

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILLNo. 719 Session of
1987

Report of the Committee of Conference

To the Members of the House of Representatives and Senate:

We, the undersigned, Committee of Conference on the part of the House of Representatives and Senate for the purpose of considering House Bill No. 719, 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,' ~~requiring school districts to provide copies of certain tax lists to certain municipalities,~~" FURTHER PROVIDING FOR THE EDUCATION OF EXCEPTIONAL CHILDREN IN APPROVED INSTITUTIONS; AND MAKING AN APPROPRIATION,"

respectfully submit the following bill as our report:

JAMES J. MANDERINO

MAX PIEVSKY

SAMUEL E. HAYES, JR.

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

JOHN STAUFFER

RALPH W. HESS

J. WILLIAM LINCOLN

(Committee on the part of the Senate.)

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 subsidies for
6 educational purposes.

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

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding a
11 section to read:

12 Section 233. Small District Assistance after Combination of
13 School Districts.--If two or more school districts combine to
14 create a new school district and at least one of the districts
15 which combined to create that new school district was eligible
16 for small district assistance for the last school year prior to
17 the combination, the new school district shall receive for each
18 of the first five school years after the combination, in
19 addition to any other payments by the Commonwealth, an amount
20 equal to either the total of the small district assistance for
21 which all of the districts were eligible for the last school
22 year prior to combining to create that new school district or
23 the small district assistance for which that new school district
24 is eligible, whichever is greater.

25 Section 2. Sections 2501(19), 2502.5(b) and (e), 2502.13 and
26 2502.15 of the act, amended or added July 10, 1986 (P.L.1270,
27 No.117), are amended to read:

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

30 * * *

31 (19) "Factor for Educational Expense." For the school years

1 1982-1983 and 1983-1984, the factor for educational expense used
2 to compute school district entitlements to payments on account
3 of instruction, as provided for in subsection (d) of section
4 2502, shall be one thousand six hundred fifty-six dollars
5 (\$1,656) unless later changed by statute. For the school year
6 1983-1984, the Factor for Educational Expense shall be one
7 thousand seven hundred twenty-five dollars (\$1,725), unless
8 later changed by statute, for those school districts
9 participating, during the 1984-1985 school year, in a Statewide
10 program for testing and remediation which is designed to
11 identify and provide remediation services to individual students
12 pursuant to section 1511.1. For the 1984-1985 school year,
13 notwithstanding any other provisions of this act to the
14 contrary, the Factor for Educational Expense used to compute all
15 school districts' entitlements to payments on account of
16 instruction, as provided for in subsection (d) of section 2502,
17 shall be one thousand eight hundred seventy-five dollars
18 (\$1,875). For the 1985-1986 school year [and each school year
19 thereafter], the Factor for Educational Expense used to compute
20 all school districts' entitlements to payments on account of
21 instruction, as provided for in subsection (d) of section 2502,
22 shall be one thousand nine hundred seventy dollars (\$1,970). For
23 the 1986-1987 school year and each school year thereafter, the
24 Factor for Educational Expense used to compute all school
25 districts' entitlements to payments on account of instruction as
26 provided for in subsection (d) of section 2502, shall be two
27 thousand one hundred twenty-five dollars (\$2,125).

28 Section 2502.5. Limitation of Certain Payments.--* * *

29 (b) Notwithstanding any other provisions of law, for the
30 school year 1982-1983 and 1983-1984, no school district shall be

1 paid under subsections (d) and (e) of section 2502 and section
2 2502.11 or for the school year 1984-1985 and each school year
3 thereafter, no school district shall be paid under subsections
4 (d) and (e) of section 2502, subsection (e) of this section,
5 section 2502.11 and section 2502.13 or, for the school year
6 1985-1986, no school district shall be paid under subsections
7 (d) and (e) of section 2502, subsection (e) of this section,
8 section 2502.11, section 2502.13, section 2502.14 and section
9 2502.15, or for the school year 1986-1987, no school district
10 shall be paid under subsections (d) and (e) of section 2502,
11 subsection (e) of this section, section 2502.11, section 2502.13
12 and section 2502.15 an amount in excess of one hundred percent
13 (100%) of the total reimbursable instructional expenditures of
14 the school district. For the 1982-1983 school year, all school
15 districts qualifying for payments under subsections (d) and (e)
16 of section 2502 and section 2502.11 shall be limited to an
17 increase payment on account of those sections which shall not
18 exceed nine percent (9%) over the sums received on account of
19 section 2502.9 for the 1981-1982 school year, nor shall any
20 school district receive an increase of less than two percent
21 (2%) of the 1982-1983 school year payments on account of the
22 1981-1982 school year. For the 1984-1985 school year, each
23 school district qualifying for payments under subsections (d)
24 and (e) of section 2502 and section 2502.11 shall be limited to
25 an increase payment on account of those sections which shall not
26 exceed eight and forty-five one hundredths percent (8.45%) over
27 the sums received on account of such sections for the school
28 year 1983-1984, nor shall any school district receive an
29 increase of less than two percent (2%) of such payments for the
30 school year 1983-1984: Provided, however, That such payments for

1 the school year 1983-1984 shall be computed using a Factor for
2 Educational Expense of one thousand six hundred fifty-six
3 dollars (\$1,656) and a maximum payment increase of seven and
4 forty-five one hundredths percent (7.45%) and a minimum payment
5 increase of two percent (2%) and the eighty percent (80%)
6 guarantee provided for in section 2502.5(e). For the 1985-1986
7 school year [and each school year thereafter], each school
8 district qualifying for payments under subsections (d) and (e)
9 of section 2502, subsection (e) of this section and section
10 2502.11 shall be limited to an increase payment on account of
11 those sections which shall not exceed seven percent (7%) over
12 the sums received on account of such sections for the school
13 year 1984-1985, nor shall any school district receive an
14 increase less than two percent (2%) of such payments for the
15 school year 1984-1985. For the 1986-1987 school year and each
16 school year thereafter, each school district qualifying for
17 payments under subsections (d) and (e) of section 2502,
18 subsection (e) of this section and section 2502.11 shall be
19 limited to an increase payment on account of those sections
20 which shall not exceed eight percent (8%) over the sums received
21 on account of such sections and section 2502.14 for the school
22 year 1985-1986, nor shall any school district receive an
23 increase less than two percent (2%) of such payment for the
24 school year 1985-1986.

25 (e) For the school years 1983-1984 and 1984-1985, no school
26 district shall be paid under subsections (d) and (e) of section
27 2502 and under section 2502.11 less than eighty percent (80%) of
28 the 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 1985-1986 [and each school year thereafter], no school
2 district shall be paid under subsections (d) and (e) of section
3 2502 and under section 2502.11 less than eighty-five percent
4 (85%) of the total amount to which it is entitled under said
5 sections, notwithstanding any limitations on increases in such
6 payments enacted by the General Assembly to the contrary. For
7 the school year 1986-1987 and each school year thereafter, no
8 school district shall be paid under subsections (d) and (e) of
9 section 2502 and under section 2502.11 less than ninety percent
10 (90%) of the total amount to which it is entitled under said
11 sections, notwithstanding any limitations on increases in such
12 payments enacted by the General Assembly to the contrary. For
13 the school year 1983-1984, payments under this subsection shall
14 be computed using a Factor for Educational Expense of one
15 thousand six hundred fifty-six dollars (\$1,656) and a maximum
16 payment increase of seven and forty-five one hundredths percent
17 (7.45%) and a minimum payment increase of two percent (2%). For
18 the school year 1984-1985 and each school year thereafter,
19 payments under this subsection shall be computed using the
20 Factor for Educational Expense as defined in section 2501(19)
21 and minimum and maximum increase limits provided for in
22 subsection (b) of this section. No school district shall, as a
23 result of this subsection, be paid an amount in excess of one
24 hundred percent (100%) of the total reimbursable instructional
25 expenditures of the school district.

26 Section 2502.13. Small District Assistance.--For the 1984-
27 1985 school year and each school year thereafter, the
28 Commonwealth shall pay, to each school district which has an
29 average daily membership of one thousand five hundred (1,500) or
30 less and has a market value/income aid ratio of five thousand

1 ten-thousandths (0.5000) or greater, an amount equal to fifty
2 dollars (\$50) multiplied by that district's average daily
3 membership. For the 1985-1986 school year, no school district
4 shall receive less on account of this section than it did for
5 the 1984-1985 school year. For the school year 1986-1987 and
6 each school year thereafter, the Commonwealth shall pay to each
7 school district which has an average daily membership of one
8 thousand five hundred (1,500) or less and has a market
9 value/income aid ratio of five thousand ten-thousandths (0.5000)
10 or greater, or received payments under this section for the
11 1985-1986 school year, an amount equal to seventy-five dollars
12 (\$75) multiplied by that district's average daily membership.

13 Section 2502.15. First Class A School District Supplement.--
14 For the 1985-1986 school year only, each school district of the
15 first class A shall receive a supplemental payment equal to one
16 million three hundred twenty-five thousand dollars (\$1,325,000).
17 For the 1986-1987 school year, each school district of the first
18 class A shall receive a supplemental payment of one million
19 dollars (\$1,000,000).

20 Section 3. The act is amended by adding a section to read:

21 Section 2502.16. Temporary Special Aid to School Districts
22 Suffering Loss of Tax Revenue Due to Bankruptcy of Businesses in
23 the School District.--(a) For the school year 1985-1986 and
24 each school year thereafter, a school district experiencing a
25 ten percent (10%) or greater loss in revenue from real estate
26 taxes for the support of the public schools in any one school
27 year, compared with real estate tax collections the previous
28 year, due to the nonpayment of such taxes within sixty (60) days
29 of the due date for the payment of such taxes during such school
30 year or during the preceding school year by any businesses

1 owning real estate within the boundaries of such school
2 district, by reason of bankruptcy proceedings under Chapter 7,
3 11 or 13 of the Bankruptcy Code (11 U.S.C. § 101 et seq.) shall
4 qualify for temporary special aid under the provisions of this
5 section for a period of two years as provided for in subsection
6 (b).

7 (b) Such temporary special aid shall be equal to the amount
8 of lost real estate tax revenues provided for in subsection (a),
9 payable to the school district during the school year in which
10 such loss due to bankruptcy proceedings is suffered, plus an
11 amount equal to fifty percent (50%) of such amount payable to
12 the school district during the succeeding school year. Such
13 temporary special aid shall be paid only once for each such
14 bankruptcy proceeding and only upon the condition that the
15 school district tax rates which were in effect at the time of
16 the bankruptcy proceeding are not reduced. A school district
17 which suffered the loss in real estate tax revenues provided for
18 in subsection (a) during the 1985-1986 or the 1986-1987 school
19 year shall be eligible to receive its first payment of temporary
20 special aid during the 1986-1987 school year.

21 (c) The temporary special aid provided for in this section
22 shall be paid from undistributed equalized subsidy for basic
23 education funds to the extent that such funds are available.

24 (d) Any subsequent payments made on account of such ceased
25 or suspended real estate taxes by such businesses or by
26 bankruptcy officials on behalf of such businesses, during the
27 course of such bankruptcy proceedings or following their
28 completion, shall be paid to the Department of Education by the
29 school district to the extent of the temporary special aid
30 provided to such school district in accordance with the

1 provisions of this section. Any interest or penalties received
2 by such school district shall be retained by the school
3 district.

4 (e) Nothing contained in this section shall disqualify a
5 school district from receiving temporary special aid due to real
6 property reassessments provided for in section 2502.10:
7 Provided, however, That reassessments resulting from bankruptcy
8 proceedings shall not qualify a school district for the
9 temporary special aid provided for in section 2502.10 during the
10 same school year in which such school district receives
11 temporary special aid for such revenue loss according to the
12 provisions of this section.

13 Section 4. Section 2514.1(c) of the act, amended February 4,
14 1982 (P.L.1, No.1), is amended and the section is amended by
15 adding a subsection to read:

16 Section 2514.1. Personal Income Valuation Information and
17 Determinations.--* * *

18 (b.1) Each school district which receives a listing of
19 taxpayers pursuant to subsection (a) shall, upon receipt of a
20 written request from any municipality within the school
21 district, share a copy of the listing with the requesting
22 municipality. This information shall be used by a municipality
23 solely to verify the accuracy of the municipality's tax rolls.
24 Each school district which complies with the provisions of this
25 subsection shall be entitled to reasonable expenses and
26 reimbursement for making the listing available to the
27 municipality. The provisions of subsection (a) with regard to
28 claimed corrections shall not apply to municipalities.

29 (c) Provision by the Department of Revenue of the list of
30 the names and addresses and school identification code or number

1 to the school districts and use thereof by the school districts
2 or municipalities for the purposes of this section shall be
3 deemed an official use and not a violation of subsection (f) of
4 section 353 of the act of March 4, 1971 (P.L.6, No.2), known as
5 the "Tax Reform Code of 1971," but the use or disclosure of the
6 contents of any list by any person for any purpose other than
7 that set forth by this section or as otherwise permitted by law
8 shall be unlawful and in violation of section 353(f) of the "Tax
9 Reform Code of 1971."

10 Section 5. Section 2574(e) of the act, amended June 12, 1968
11 (P.L.192, No.96), is amended and subsections (b) and (c) are
12 amended by adding clauses to read:

13 Section 2574. Approved Reimbursable Rental for Leases
14 Hereafter Approved and Approved Reimbursable Sinking Fund
15 Charges on Indebtedness.--* * *

16 (b) For new school buildings the approved building
17 construction cost shall be the lesser of

18 * * *

19 (3.1) For school buildings for which the general
20 construction contract is awarded subsequent to July 1, 1984, and
21 for approved school building projects for which the general
22 construction contract was awarded but for which a lease or
23 general obligation bond resolution was not approved by the
24 Department of Education prior to July 1, 1984, the product of
25 the rated pupil capacity as determined by the Department of
26 Education at the time the project is approved and (i) three
27 thousand nine hundred dollars (\$3,900) in the case of elementary
28 schools, (ii) five thousand one hundred dollars (\$5,100) in the
29 case of secondary schools, (iii) an amount in the case of
30 combined elementary-secondary schools obtained by multiplying

1 the rated elementary pupil capacity by three thousand nine
2 hundred dollars (\$3,900) and the rated secondary pupil capacity
3 by five thousand one hundred dollars (\$5,100) and dividing the
4 sum by the total rated pupil capacity.

5 (c) For additions or alterations to existing buildings
6 approved building construction cost shall be the lesser of

7 * * *

8 (3.1) For school buildings for which the general
9 construction contract is awarded subsequent to July 1, 1984, and
10 for approved school building projects for which the general
11 construction contract was awarded but for which a lease or
12 general obligation bond resolution was not approved by the
13 Department of Education prior to July 1, 1984, the difference
14 obtained by subtracting the appraisal value of the existing
15 building from the product of the rated pupil capacity of the
16 altered or expanded building as determined by the Department of
17 Education at the time the project is approved and (i) three
18 thousand nine hundred dollars (\$3,900) in the case of elementary
19 schools, (ii) five thousand one hundred dollars (\$5,100) in the
20 case of secondary schools, (iii) an amount in the case of
21 combined elementary-secondary schools obtained by multiplying
22 the rated elementary pupil capacity by three thousand nine
23 hundred dollars (\$3,900) and the rated secondary pupil capacity
24 by five thousand one hundred dollars (\$5,100) and dividing the
25 sum by the total rated pupil capacity of the altered or expanded
26 building.

27 * * *

28 (e) For area vocational-technical school and technical
29 institute projects leased subsequent to July 1, 1964, by or for
30 lease to a board of school directors authorized to operate such

1 a school, the Department of [Public Instruction] Education shall
2 calculate an approved reimbursable rental charge.

3 For area vocational-technical school and technical institute
4 projects constructed or purchased subsequent to July 1, 1964, by
5 a board of school directors authorized to operate such a school,
6 the Department of [Public Instruction] Education may calculate
7 an approved reimbursable sinking fund charge.

8 Approved reimbursable rental or sinking fund charge shall
9 consist of that part of the annual rental or sinking fund
10 attributable to:

11 (1) Cost of acquiring land and preparing it for use to the
12 extent that such costs are deemed reasonable by the Department
13 of [Public Instruction] Education and the interest on such cost
14 of acquisition, cost of preparation and the cost of sewage
15 treatment and the interest on such costs.

16 (2) Machinery, apparatus, furniture and equipment and all
17 other necessary expenses and interest charges, but excluding
18 architects' fees in excess of six percent of the construction
19 cost.

20 The approved building construction cost and the interest on
21 such construction cost shall not exceed the product of the rated
22 full-time pupil capacity, as determined by the Department of
23 [Public Instruction] Education at the time the project is
24 approved and two thousand two hundred dollars (\$2,200).

25 The provisions of the foregoing paragraph shall apply to all
26 school building projects for which the general construction
27 contract is awarded prior to July 1, 1966, and for approved
28 school building projects for which a lease was approved by the
29 Department of [Public Instruction] Education prior to July 1,
30 1966. For school buildings for which the general construction

1 contract is awarded subsequent to July 1, 1966, and for approved
2 school building projects for which the general construction
3 contract was awarded but for which a lease was not approved by
4 the Department of [Public Instruction] Education prior to July
5 1, 1966, the approved building construction cost and the
6 interest on such construction cost shall not exceed the product
7 of the rated full-time pupil capacity, as determined by the
8 Department of [Public Instruction] Education at the time the
9 project is approved, and three thousand seven hundred dollars
10 (\$3700).

11 For school buildings for which the general construction
12 contract is awarded subsequent to July 1, 1984, and for approved
13 school building projects for which the general construction
14 contract was awarded but for which a lease or general obligation
15 bond resolution was not approved by the Department of Education
16 prior to July 1, 1984, the approved building construction cost
17 and the interest on such construction cost shall not exceed the
18 product of the rated full-time pupil capacity, as determined by
19 the Department of Education at the time the project is approved,
20 and six thousand three hundred dollars (\$6,300).

21 The Department of [Public Instruction] Education shall not
22 approve the expenditure of any funds borrowed or obtained by the
23 sale of bonds by any authority, nonprofit corporation, profit
24 corporation, company or individual for construction of area
25 vocational-technical schools or technical institutes for
26 bleachers, athletic field, lighting equipment or apparatus used
27 to promote and conduct interscholastic athletics.

28 * * *

29 Section 6. The Commonwealth shall be obligated to reimburse
30 school districts at the rates provided for in section 5 of this

1 amendatory act only for payments due on or after July 1, 1987.
2 In no event shall school districts be entitled to increased
3 reimbursements as a result of this amendatory act for payments
4 made by the Commonwealth between July 1, 1984, and June 30,
5 1987.

6 Section 7. Any payments of temporary special aid on account
7 of revenue losses during the 1985-1986 or the 1986-1987 school
8 year, as provided for in section 2502.16, shall be paid out of
9 funds appropriated for equalized subsidy for basic education
10 payments during the 1986-1987 school year to the extent that
11 such funds are available.

12 Section 8. This act shall take effect as follows:

13 (1) Section 2502.16 of this act shall take effect
14 immediately and shall be retroactive to July 1, 1985.

15 (2) The remainder of this act shall take effect July 1,
16 1987, or immediately, whichever is later, and if enacted
17 after July 1, 1987, shall be retroactive to July 1, 1987.