appropriated to the department for special education,  
5 [eighty percent (80%) of the actual cost of their] the balance  
6 due for the costs of such child's tuition and maintenance, as  
7 determined by the department. For the school years 1989-90,  
8 1990-91 and 1991-92 the school district payment shall be no  
9 greater than forty percent (40%) of the actual audited costs of  
10 tuition and maintenance of such child in such school. The  
11 department will credit the district of residence with average  
12 daily membership for such child consistent with the rules of  
13 procedure developed in accordance with section 2501. If the  
14 residence of such child in a particular school district cannot  
15 be determined, the Commonwealth shall pay, out of moneys  
16 appropriated to the department for special education, the whole  
17 cost of tuition and maintenance of such child. The Department of  
18 Education shall be provided with such financial data from each  
19 of the chartered schools as may be necessary to determine the  
20 reasonableness of charges for tuition and room and board of each  
21 of the chartered schools made on Pennsylvania resident approved  
22 students. The Department of Education shall evaluate such data  
23 and shall disallow any charges deemed unreasonable. Any charge  
24 deemed unreasonable by the Department of Education for  
25 disallowance shall be considered an adjudication within the  
26 meaning of Title 2 of the Pa.C.S. (relating to administrative  
27 law and procedure) and regulations promulgated thereunder.

28 (c) When any person less than school age resident in this  
29 Commonwealth who is blind or deaf is enrolled, with the approval  
30 of the Department of Education, as a residential pupil in any of

1 the four (4) chartered schools, the Commonwealth shall pay to  
2 the school, out of moneys appropriated to the department for  
3 special education, the actual cost of tuition and maintenance of  
4 such person, as determined by the Department of Education,  
5 subject to review and approval in accordance with standards and  
6 regulations promulgated by the [Council of Basic] State Board of  
7 Education, and in addition, in the case of any child less than  
8 school age, who is blind, the cost, as determined by the  
9 Department of Education of instructing the parent of such blind  
10 child in caring for such child.

11 (d) None of the chartered schools receiving payment in  
12 accordance with this section shall impose any charge on the  
13 student and/or parents who are approved reimbursable residents  
14 for a program of instruction and maintenance appropriate to the  
15 child's needs; except that charges for programs not part of the  
16 normal school year may be made.

17 Section 8. Section 1377(a) and (b) of the act, amended May  
18 31, 1979 (P.L.33, No.11), are amended to read:

19 Section 1377. Payment of Cost of Tuition and Maintenance of  
20 Certain Exceptional Children.--(a) To facilitate payments by  
21 the several school districts to the schools or institutions in  
22 which deaf or blind, or cerebral palsied and/or brain damaged  
23 and/or muscular dystrophied, or socially and emotionally  
24 disturbed or mentally retarded children are enrolled, of amounts  
25 due by such districts for their proportion of the cost of  
26 tuition and maintenance of such children, the Secretary of  
27 Education shall withhold from any moneys due to such districts  
28 out of any State appropriation for the assistance as  
29 reimbursement of school districts, the amounts due by such  
30 districts to such schools or institutions for the blind or the

1 deaf, or the cerebral palsied and/or brain damaged and/or  
2 muscular dystrophied or the socially and emotionally disturbed  
3 and/or mentally retarded. Amounts so withheld shall be [paid to  
4 such schools or institutions by warrant of the Auditor General  
5 upon the State Treasurer, after requisition of the Secretary of  
6 Education, for which purpose all amounts so withheld are hereby]  
7 specifically appropriated to the Department of Education.

8 (b) Payments of the Commonwealth's proportion of the cost of  
9 tuition and maintenance of blind or deaf, or cerebral palsied  
10 and/or brain damaged and/or muscular dystrophied, or socially  
11 and emotionally disturbed and/or mentally retarded pupils  
12 enrolled in schools or institutions for the blind or for the  
13 deaf, or for the cerebral palsied and/or brain damaged and/or  
14 muscular dystrophied, or for the socially and emotionally  
15 disturbed and of the cost of instruction of parents of blind  
16 pupils less than [six (6) years of] school entry age, as  
17 hereinbefore provided, shall be made quarterly, out of moneys  
18 appropriated to the Department of Education for special  
19 education[, by warrant of the Auditor General upon the State  
20 Treasurer, after requisition by the Secretary of Education].  
21 Except for the provisions of section 1376.1 providing for the  
22 actual cost of tuition and maintenance of certain exceptional  
23 children in the four chartered schools for education of the deaf  
24 and of the blind, in no event shall the total payment for the  
25 cost of tuition and maintenance of any such child exceed the  
26 rates per year allowed under section 1376. The maximum amount  
27 payable for the cost of tuition and maintenance of such children  
28 shall be subject to review at least once every two years for the  
29 purpose of recommending an adjustment thereof.

30 \* \* \*

1 Section 9. Section 2501(9), (9.1), (14.1) and (19) of the  
2 act, amended or added August 24, 1977 (P.L.199, No.59), June 30,  
3 1980 (P.L.279, No.80) and October 20, 1988 (P.L.827, No.110),  
4 are amended and the section is amended by adding clauses to  
5 read:

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

8 \* \* \*

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

16 (9.1) "Personal Income Valuation." A school district's  
17 personal income valuation for purposes of reimbursement to a  
18 school district under subsections (d), (e), and (f) of section  
19 2502, and section 2592 shall be the valuation of the total  
20 taxable income for the tax year preceding the immediate prior  
21 year, determined under Article III of the act of March 4, 1971  
22 (P.L.6, No.2), known as the "Tax Reform Code of 1971," for each  
23 school district each year by the Secretary of Revenue and  
24 certified to the Secretary of Education. For the 1988-1989  
25 school year and each school year thereafter, the Secretary of  
26 Revenue, shall additionally certify, for those districts in  
27 which residents claim credit against the State personal income  
28 tax for income earned outside this Commonwealth under section  
29 314 of the "Tax Reform Code of 1971," the total number of  
30 persons claiming such out-of-State tax credits and the total

1 dollar amount of such tax credits claimed in the individual  
2 district.

3 \* \* \*

4 (9.4) "Municipal Equalized Millage." A city of the first  
5 through third class tax effort to be used for reimbursement  
6 under subsections (d) and (e) of section 2502 and section  
7 2502.11 shall be the amount of municipal taxes collected and  
8 reported to the Department of Community Affairs divided by the  
9 real property valuation of the municipality for the most recent  
10 year for which both municipality tax and real property valuation  
11 are available.

12 (9.5) "Municipal Median Equalized Millage." For the school  
13 year 1988-1989 and each school year thereafter, the Secretary of  
14 Education shall annually calculate the equalized millage for  
15 which an equal number of cities of the first through third class  
16 are above and below for that year.

17 \* \* \*

18 (14.1) "Market Value/Income Aid Ratio." For purposes of  
19 reimbursement to a school district under subsections (d), (e),  
20 and (f) of section 2502, and section 2592, shall be the  
21 Commonwealth's method of determining the combined market value  
22 and income wealth for each pupil, and shall be computed as  
23 follows:

24 (a) (i) Divide the market value per weighted average daily  
25 membership of the district by the market value per weighted  
26 average daily membership of the State;

27 (ii) Determine the product of (a)(i) multiplied by the  
28 district's share of total costs which is .5;

29 (iii) Subtract the resultant product in (a)(ii) from 1.000  
30 to determine the market value portion of the aid ratio.

1 (b) (i) Divide the income per weighted average daily  
2 membership of the district by the average personal income per  
3 weighted average daily membership of the State;

4 (ii) Determine the product of (b)(i) multiplied by the  
5 district's share of total costs which is .5;

6 (iii) Subtract the resultant product in (b)(ii) from 1.0000  
7 to determine the income aid ratio.

8 (c) Add sixty percent (60%) of the market value aid ratio to  
9 forty percent (40%) of the income aid ratio to determine the  
10 market value/income aid ratio.

11 (d) For payments beginning in the 1989-1990 school year and  
12 each school year thereafter, the Department of Education shall  
13 utilize an adjusted personal income valuation for the 1987 tax  
14 year and each tax year thereafter respectively in computing the  
15 market value/income aid ratio for such districts. The adjusted  
16 personal income valuation shall be calculated by dividing the  
17 total out-of-State tax credits claimed by the residents of a  
18 school district by the State personal income tax rate and  
19 subtracting that amount from the total personal income valuation  
20 for the individual school district. The State total personal  
21 income valuation shall remain that as certified by the  
22 Department of Revenue and shall not be adjusted to reflect out-  
23 of-State tax credits.

24 \* \* \*

25 (19) "Factor for Educational Expense." For the school years  
26 1982-1983 and 1983-1984, the factor for educational expense used  
27 to compute school district entitlements to payments on account  
28 of instruction, as provided for in subsection (d) of section  
29 2502, shall be one thousand six hundred fifty-six dollars  
30 (\$1,656) unless later changed by statute. For the school year

1 1983-1984, the Factor for Educational Expense shall be one  
2 thousand seven hundred twenty-five dollars (\$1,725), unless  
3 later changed by statute, for those school districts  
4 participating, during the 1984-1985 school year, in a Statewide  
5 program for testing and remediation which is designed to  
6 identify and provide remediation services to individual students  
7 pursuant to section 1511.1. For the 1984-1985 school year,  
8 notwithstanding any other provisions of this act to the  
9 contrary, the Factor for Educational Expense used to compute all  
10 school districts' entitlements to payments on account of  
11 instruction, as provided for in subsection (d) of section 2502,  
12 shall be one thousand eight hundred seventy-five dollars  
13 (\$1,875). For the 1985-1986 school year, the Factor for  
14 Educational Expense used to compute all school districts'  
15 entitlements to payments on account of instruction, as provided  
16 for in subsection (d) of section 2502, shall be one thousand  
17 nine hundred seventy dollars (\$1,970). For the 1986-1987 school  
18 year, the Factor for Educational Expense used to compute all  
19 school districts' entitlements to payments on account of  
20 instruction, as provided for in subsection (d) of section 2502,  
21 shall be two thousand one hundred twenty-five dollars (\$2,125).  
22 For the school year 1987-1988 [and each school year thereafter],  
23 the Factor for Educational Expense used to compute all school  
24 districts' entitlements to payments on account of instruction,  
25 as provided for in subsection (d) of section 2502, shall be two  
26 thousand two hundred thirty dollars (\$2,230). For the school  
27 year 1988-1989 and each school year thereafter, the Factor for  
28 Educational Expense used to compute all school districts'  
29 entitlements to payments on account of instruction, as provided  
30 for in subsection (d) of section 2502, shall be two thousand

1 three hundred thirty dollars (\$2,330).

2 Section 10. Section 2502.5(b) and (e) of the act, amended  
3 October 20, 1988 (P.L.827, No.110), are amended to read:

4 Section 2502.5. Limitation of Certain Payments.--\* \* \*

5 (b) Notwithstanding any other provisions of law, for the  
6 school year 1982-1983 and 1983-1984, no school district shall be  
7 paid under subsections (d) and (e) of section 2502 and section  
8 2502.11 or, for the school year 1984-1985, no school district  
9 shall be paid under subsections (d) and (e) of section 2502,  
10 subsection (e) of this section, section 2502.11 and section  
11 2502.13 or, for the school year 1985-1986, no school district  
12 shall be paid under subsections (d) and (e) of section 2502,  
13 subsection (e) of this section, section 2502.11, section  
14 2502.13, section 2502.14 and section 2502.15 or, for the school  
15 year 1986-1987, no school district shall be paid under  
16 subsections (d) and (e) of section 2502, subsection (e) of this  
17 section, section 2502.11, section 2502.13 and section 2502.15  
18 or, for the school year 1987-1988 [and each school year  
19 thereafter], no school district shall be paid under subsections  
20 (d) and (e) of section 2502, subsection (e) of this section,  
21 sections 2502.11 and 2502.13 or, for the school year 1988-1989  
22 and each school year thereafter, no school district shall be  
23 paid under subsections (d) and (e) of section 2502, sections  
24 2502.11 and 2502.13 an amount in excess of one hundred percent  
25 (100%) of the total reimbursable instructional expenditures of  
26 the school district. For the 1982-1983 school year, all school  
27 districts qualifying for payments under subsections (d) and (e)  
28 of section 2502 and section 2502.11 shall be limited to an  
29 increase payment on account of those sections which shall not  
30 exceed nine percent (9%) over the sums received on account of

1 section 2502.9 for the 1981-1982 school year, nor shall any  
2 school district receive an increase of less than two percent  
3 (2%) of the 1982-1983 school year payments on account of the  
4 1981-1982 school year. For the 1984-1985 school year, each  
5 school district qualifying for payments under subsections (d)  
6 and (e) of section 2502 and section 2502.11 shall be limited to  
7 an increase payment on account of those sections which shall not  
8 exceed eight and forty-five one hundredths percent (8.45%) over  
9 the sums received on account of such sections for the school  
10 year 1983-1984, nor shall any school district receive an  
11 increase of less than two percent (2%) of such payments for the  
12 school year 1983-1984: Provided, however, That such payments for  
13 the school year 1983-1984 shall be computed using a Factor for  
14 Educational Expense of one thousand six hundred fifty-six  
15 dollars (\$1,656) and a maximum payment increase of seven and  
16 forty-five one hundredths percent (7.45%) and a minimum payment  
17 increase of two percent (2%) and the eighty percent (80%)  
18 guarantee provided for in section 2502.5(e). For the 1985-1986  
19 school year, each school district qualifying for payments under  
20 subsections (d) and (e) of section 2502, subsection (e) of this  
21 section and section 2502.11 shall be limited to an increase  
22 payment on account of those sections which shall not exceed  
23 seven percent (7%) over the sums received on account of such  
24 sections for the school year 1984-1985, nor shall any school  
25 district receive an increase less than two percent (2%) of such  
26 payments for the school year 1984-1985. For the 1986-1987 school  
27 year, each school district qualifying for payments under  
28 subsections (d) and (e) of section 2502, subsection (e) of this  
29 section and section 2502.11 shall be limited to an increase  
30 payment on account of those sections which shall not exceed

1 eight percent (8%) over the sums received on account of such  
2 sections and section 2502.14 for the school year 1985-1986, nor  
3 shall any school district receive an increase less than two  
4 percent (2%) of such payment for the school year 1985-1986. For  
5 the 1987-1988 school year [and each school year thereafter],  
6 each school district qualifying for payments under subsections  
7 (d) and (e) of section 2502, subsection (e) of this section and  
8 section 2502.11 shall be limited to an increase payment on  
9 account of those sections which shall not exceed eight percent  
10 (8%) over the sums received on account of such sections and  
11 section 2502.15 for the school year 1986-1987, nor shall any  
12 school district receive an increase less than two percent (2%)  
13 of such payments for the school year 1986-1987. For the 1988-  
14 1989 school year and each school year thereafter, no school  
15 district qualifying for payments under subsections (d) and (e)  
16 of section 2502, subsection (e) of this section, and section  
17 2502.11 shall receive an increase less than two percent (2%) of  
18 such payments for the prior school year.

19 (e) For the school years 1983-1984 and 1984-1985, no school  
20 district shall be paid under subsections (d) and (e) of section  
21 2502, subsection (e) of this section, and under section 2502.11  
22 less than eighty percent (80%) of the total amount to which it  
23 is entitled under said sections, notwithstanding any limitations  
24 on increases in such payments enacted by the General Assembly to  
25 the contrary. For the school year 1985-1986, no school district  
26 shall be paid under subsections (d) and (e) of section 2502 and  
27 under section 2502.11 less than eighty-five percent (85%) of the  
28 total amount to which it is entitled under said sections,  
29 notwithstanding any limitations on increases in such payments  
30 enacted by the General Assembly to the contrary. For the school

1 year 1986-1987, no school district shall be paid under  
2 subsections (d) and (e) of section 2502 and under section  
3 2502.11 less than ninety percent (90%) of the total amount to  
4 which it is entitled under said sections, notwithstanding any  
5 limitations on increases in such payments enacted by the General  
6 Assembly to the contrary. For the school year 1987-1988 [and  
7 each school year thereafter], no school district shall be paid  
8 under subsections (d) and (e) of section 2502 and under section  
9 2502.11 less than ninety-five percent (95%) of the total amount  
10 to which it is entitled under said sections, notwithstanding any  
11 limitations on increases in such payments enacted by the General  
12 Assembly to the contrary. For the school year 1983-1984,  
13 payments under this subsection shall be computed using a Factor  
14 for Educational Expense of one thousand six hundred fifty-six  
15 dollars (\$1,656) and a maximum payment increase of seven and  
16 forty-five one hundredths percent (7.45%) and a minimum payment  
17 increase of two percent (2%). For the school year 1984-1985 and  
18 each school year thereafter, payments under this subsection  
19 shall be computed using the Factor for Educational Expense as  
20 defined in section 2501(19) and minimum and maximum increase  
21 limits provided for in subsection (b) of this section. No school  
22 district shall, as a result of this subsection, be paid an  
23 amount in excess of one hundred percent (100%) of the total  
24 reimbursable instructional expenditures of the school district.

25 Section 11. Section 2502.11(c) of the act, amended June 29,  
26 1984 (P.L.438, No.93), is amended and the section is amended by  
27 adding a subsection to read:

28 Section 2502.11. Economic Supplement.--\* \* \*

29 (c) For the school year 1982-1983 [and each school year  
30 thereafter] through the school year 1987-1988, any district

1 which levies and collects local taxes for school purposes equal  
2 to or above the median equalized millage, as defined in section  
3 2501(9.3), in the year for which reimbursement is determined  
4 shall qualify for and receive a payment based upon local tax  
5 effort and population per square mile in accordance with the  
6 following table, except for qualifying districts which include a  
7 central city of a Standard Metropolitan Statistical Area and  
8 have a district population of less than four thousand (4,000)  
9 persons per square mile, which districts shall receive three  
10 percent (3%) of their instructional expenditures:

11	Population Per Square Mile	Payment as Percent of
12	of the Qualifying District	Instructional Expenditure
13	5,950 and over	5
14	4,000 - 5,949	3
15	less than 4,000	1

16 Notwithstanding the provisions of this subsection, districts  
17 having a general population of five thousand nine hundred fifty  
18 (5,950) or more persons per square mile and at least thirty-five  
19 thousand (35,000) WADMs shall be paid nineteen percent (19%) of  
20 their instructional expenditures.

21 (d) For the school year 1988-1989 and each school year  
22 thereafter, any district which levies and collects local taxes  
23 for school purposes equal to or above the median equalized  
24 millage, as defined in section 2501(9.3), in the year for which  
25 reimbursement is determined or any school district the majority  
26 of whose population is drawn from a city of the first through  
27 third class which levies and collects local taxes for municipal  
28 purposes equal to or above the municipal median equalized  
29 millage, as defined in section 2501(9.5) for the most recent  
30 municipal fiscal year for which data is available shall qualify

1 for and receive a payment based upon local tax effort and  
 2 population per square mile in accordance with the following  
 3 table, except for qualifying districts which include a central  
 4 city of a Standard Metropolitan Statistical Area and have a  
 5 district population of less than four thousand (4,000) persons  
 6 per square mile, which districts shall receive three percent  
 7 (3%) of their instructional expenditures:

8	<u>Population Per Square Mile</u>	<u>Payment as Percent of</u>
9	<u>of the Qualifying District</u>	<u>Instructional Expenditure</u>
10	<u>5,950 and over</u>	<u>5</u>
11	<u>4,000 - 5,949</u>	<u>3</u>
12	<u>less than 4,000</u>	<u>1</u>

13 Qualifying districts having a general population of five  
 14 thousand nine hundred fifty (5,950) or more persons per square  
 15 mile and at least thirty-five thousand (35,000) WADMs shall be  
 16 paid nineteen percent (19%) of their instructional expenditures.

17 Section 12. Section 2502.13 of the act, amended October 20,  
 18 1988 (P.L.827, No.110), is amended to read:

19 Section 2502.13. Small District Assistance.--For the 1984-  
 20 1985 and 1985-1986 school years, the Commonwealth shall pay to  
 21 each school district which has an average daily membership of  
 22 one thousand five hundred (1,500) or less and has a market  
 23 value/income aid ratio of five thousand ten-thousandths (0.5000)  
 24 or greater, an amount equal to fifty dollars (\$50) multiplied by  
 25 that district's average daily membership. For the 1985-1986  
 26 school year, no school district shall receive less on account of  
 27 this section than it did for the 1984-1985 school year. For the  
 28 school year 1986-1987, the Commonwealth shall pay to each school  
 29 district which has an average daily membership of one thousand  
 30 five hundred (1,500) or less and has a market value/income aid

1 ratio of five thousand ten-thousandths (0.5000) or greater, or  
2 received payments under this section for the 1985-1986 school  
3 year, an amount equal to seventy-five dollars (\$75) multiplied  
4 by that district's average daily membership. For the school year  
5 1987-1988 [and each school year thereafter], the Commonwealth  
6 shall pay to each school district which has an average daily  
7 membership of one thousand five hundred (1,500) or less and a  
8 market value/income aid ratio of five thousand ten-thousandths  
9 (0.5000) or greater, or received payments under this section for  
10 the 1986-1987 school year, an amount equal to eighty-five  
11 dollars (\$85) multiplied by that district's average daily  
12 membership. For the school year 1988-1989, and each school year  
13 thereafter, the Commonwealth shall pay to each school district  
14 which has an average daily membership of one thousand five  
15 hundred (1,500) or less and a market value/income aid ratio of  
16 five thousand ten thousandths (0.5000) or greater, or received  
17 payments under this section for the 1987-1988 school year, an  
18 amount equal to one hundred five dollars (\$105) multiplied by  
19 that district's average daily membership. For the 1987-1988  
20 school year and each school year thereafter, no school district  
21 shall receive less on account of this section than it did for  
22 the [1986-1987] prior school year.

23 Section 13. Section 2509.1 of the act, amended January 14,  
24 1970 (1969 P.L.468, No.192), is amended to read:

25 Section 2509.1. Payment on Account of Transportation,  
26 Classes and Schools for Exceptional and Institutionalized  
27 Children.--Annually, before the first day of July, every  
28 intermediate unit shall submit, for prior review and approval by  
29 the Department of [Public Instruction] Education, an estimate of  
30 the cost of operating and administering classes or schools for

1 exceptional and institutionalized children, including the cost  
2 of such fiscal controls as auditing and necessary treasurer's  
3 and secretary's bonds to be operated by the intermediate unit  
4 during the ensuing school year, and for transportation of pupils  
5 to and from classes and schools for exceptional children,  
6 whether or not conducted by the intermediate unit. On or before  
7 the first day of August, the Commonwealth shall pay to the  
8 intermediate unit a sum equal to one-half of the approved  
9 estimated annual cost of operation and administration of classes  
10 and schools for exceptional and institutionalized children and  
11 transportation for exceptional children and, on or before the  
12 first day of January, shall pay an equal sum, or a lesser sum as  
13 may be shown to be necessary by an adjusted budget based upon  
14 expenditures during the first half of the school term. At the  
15 end of each school year all unexpended funds shall be credited  
16 to Commonwealth. Payments due for the succeeding school year on  
17 account of the operation of such classes or upon direction of  
18 the [Superintendent of Public Instruction] Secretary of  
19 Education shall be returned to the Commonwealth. All such funds  
20 returned are hereby specifically appropriated to the Department  
21 of [Public Instruction] Education for support of schools and  
22 classes, and transportation for exceptional children. For each  
23 child enrolled in any special class or school for exceptional  
24 children operated by an intermediate unit, the school district  
25 in which the child is resident shall pay to the Commonwealth a  
26 sum equal to the "tuition charge per elementary pupil" or the  
27 "tuition charge per high school pupil," as determined for the  
28 schools operated by the district or by a joint board of which  
29 the district is a member, [based upon the costs of the preceding  
30 school term] for the same year in which the special class or

1 school is operated, as provided for in section two thousand five  
2 hundred sixty-one of the act to which this is an amendment. In  
3 the event that any school district has not established such  
4 "tuition charge per elementary pupil" or "tuition charge per  
5 high school pupil," the [Superintendent of Public Instruction]  
6 Secretary of Education shall fix a reasonable charge for such  
7 district for the year in question. In addition, the district  
8 shall pay on account of transportation by the intermediate unit  
9 of pupils to and from classes and schools for exceptional  
10 children, whether or not conducted by the intermediate unit, an  
11 amount to be determined by subtracting from the cost of  
12 transportation per pupil the reimbursement due the district on  
13 account of such transportation in order to facilitate such  
14 payments by the several school districts. The [Superintendent of  
15 Public Instruction] Secretary of Education shall withhold from  
16 any moneys due to such district out of any state appropriation,  
17 except from reimbursements due on account of rentals as provided  
18 in section two thousand five hundred eleven point one of the act  
19 to which this is an amendment, the amounts due by such school  
20 districts to the Commonwealth. All amounts so withheld are  
21 hereby specifically appropriated to the Department of [Public  
22 Instruction] Education for the support of public schools. The  
23 cost of operating and administering classes and schools for  
24 institutionalized children, including the cost of necessary  
25 fiscal controls, shall be paid by the Commonwealth.

26 Section 14. The act is amended by adding a section to read:

27 Section 2509.4. Payments on Account of Special Education  
28 Services.--(a) For the school year 1989-1990, the following  
29 provisions shall apply to the Commonwealth's payments of funds  
30 to school districts and intermediate units for the provisions of

1 special education services.

2 (1) On or before the first day of August, the Commonwealth  
3 shall pay to school districts and intermediate units an amount  
4 which represents fifty per centum (50%) of the total State funds  
5 available for such programs operated in the school year 1989-  
6 1990.

7 (2) On January 1, 1990, a second payment shall be made to  
8 school districts and intermediate units consisting of one-fourth  
9 (1/4) of the total State funds available for such programs  
10 operated in the school year 1989-1990.

11 (3) If, by March 1, 1990, the State Board of Education has  
12 adopted revisions to Chapter 13 Special Education regulations  
13 and/or the 22 Pa. Code, Ch. 341 standards, the final payment  
14 shall consist of the remaining State funds available for such  
15 programs operated in the school year 1989-1990. If, on March 1,  
16 1990, the State Board of Education has not adopted revisions to  
17 Chapter 13 Special Education regulations and/or 22 Pa. Code, Ch.  
18 341 standards, but the Secretary of the Budget determines that  
19 sufficient progress has been made, a one-time waiver in order to  
20 make an additional payment of no more than one-eighth (1/8) of  
21 the total State funds available for such programs operated in  
22 the school year 1989-1990 may be made.

23 (b) From the funds appropriated in the 1989-1990 fiscal year  
24 and notwithstanding the provisions of subsection (a)(1), (2) and  
25 (3), fifty million dollars (\$50,000,000) shall be paid on August  
26 1, 1989, to school districts for programs operated in school  
27 year 1988-1989 with the additional payment of forty-nine million  
28 dollars (\$49,000,000) of the funds due the school districts for  
29 the programs operated in school year 1988-1989 to be paid on or  
30 before December 1, 1989. Any adjustments to these payments may

1 be made in June 1990 on the basis of actual data.

2 Section 15. The act is amended by adding an article to read:

3 ARTICLE XXVII-D

4 EQUIPMENT GRANTS

5 Section 2701-D. Definitions.--When used in this article the  
6 following words and phrases shall have the following meanings:

7 "Community colleges" shall mean institutions now, or  
8 hereafter, created pursuant to the act of August 24, 1963  
9 (P.L.1132, No.484), known as the "Community College Act of 1963"  
10 or Article XIX-A of this act.

11 "Department" shall mean the Department of Education of the  
12 Commonwealth.

13 "Educational equipment" shall mean tangible property used by  
14 institutions of higher education in support of instruction. The  
15 term shall not include equipment used in support of sectarian  
16 and denominational instruction or for any other sectarian and  
17 denominational purpose or activity.

18 "Eligible institution" shall mean an independent institution  
19 of higher education which is approved by the department for  
20 equipment grants pursuant to the provisions of this act. The  
21 term does not include an institution which is determined by the  
22 department to be a community college, a theological seminary or  
23 school of theology or a sectarian and denominational  
24 institution, nor does it include a State-owned or State-related  
25 institution.

26 "Equipment grant" shall mean an amount determined by dividing  
27 the funds appropriated pursuant to this act, less reasonable  
28 administrative expenses, by the total of all certified full-time  
29 equivalent students from all eligible institutions applying for  
30 grants.

1 "Full-time equivalent students" shall mean the enrollment in  
2 programs at eligible institutions expressed in terms of full-  
3 time students as determined by the Department of Education.

4 "Independent institution of higher education" shall mean an  
5 institution of higher education which is operated not-for-  
6 profit, located in and incorporated or chartered by the  
7 Commonwealth, entitled to confer degrees as set forth in section  
8 211 of the act of May 5, 1933 (P.L.289, No.105), known as the  
9 "Nonprofit Corporation Law," and entitled to apply to itself the  
10 designation "college" or "university" as provided for by  
11 standards and qualifications prescribed by the State Board of  
12 Education pursuant to the act of May 7, 1937 (P.L.585, No.150),  
13 entitled, as amended, "An act prohibiting the use of the  
14 designation of 'college' by any institution not conforming to  
15 the standards of a college prescribed by the State Board of  
16 Education; and providing for injunctions, and penalties."

17 "Pennsylvania based" shall mean educational equipment  
18 manufactured or assembled within this Commonwealth, or sold,  
19 leased or otherwise provided to an eligible institution by a  
20 vendor which has a place of business in this Commonwealth.

21 "State-owned institution" shall mean a member institution of  
22 the State System of Higher Education.

23 "State-related institutions" shall mean The Pennsylvania  
24 State University, the University of Pittsburgh, Temple  
25 University and Lincoln University and their branch campuses.

26 Section 2702-D. Certification of Recipients.--From the  
27 information it receives from colleges and universities the  
28 department shall certify the number of full-time equivalent  
29 students attending each eligible institution during the most  
30 recent year for which data is available.

1       Section 2703-D. Institutional Equipment Grants.--For the  
2 academic year beginning on or about September 1, 1989, the  
3 department shall allot a one-time equipment grant on behalf of  
4 each full-time equivalent student attending the eligible  
5 institution as certified pursuant to section 2702-D. The  
6 allotment shall be made to each eligible institution from the  
7 funds appropriated to the department pursuant to this article.  
8 Following an initial allocation and allotment, if any funds  
9 appropriated have not been and cannot be allocated to one or  
10 more institutions otherwise eligible for funds, the department  
11 shall reallocate these funds to the remaining eligible  
12 institutions so that all funds appropriated under this article  
13 have been allotted.

14       Section 2704-D. Use of Moneys.--The moneys appropriated  
15 shall be used only for, or in connection with, expenses incurred  
16 by the eligible institution to purchase, lease or otherwise  
17 acquire educational equipment which is Pennsylvania based. If  
18 the eligible institution purchases, leases or otherwise acquires  
19 educational equipment which is not Pennsylvania based, it must  
20 file with the department a statement of justification as to why  
21 Pennsylvania-based educational equipment was not obtained.

22       Section 2705-D. Forfeiture.--Any eligible institution which  
23 refuses to submit such information for audit as required by this  
24 article or knowingly submits misrepresentations or false  
25 statements with the intention of fraudulently obtaining moneys  
26 from the department shall be denied status as an eligible  
27 institution under the provisions of this article.

28       Section 2706-D. Expiration.--This article shall expire on  
29 June 30, 1990.

30       Section 16. Notwithstanding any other provisions of the act

1 of March 10, 1949 (P.L.30, No.14), known as the Public School  
2 Code of 1949, the board of school directors of each school  
3 district is authorized to and may reopen its 1989-1990 budget  
4 during the months of July and August 1989 to make any revisions  
5 in the budget and tax levies heretofore adopted to reflect  
6 anticipated increases in subsidies payable to the school  
7 district during its 1989-1990 fiscal year under provisions of  
8 this act.

9 Section 17. With the exception of the amendments to sections  
10 315, 316, 317 and 677.1, this act shall be retroactive to July  
11 1, 1989.

12 Section 18. This act shall take effect as follows:

13 (1) The amendments to sections 315, 316, 317 and 677.1  
14 shall take effect in 60 days.

15 (2) The remainder of this act shall take effect  
16 immediately.