

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 652 Session of  
1999

INTRODUCED BY JUBELIRER, WHITE, PICCOLA, TOMLINSON, RHOADES,  
CONTI, BODACK, KASUNIC, STAPLETON, MADIGAN, SALVATORE, BELL,  
GERLACH, COSTA, TARTAGLIONE, MOWERY, BRIGHTBILL, LEMMOND,  
KUKOVICH, LOEPER, SCHWARTZ, MELLOW, WENGER, HART, THOMPSON,  
PUNT, STOUT, O'PAKE, SLOCUM, CORMAN AND DENT, MARCH 24, 1999

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 14, 1999

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 Commonwealth  
6 payments for basic education grants, intermediate units,  
7 community colleges, secondary vocational education subsidies,  
8 small district assistance and basic education, and for  
9 transportation; and authorizing area vocational-technical  
10 boards to establish capital reserve funds.

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

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

17 Section 917.1-A. Commonwealth Payments.--\* \* \*

18 (h) For the 1998-1999 school year, and each school year  
19 thereafter, each intermediate unit shall receive a proportionate

1 share of the amount available under subsection (a) minus the  
2 payments made under section 919.1-A(e) based on the amount  
3 received by the intermediate unit under subsection (g) for the  
4 1997-1998 school year. [During] Beginning with the 1998-1999  
5 school year, however, no intermediate unit shall receive less  
6 payment under this subsection than the amount of the payments  
7 the intermediate unit received under subsection (g) during the  
8 1997-1998 school year.

9 Section 919.1-A. Capital Subsidy.--\* \* \*

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

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

16 Section 1215.--Locally Issued Temporary Certification for  
17 Substitute Teachers.--A temporary substitute teacher certificate  
18 may be issued by a public school entity to an individual who  
19 presents a letter from a college or university verifying that  
20 the individual has completed an approved teacher preparation  
21 program, has successfully completed the certification testing  
22 requirements and has completed all requirements for the awarding  
23 of a bachelor's degree on a date certain. The temporary  
24 substitute teacher certificate shall only be used for day-to-day  
25 assignments and shall expire upon the termination of any summer  
26 school conducted in the summer which follows the date of  
27 issuance or upon the receipt of Instructional I certification by  
28 the individual.

29 Section 3. Section 1372 of the act is amended by adding a  
30 clause to read:

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

(7) Reporting of exceptional students:

(i) The department shall review each school district's count <—  
of exceptional students reported under section 2509.5(f) and  
(g), not including gifted students. When the count is thirty  
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 exceptional 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 count of <—  
exceptional students that is above or below thirty per centum  
(30%) of the Statewide average INCIDENCE RATE OF MILDLY AND <—  
SEVERELY DISABLED STUDENTS under subclause (i). The report may  
include recommendations regarding the process used to develop <—  
the count of exceptional students. IDENTIFY MILDLY AND SEVERELY <—  
DISABLED STUDENTS.

(iii) Following receipt of the report under subclause (i) <—  
(II), the school district shall submit a written response to the <—  
department describing the basis for the deviation from the  
Statewide average of exceptional students under this section <—  
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 exceptional MILDLY AND SEVERELY DISABLED students <—

1 under this clause.

2 (v) The department shall submit a report to the majority and  
3 minority chairman of the Education and Appropriations Committees  
4 of the Senate and the majority and minority chairman of the  
5 Education and Appropriations Committees of the House of  
6 Representatives regarding ~~procedures~~ THE PROCESS used by school <—  
7 districts to ~~develop counts of exceptional~~ IDENTIFY AND PLACE <—  
8 MILDLY AND SEVERELY DISABLED students. The report shall be  
9 submitted annually at the same time as the ~~department's budget~~ <—  
10 ~~request~~ SUBMISSION OF THE GOVERNOR'S BUDGET TO THE GENERAL <—  
11 ASSEMBLY.

12 Section 4. Section 1503-A(c) of the act, amended April 27,  
13 1998 (P.L.270, No.46), is amended to read:

14 Section 1503-A. Basic Education Grants.--\* \* \*

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

17 (2) The secretary [shall] may establish matching  
18 requirements for grant recipients [with a market value/income  
19 aid ratio, as defined in section 2501 of this act, which is less  
20 than .4000]. Grant recipients with a market value/income aid  
21 ratio which is equal to or greater than .7000 shall be eligible  
22 for larger grant awards as determined by the secretary. A school  
23 district of the first class shall be eligible for a grant award  
24 which shall not exceed three million dollars (\$3,000,000), and a  
25 school district of the first class A shall be eligible for a  
26 grant award which shall not exceed six hundred thousand dollars  
27 (\$600,000), unless the grant awards are included within a  
28 partnership.

29 [(2.1) For the 1997-1998 and 1998-1999 school years, a  
30 school district shall be eligible for a grant in the same amount

1 as a school district was eligible to receive for the 1996-1997  
2 school year as provided in clause (2).

3 (2.2) For the 1997-1998 and 1998-1999 school years, an area  
4 vocational-technical school shall be eligible to receive from  
5 the amount of three million dollars (\$3,000,000) appropriated  
6 for the purposes of this clause a grant in the same amount as  
7 the area vocational-technical school was eligible to receive for  
8 the 1997-1998 school year.]

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

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

23 Section 5. The act is amended by adding an article to read:

24 ARTICLE XV-B.

25 READ TO SUCCEED PROGRAM.

26 Section 1501-B. Establishment of Program.--There is hereby  
27 established in the Department of Education the Read to Succeed  
28 Program. The program shall provide competitive grants to school  
29 districts and charter schools to build strong reading skills in  
30 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

1 Department of Education shall provide technical assistance and  
2 establish methods to ensure the quality of the program receiving  
3 a grant, including program monitoring and onsite visitation.

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

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

13 Section 6. Section 1726-A of the act, added June 19, 1997  
14 (P.L.225, No.22), is amended to read:

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

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

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

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

18       Section 7. Section 1850.1(b) of the act is amended by adding  
19 a clause to read:

20       Section 1850.1. Organization and Operation of Schools and  
21 Institutes.--\* \* \*

22       (b) The area vocational-technical board shall have authority  
23 and its duty shall be:

24       \* \* \*

25       (26) When authorized by the participating school districts,  
26 to establish capital reserve funds under the provisions of  
27 section 1850.4 for the purposes of purchasing equipment and  
28 maintaining facilities;

29       \* \* \*

30       Section 8. The act is amended by adding a section to read:



1     Section 1850.4. Capital Reserve Fund for Approved Purchases  
2 of Equipment and Facility Maintenance.--(a) Any area  
3 vocational-technical board shall have the power to create a  
4 special fund which may be designated as a capital reserve fund,  
5 and to accumulate therein moneys to be expended, in accordance  
6 with the provisions of this section, during a period not to  
7 exceed five years from the date when the first payment was made  
8 into the fund, for the purpose of purchasing equipment or  
9 maintaining facilities.

10     (b) The capital reserve fund herein provided for shall  
11 consist of funds transferred during any fiscal year from  
12 appropriations made for this particular purpose and of  
13 unencumbered funds remaining from the current and/or prior  
14 years' general fund.

15     (c) The moneys in the capital reserve fund shall be kept  
16 separate and apart from any other fund by the treasurer of the  
17 area vocational-technical board and the moneys in the fund may  
18 be invested by the operating agent in securities legal for the  
19 investment of sinking fund moneys of the school district. The  
20 interest earnings on investments shall be paid into the capital  
21 reserve fund. The area vocational-technical school shall  
22 annually show in its financial report the amount of moneys in  
23 the capital reserve fund which shall at all times be properly  
24 identified as to purpose.

25     (d) The moneys in any such capital reserve fund may be  
26 expended only upon approval of a majority of the members of the  
27 operating agent only during the period of time for which the  
28 fund was created, and only for equipment purchases or facilities  
29 maintenance projects and for no other purpose.

30     Section 9. Section 1913-A(b)(1.4) of the act, amended June

1 25, 1997 (P.L.297, No.30) and April 27, 1998 (P.L.270, No.46),  
2 is amended to read:

3 Section 1913-A. Financial Program; Reimbursement or  
4 Payments.--\* \* \*

5 (b) \* \* \*

6 (1.4) The equivalent full-time student reimbursement of a  
7 community college shall be the sum of credit course, noncredit  
8 course and stipend reimbursements. These reimbursements shall be  
9 calculated using a reimbursement factor of one thousand and  
10 forty dollars (\$1,040) for the 1993-1994 fiscal year, of one  
11 thousand eighty dollars (\$1,080) for the 1994-1995 fiscal year  
12 and of one thousand one hundred eighty dollars (\$1,180) for the  
13 1995-1996 fiscal year and one thousand and two hundred and ten  
14 dollars (\$1,210) for the 1996-1997 fiscal year and one thousand  
15 two hundred sixty dollars (\$1,260) for the 1997-1998 fiscal year  
16 and the 1998-1999 fiscal year and one thousand three hundred  
17 dollars (\$1,300) for the 1999-2000 fiscal year and for each year  
18 thereafter and shall be determined as follows:

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

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

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

30 (B) seventy percent (70%) of the reimbursement factor

1 multiplied by the number of equivalent full-time students  
2 enrolled in eligible noncredit courses for the 1994-1995 fiscal  
3 year and for each year thereafter, as determined by the audit  
4 referred to in paragraph (i); or

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

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

17 (A) One thousand one hundred dollars (\$1,100) per full-time  
18 equivalent student enrolled in advanced technology programs. For  
19 the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
20 reimbursement rate shall be calculated at one thousand one  
21 hundred seventy-five dollars (\$1,175) per full-time equivalent  
22 student enrolled in advanced technology programs. For the fiscal  
23 year 1998-1999 and each year thereafter, the reimbursement rate  
24 shall be calculated at one thousand four hundred sixty dollars  
25 (\$1,460) per full-time equivalent student enrolled in advanced  
26 technology programs. Advanced technology programs are programs  
27 using new or advanced technologies which hold promise for  
28 creating new job opportunities, including such fields as  
29 robotics, biotechnology, specialized materials and engineering  
30 and engineering-related programs.

1 (B) One thousand dollars (\$1,000) per full-time equivalent  
2 student enrolled in programs designated as Statewide programs.  
3 For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
4 reimbursement rate shall be calculated at one thousand seventy-  
5 five dollars (\$1,075) per full-time equivalent student enrolled  
6 in programs designated as Statewide programs. For the fiscal  
7 year 1998-1999 and each year thereafter, the reimbursement rate  
8 shall be calculated at one thousand three hundred sixty dollars  
9 (\$1,360) per full-time equivalent student enrolled in programs  
10 designated as Statewide programs. A Statewide program is a  
11 program which meets one or more of the following criteria:

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

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

17 (C) Five hundred dollars (\$500) per full-time equivalent  
18 student enrolled in other occupational or technical programs.  
19 For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
20 reimbursement rate shall be calculated at five hundred seventy-  
21 five dollars (\$575) per full-time equivalent student enrolled in  
22 other occupational or technical programs. For the fiscal year  
23 1998-1999 and each year thereafter, the reimbursement rate shall  
24 be calculated at eight hundred sixty dollars (\$860) per full-  
25 time equivalent student enrolled in other occupational or  
26 technical programs.

27 \* \* \*

28 Section 10. Section 2502.8 of the act is amended by adding a  
29 subsection to read:

30 Section 2502.8. Payments on Account of Pupils Enrolled in

1 Vocational Curriculums.--\* \* \*

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

8 Section 11. Section 2502.13 of the act, amended April 27,  
9 1998 (P.L.270, No.46), is amended to read:

10 Section 2502.13. Small District Assistance.--For the 1984-  
11 1985 and 1985-1986 school years, the Commonwealth shall pay to  
12 each school district which has an average daily membership of  
13 one thousand five hundred (1,500) or less and has a market  
14 value/income aid ratio of five thousand ten-thousandths (0.5000)  
15 or greater, an amount equal to fifty dollars (\$50) multiplied by  
16 that district's average daily membership. For the 1985-1986  
17 school year, no school district shall receive less on account of  
18 this section than it did for the 1984-1985 school year. For the  
19 school year 1986-1987, the Commonwealth shall pay to each school  
20 district which has an average daily membership of one thousand  
21 five hundred (1,500) or less and has a market value/income aid  
22 ratio of five thousand ten-thousandths (0.5000) or greater, or  
23 received payments under this section for the 1985-1986 school  
24 year, an amount equal to seventy-five dollars (\$75) multiplied  
25 by that district's average daily membership. For the school year  
26 1987-1988, the Commonwealth shall pay to each school district  
27 which has an average daily membership of one thousand five  
28 hundred (1,500) or less and a market value/income aid ratio of  
29 five thousand ten-thousandths (0.5000) or greater, or received  
30 payments under this section for the 1986-1987 school year, an

1 amount equal to eighty-five dollars (\$85) multiplied by that  
2 district's average daily membership. For the school year 1988-  
3 1989, the Commonwealth shall pay to each school district which  
4 has an average daily membership of one thousand five hundred  
5 (1,500) or less and a market value/income aid ratio of five  
6 thousand ten thousandths (0.5000) or greater, or received  
7 payments under this section for the 1987-1988 or 1988-1989  
8 school year, an amount equal to one hundred five dollars (\$105).  
9 For the school year 1989-1990, the Commonwealth shall pay to  
10 each school district which has an average daily membership of  
11 one thousand five hundred (1,500) or less and a market  
12 value/income aid ratio of five thousand ten-thousandths (0.5000)  
13 or greater, or received payments under this section for the  
14 1987-1988 school year, an amount equal to one hundred fifteen  
15 dollars (\$115) multiplied by the district's average daily  
16 membership as provided for in section 212 of the act of July 1,  
17 1990 (P.L.1591, No.7A), known as the "General Appropriation Act  
18 of 1990." For the school year 1990-1991, the Commonwealth shall  
19 pay to each school district which has an average daily  
20 membership of one thousand five hundred (1,500) or less and a  
21 market value/income aid ratio of five thousand ten-thousandths  
22 (0.5000) or greater, or received payments under this section for  
23 the prior school year, an amount equal to one hundred seventy  
24 dollars (\$170) multiplied by that district's average daily  
25 membership. For the school year 1990-1991, each school district  
26 with a population per square mile of less than ninety (90),  
27 which otherwise meets the average daily membership and market  
28 value/income aid ratio requirements of this section, or received  
29 payments under this section for the prior school year, shall  
30 instead receive an amount equal to one hundred ninety dollars

1 (\$190) multiplied by that district's average daily membership.  
2 For the 1987-1988 school year through the 1990-1991 school year,  
3 no school district shall receive less on account of this section  
4 than it did for the prior school year. For the school year 1994-  
5 1995, the Commonwealth shall pay to each school district which  
6 has an average daily membership of one thousand five hundred  
7 (1,500) or less and a market value/income aid ratio of five  
8 thousand ten-thousandths (0.5000) or greater, an amount equal to  
9 ninety five dollars (\$95) multiplied by that district's average  
10 daily membership. For the school year 1997-1998 and the school  
11 year 1998-1999, the Commonwealth shall pay to each school  
12 district which has an average daily membership of one thousand  
13 five hundred (1,500) or less and a market value/income aid ratio  
14 of five thousand ten-thousandths (0.5000) or greater an amount  
15 equal to seventy-five dollars (\$75) multiplied by that  
16 district's average daily membership.

17 Section 12. Section 2502.30 of the act, amended April 27,  
18 1998 (P.L.270, No.46), is amended to read:

19 Section 2502.30. Temporary Special Aid to School Districts  
20 Suffering Loss of Tax Revenue Due to Reduction in Assessed  
21 Valuation of Taxable Property.--(a) Temporary special aid shall  
22 be paid in fiscal years 1994-1995, 1995-1996, 1996-1997 [and],  
23 1997-1998, 1998-1999 and 1999-2000 to school districts  
24 experiencing a severe reduction in local revenue due to a  
25 decline in the assessed value of taxable properties. The  
26 allocation to these districts shall be determined by multiplying  
27 the reduction in assessed value between 1985-1986 and 1992-1993  
28 by the 1992-1993 real estate millage rate. This aid shall be  
29 paid from undistributed funds not expended, encumbered or  
30 committed from appropriations for grants and subsidies made to

1 the Department of Education. No other funds shall be used for  
2 assistance under this section. These funds shall be sufficient  
3 to provide temporary relief to seven school districts in fiscal  
4 year 1995-1996 at seventy-five per centum (75%) of the funds  
5 received in fiscal year 1994-1995, in fiscal year 1996-1997 at  
6 fifty per centum (50%) of the funds received in fiscal year  
7 1994-1995 [and], in fiscal year 1997-1998 [and], 1998-1999 and  
8 in fiscal year 1999-2000 at twenty-five per centum (25%) of the  
9 funds received in fiscal year 1994-1995. This section shall  
10 expire October 1, [1999] 2000.

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

18 Section 13. The act is amended by adding a section to read:

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

23 (1) An amount equal to the basic education funding  
24 allocation for the 1997-1998 school year pursuant to section  
25 2502.35.

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

28 (i) To qualify for the base supplement, a school district's  
29 1999-2000 market value/income aid ratio must be equal to or  
30 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 14. 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 districts 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

1 the 1998-1999 school year is equal to or greater than five  
2 thousand four hundred ten thousandths (0.5400).

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

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

23 (z) During the 1999-2000 school year, a school district with  
24 an incidence rate of mildly and severely disabled students  
25 greater than one hundred thirty percent (130%) of the Statewide  
26 average incidence rate of mildly and severely disabled students  
27 shall qualify to receive a supplemental payment, as specified in  
28 this subsection, from funds appropriated to the department for  
29 special education. A school district's incidence rate of mildly  
30 and severely disabled students shall be calculated by dividing

1 the school district's 1997 child count of students with  
2 disabilities collected and reported under sections 611(d)(2) and  
3 618(a) of the ~~Education of the Handicapped~~ INDIVIDUALS WITH <—  
4 DISABILITIES EDUCATION Act (Public Law 91-230, 20 U.S.C. §§  
5 1411(d)(2) and 1418(a)) and ~~64~~ 34 C.F.R. § 300.750 by the school <—  
6 district's 1997-1998 total enrollment reported to the  
7 department. The Statewide average incidence rate of mildly and  
8 severely disabled students shall be calculated by dividing the  
9 Statewide total 1997 child count of students with disabilities  
10 for all school districts by the 1997-1998 Statewide total  
11 enrollment for all school districts. The payment to a qualifying  
12 school district shall be calculated as follows: (1) subtract  
13 one hundred thirty percent (130%) of the Statewide average  
14 incidence rate from the school district's incidence rate; (2)  
15 multiply the difference obtained in paragraph (1) by the school  
16 district's 1998-1999 school year average daily membership; and  
17 (3) multiply the product obtained in paragraph (2) by one  
18 thousand three hundred fifteen dollars (\$1,315).

19 (aa) For the 1999-2000 school year, the sum of payments to  
20 school districts received under subsections (u), (v), (y) and  
21 (z) must be greater than or equal to one hundred and two percent  
22 (102%) of the payments school districts for the 1998-1999 school  
23 year under subsections (p), (q) and (t).

24 Section 15. Section 2595(a) of the act, reenacted and  
25 amended April 27, 1998 (P.L.270, No.46), is amended and the  
26 section is amended by adding a subsection to read:

27 Section 2595. School Performance Incentives.--(a) The  
28 purpose of this section is to establish a program of school  
29 performance incentives to reward significant educational  
30 improvements, to encourage accountability programs with school

districts, to evoke further school performance improvement and to foster collegial participation by school employees 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 employees 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 employee 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.

Section 16. This act shall take effect July 1, 1999, or immediately, whichever is later.