THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

## No. 123  Session of 1989

INTRODUCED BY LESCOVITZ, KOSINSKI, COWELL, CORRIGAN, LLOYD, CAWLEY, TRELLO, DALEY, COLAIZZO, PRESTON AND VEON, JANUARY 25, 1989

REFERRED TO COMMITTEE ON EDUCATION, JANUARY 25, 1989

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 payments to
6    certain merged school districts.

7    The General Assembly of the Commonwealth of Pennsylvania

8 hereby enacts as follows:

9    Section 1.  Section 2517(d) of the act of March 10, 1949

10 (P.L.30, No.14), known as the Public School Code of 1949,

11 amended July 1, 1985 (P.L.103, No.31), is amended to read:

12    Section 2517.  Payments.--* * *

13    (d)  Subsection (c) of this section shall apply to:

14    (1)  All payments to which a school district is entitled

15 under any provision of sections 2502, 2502.3, 2502.4, 2502.8,

16 2502.9 and 2592 for the school year 1981-1982.

17    (2)  Payments to which a school district is entitled under

18 any provision of sections 2502, 2502.8 and 2502.11 for the

19 school year 1982-1983 and the school year 1983-1984.

1    (3)  Payments to which a school district is entitled under

2  any provision of sections 2502, 2502.8, 2502.11 and 2502.13 for

3  the school [year 1984-1985 and each school year thereafter.]

4  years 1984-1985, 1985-1986 and 1987-1988.

5    (4)  Payments to which a school district is entitled under

6  any provision of sections 2502, 2502.8, 2502.11, 2502.13 and

7  2594 for the school year 1988-1989 and each school year

8  thereafter.

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

10    Section 2597.  Subsidy Incentives Payable to Certain Merged

11  School Districts.--(a)  The provisions of this section shall be

12  applicable to any school district created by the voluntary

13  merger of two or more former school districts on or after July

14  1, 1986, in accordance with the provisions of section 224 of

15  this act.

16    (b)  The subsidy incentives provided for in this section

17  shall be paid to all qualified school districts in addition to

18  any other subsidies to which such districts shall be entitled:

19  Provided, however, That such incentives shall not be considered

20  to be part of any such school district's equalized subsidy for

21  basic education and shall not be considered in the computation

22  of any such school district's subsidy entitlements in future

23  years.

24    (c)  An aid ratio incentive shall be computed as follows:

25    (1)  During the first four years of existence of a qualifying

26  district, the Department of Education shall compute and pay the

27  district the equalized subsidy for basic education to which it

28  is entitled, according to the provisions of sections 2501, 2502,

29  2502.5, 2502.10(d) and 2502.11 of this act, in addition to which

30  the department shall compute and pay the aid ratio incentives

1  provided for in clause (2) during the first such year, in clause

2  (3) during the second such year, in clause (4) during the third

3  such year and in clause (5) during the fourth such year.

4  (2)  During the first year of existence of a qualifying

5  district, the department shall compute the district's

6  entitlement to the equalized subsidy for basic education using

7  only the aid ratio of the former district with the highest aid

8  ratio, and shall add to the payment provided for in clause (1)

9  the difference between the amounts computed in clauses (1) and

10  this clause.

11  (3)  During the second year of existence of a qualifying

12  district, the department shall compute the district's

13  entitlement to the equalized subsidy for basic education using

14  only the aid ratio of the former district with the highest aid

15  ratio, and shall add to the payment provided for in clause (1)

16  seventy-five (75%) per centum of the difference between the

17  amounts computed in clauses (1) and this clause.

18  (4)  During the third year of existence of a qualifying

19  district, the department shall compute the district's

20  entitlement to the equalized subsidy for basic education using

21  only the aid ratio of the former district with the highest aid

22  ratio, and shall add to the payment provided for in clause (1)

23  fifty (50%) per centum of the difference between the amounts

24  computed in clauses (1) and this clause.

25  (5)  During the fourth year of existence of a qualifying

26  district, the department shall compute the district's

27  entitlement to the equalized subsidy for basic education using

28  only the aid ratio of the former district with the highest aid

29  ratio, and shall add to the payment provided for in clause (1)

30  twenty-five (25%) per centum of the difference between the

1  amounts computed in clauses (1) and this clause.

2  (6) During the fifth year of existence of a qualifying

3  district, the department shall compute and pay such district

4  only the amount of equalized subsidy for basic education to

5  which it is entitled, in accordance with the provisions cited in

6  clause (1).

7  (d) A pupil incentive grant shall be computed as follows:

8  (1) During the first year of existence of a qualifying

9  district, the Department of Education shall compute and pay the

10  district a grant determined by multiplying twenty (20%) per

11  centum of the average actual instruction expense per weighted

12  average daily membership of the former districts for the

13  previous year by the total weighted average daily membership of

14  the former districts the previous year.

15  (2) During the second year of existence of a qualifying

16  district, the department shall compute and pay the district a

17  grant determined by multiplying fifteen (15%) per centum of the

18  average actual instruction expense per weighted average daily

19  membership of the former districts for the previous year by the

20  number of pupils in weighted average daily membership in the

21  district the previous year.

22  (3) During the third year of existence of a qualifying

23  district, the department shall compute and pay the district a

24  grant determined by multiplying ten (10%) per centum of the

25  average actual instruction expense per weighted average daily

26  membership of the former districts for the previous year by the

27  number of pupils in weighted average daily membership in the

28  district the previous year.

29  (4) During the fourth year of existence of a qualifying

30  district, the department shall compute and pay the district a

1 grant determined by multiplying five (5%) per centum of the

2 average actual instruction expense per weighted average daily

3 membership of the former districts for the previous year by the

4 number of pupils in weighted average daily membership in the

5 district the previous year.

6    (e) Annually, in his initial budget request, the Secretary

7 of Education shall report to the Governor on mergers anticipated

8 the following year which would qualify districts for the subsidy

9 incentives provided for in this section, along with an estimate

10 of the appropriation needed to meet the requirements of this

11 section. Annually, the Governor shall include such information

12 in his budget message to the General Assembly.

13    (f) Any funds appropriated by the General Assembly for the

14 purposes of this section which, at the end of any year, remain

15 unexpended shall be lapsed in accordance with the provisions of

16 section 621 of the act of April 9, 1929 (P.L.177, No.175), known

17 as "The Administrative Code of 1929."

18    Section 3. This act shall take effect July 1, 1989.