

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 AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
JUNE 16, 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 DISTRESSED <—  
6 SCHOOL DISTRICTS OF THE FIRST CLASS; ESTABLISHING THE SCHOOL  
7 DISTRICT LOAN FUND AND THE SCHOOL DISTRICT LOAN PROGRAM;  
8 PROVIDING FOR SCHOOL DISTRICT PROPERTY TAX EXEMPTION TO  
9 CERTAIN SENIOR CITIZENS, WIDOWS, WIDOWERS AND PERMANENTLY  
10 DISABLED PERSONS WITH LIMITED INCOMES, FOR IN-LIEU-OF-TAX  
11 PAYMENTS AND FOR STATE REIMBURSEMENT; FURTHER PROVIDING FOR  
12 Commonwealth payments for basic education grants,  
13 intermediate units, community colleges, secondary vocational  
14 education subsidies, small district assistance and basic  
15 education, FOR DISQUALIFICATIONS FOR TEACHER'S CERTIFICATE <—  
16 and for transportation; ~~and~~ PROVIDING FOR A GRANT PROGRAM FOR <—  
17 CLASS SIZE REDUCTION ACTIVITIES; authorizing area vocational-  
18 technical boards to establish capital reserve funds; <—  
19 PROVIDING FOR AN AID RATIO GUARANTEE AND FOR RESTRICTIONS ON  
20 BENEFITS FOR DOMESTIC PARTNERS; MAKING AN APPROPRIATION; AND  
21 MAKING A REPEAL.

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

24 ~~Section 1. Sections 917.1 A(h) and 919.1 A(e) of the act of~~ <—  
25 ~~March 10, 1949 (P.L.30, No.14), known as the Public School Code~~

1 ~~of 1949, added April 27, 1998 (P.L.270, No.46), are amended to~~  
2 ~~read:~~

3 SECTION 1. SECTION 696(K) OF THE ACT OF MARCH 10, 1949 <—  
4 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, ADDED  
5 APRIL 27, 1998 (P.L.270, NO.46), IS AMENDED TO READ:

6 SECTION 696. DISTRESS IN SCHOOL DISTRICTS OF THE FIRST  
7 CLASS.--\* \* \*

8 (K) COLLECTIVE BARGAINING BETWEEN EMPLOYES, EXCLUDING  
9 NONPROFESSIONAL EMPLOYES, AND THE SCHOOL DISTRICT OF THE FIRST  
10 CLASS SHALL BE CONDUCTED IN ACCORDANCE WITH THIS SUBSECTION.

11 [(1) WHETHER OR NOT A DECLARATION OF DISTRESS HAS BEEN MADE  
12 UNDER SECTION 691(C), A COLLECTIVE BARGAINING AGREEMENT IN  
13 EFFECT ON THE EFFECTIVE DATE OF THIS SECTION SHALL NOT BE  
14 EXTENDED AND SHALL HAVE NO FORCE OR EFFECT BEYOND THE EXISTING  
15 TERM OF THE CONTRACT, NOTWITHSTANDING ANY OTHER LAW TO THE  
16 CONTRARY.]

17 (2) NO DISTRESSED SCHOOL DISTRICT OF THE FIRST CLASS SHALL  
18 BE REQUIRED TO ENGAGE IN COLLECTIVE BARGAINING NEGOTIATIONS OR  
19 ENTER INTO MEMORANDA OF UNDERSTANDING OR OTHER AGREEMENTS  
20 REGARDING ANY OF THE FOLLOWING ISSUES:

21 (I) CONTRACTS WITH THIRD PARTIES FOR THE PROVISION OF GOODS  
22 OR SERVICES, INCLUDING EDUCATIONAL SERVICES OR THE POTENTIAL  
23 IMPACT OF SUCH CONTRACTS ON EMPLOYES.

24 (II) DECISIONS RELATED TO REDUCTIONS IN FORCE.

25 (III) STAFFING PATTERNS AND ASSIGNMENTS, CLASS SCHEDULES,  
26 ACADEMIC CALENDAR, PLACES OF INSTRUCTION, PUPIL ASSESSMENT AND  
27 TEACHER PREPARATION TIME.

28 (IV) THE USE, CONTINUATION OR EXPANSION OF PROGRAMS  
29 DESIGNATED BY THE CHIEF EXECUTIVE OFFICER AS PILOT OR  
30 EXPERIMENTAL PROGRAMS.

(V) THE APPROVAL OR DESIGNATION OF A SCHOOL AS A CHARTER OR  
MAGNET SCHOOL.

(VI) THE USE OF TECHNOLOGY TO PROVIDE INSTRUCTIONAL OR OTHER  
SERVICES.

(3) A COLLECTIVE BARGAINING AGREEMENT FOR PROFESSIONAL  
EMPLOYEES ENTERED INTO AFTER THE EXPIRATION OF THE AGREEMENT IN  
EFFECT ON THE DATE OF THE DECLARATION OF DISTRESS SHALL PROVIDE  
FOR THE FOLLOWING:

(I) A SCHOOL DAY FOR PROFESSIONAL EMPLOYEES THAT IS EQUAL TO  
OR EXCEEDS THE STATE AVERAGE AS DETERMINED BY THE DEPARTMENT. AN  
EXTENSION OF THE SCHOOL DAY RESULTING FROM THIS REQUIREMENT  
SHALL BE USED EXCLUSIVELY FOR INSTRUCTIONAL TIME FOR STUDENTS.

(II) THE NUMBER OF INSTRUCTIONAL DAYS SHALL BE EQUAL TO OR  
EXCEED THE STATE AVERAGE NUMBER OF INSTRUCTIONAL DAYS.

(III) THE CHIEF EXECUTIVE OFFICER AND THE COMMISSION SHALL  
NOT INCREASE COMPENSATION FOR EMPLOYEES SOLELY TO FULFILL THE  
REQUIREMENTS UNDER SUBPARAGRAPHS (I) AND (II).

(4) A PROVISION IN ANY CONTRACT IN EFFECT ON THE DATE OF THE  
DECLARATION OF DISTRESS UNDER THIS SUBSECTION THAT IS IN  
CONFLICT WITH THIS SUBSECTION SHALL BE DISCONTINUED IN ANY NEW  
OR RENEWED CONTRACT.

(5) NOTHING IN THIS SUBSECTION SHALL ELIMINATE, SUPERSEDE OR  
PREEMPT ANY PROVISION OF AN EXISTING COLLECTIVE BARGAINING  
AGREEMENT UNTIL THE EXPIRATION OF THE AGREEMENT UNLESS OTHERWISE  
AUTHORIZED BY LAW.

(6) IF UPON THE TERMINATION OF A COLLECTIVE BARGAINING  
AGREEMENT IN EFFECT ON THE DATE OF THE DECLARATION OF DISTRESS  
UNDER THIS SECTION A NEW COLLECTIVE BARGAINING AGREEMENT HAS NOT  
BEEN RATIFIED, THE SECRETARY OF EDUCATION SHALL ESTABLISH A  
PERSONNEL SALARY SCHEDULE TO BE USED UNTIL A NEW AGREEMENT IS

1 RATIFIED.

2 \* \* \*

3 SECTION 2. ARTICLE VI OF THE ACT IS AMENDED BY ADDING A  
4 SUBDIVISION TO READ:

5 (G) SCHOOL DISTRICT LOAN PROGRAM.

6 SECTION 697.1. THIS SUBDIVISION SHALL BE KNOWN AND MAY BE  
7 CITED AS THE "SCHOOL DISTRICT LOAN ACT."

8 SECTION 697.2. WHEN USED IN THIS SUBDIVISION THE FOLLOWING  
9 WORDS AND PHRASES SHALL HAVE THE FOLLOWING MEANINGS:

10 "DEPARTMENT" SHALL MEAN THE DEPARTMENT OF EDUCATION OF THE  
11 COMMONWEALTH.

12 "FUND" SHALL MEAN THE SCHOOL DISTRICT LOAN FUND ESTABLISHED  
13 IN SECTION 697.3.

14 SECTION 697.3. A SPECIAL FUND IS HEREBY ESTABLISHED IN THE  
15 STATE TREASURY TO BE KNOWN AS THE SCHOOL DISTRICT LOAN FUND. THE  
16 FUND SHALL BE USED EXCLUSIVELY FOR THE PURPOSES SET FORTH IN  
17 THIS SUBDIVISION.

18 SECTION 697.4. THE DEPARTMENT SHALL ESTABLISH AND ADMINISTER  
19 A SCHOOL DISTRICT LOAN PROGRAM FOR THE PURPOSE OF PROVIDING  
20 LOANS FROM THE FUND TO SCHOOL DISTRICTS THAT HAVE SCHOOL  
21 DISTRICT MONEYS ATTACHED BY THE COURT IN A LEGAL PROCEEDING  
22 INITIATED BY SEPTEMBER 26, 1997, INVOLVING THE INVESTMENT OF  
23 SCHOOL DISTRICT MONEYS BY ANY PERSON, BROKER OR INVESTMENT  
24 ADVISOR SUBJECT TO THE ACT OF DECEMBER 5, 1972 (P.L.1280,  
25 NO.284), KNOWN AS THE "PENNSYLVANIA SECURITIES ACT OF 1972."  
26 LOAN PAYMENTS SHALL BE RETURNED TO THE FUND.

27 SECTION 697.5. EACH LOAN APPROVED BY THE DEPARTMENT UNDER  
28 THIS SUBDIVISION SHALL CONTAIN THE FOLLOWING TERMS AND  
29 CONDITIONS:

30 (1) THE LOAN SHALL BE PAYABLE WITHOUT INTEREST IF THE SCHOOL

DISTRICT DEMONSTRATES TO THE DEPARTMENT THAT IT IS IN NEED OF  
THE LOAN EITHER BECAUSE OF AN INCREASE IN TAXES ALREADY LEVIED  
OR TO AVOID RAISING TAXES IN THE DISTRICT. IN ABSENCE OF SUCH  
PROOF OF NEED, THE LOAN SHALL BE SUBJECT TO A RATE OF INTEREST  
OF ONE PER CENTUM (1%) PER ANNUM.

(2) THE AMOUNT OF THE LOAN SHALL BE REPAID IN FULL BY THE  
SCHOOL DISTRICT WITHIN THIRTY-SIX (36) MONTHS OF THE DATE THE  
LOAN MONEYS ARE RELEASED FROM THE FUND TO THE SCHOOL DISTRICT,  
UNLESS THERE IS ONGOING LITIGATION AT THE TIME OF THE RELEASE,  
IN WHICH CASE THE SCHOOL DISTRICT WILL BE ELIGIBLE FOR AN  
EXTENSION UNTIL SUCH TIME AS THE LITIGATION ENDS OR FOR THREE  
YEARS, WHICHEVER IS SHORTER.

(3) IF THE SCHOOL DISTRICT RECEIVES ANY PROCEEDS FROM  
RESOLUTION OF THE LEGAL PROCEEDING PRIOR TO THIRTY-SIX (36)  
MONTHS OF THE DATE THE LOAN MONEYS ARE RELEASED FROM THE FUND TO  
THE SCHOOL DISTRICT, THE SCHOOL DISTRICT SHALL PAY THE PROCEEDS  
TO THE DEPARTMENT UP TO THE AMOUNT OUTSTANDING ON THE LOAN.

(4) IF THE SCHOOL DISTRICT INVESTS ANY OF THE LOAN MONEYS,  
IT MAY ONLY DO SO IN AN INVESTMENT PROGRAM ADMINISTERED BY THE  
STATE TREASURER FOR SCHOOL DISTRICTS AND OTHER MUNICIPALITIES.

(5) IF THE SCHOOL DISTRICT FAILS OR REFUSES TO PAY THE LOAN  
BACK TO THE ACCOUNT WITHIN THIRTY-SIX (36) MONTHS OF THE DATE  
THE LOAN MONEYS ARE RELEASED FROM THE ACCOUNT TO THE SCHOOL  
DISTRICT, THE SECRETARY OF EDUCATION SHALL DEDUCT FROM ANY  
APPROPRIATED MONEYS DUE THE SCHOOL DISTRICT THE AMOUNT  
OUTSTANDING ON THE LOAN.

(6) NONE OF THE LOAN PROCEEDS MAY BE USED TO PAY FOR  
ATTORNEY FEES.

(7) OTHER TERMS AND CONDITIONS AS DEEMED NECESSARY BY THE  
DEPARTMENT.

1     SECTION 697.6. THE DEPARTMENT SHALL DEVELOP AN APPLICATION  
2     FOR LOANS FROM THE FUND AND ALL APPLICATIONS FOR LOANS MUST BE  
3     RECEIVED WITHIN SIX (6) MONTHS OF THE EFFECTIVE DATE OF THIS  
4     SUBDIVISION. NO LOAN SHALL BE APPROVED BY THE DEPARTMENT UNLESS  
5     THE SCHOOL DISTRICT SEEKING THE LOAN HAS COMPLETED THE  
6     APPLICATION AND AGREED TO THE TERMS AND CONDITIONS REQUIRED BY  
7     THIS SUBDIVISION.

8     SECTION 697.7. THE SECRETARY OF EDUCATION MAY COOPERATE WITH  
9     SCHOOL DISTRICTS AND PROVIDE ASSISTANCE TO ALL RELEVANT FEDERAL  
10    AND STATE AGENCIES THAT PARTICIPATE IN ANY LEGAL PROCEEDING  
11    INITIATED ON OR BEFORE SEPTEMBER 26, 1997, INVOLVING THE  
12    INVESTMENT OF SCHOOL DISTRICT MONEYS BY ANY PERSON, BROKER OR  
13    INVESTMENT ADVISOR SUBJECT TO THE ACT OF DECEMBER 5, 1972  
14    (P.L.1280, NO.284), KNOWN AS THE "PENNSYLVANIA SECURITIES ACT OF  
15    1972."

16    SECTION 697.8. THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
17    DEVELOPMENT SHALL COOPERATE WITH AND ASSIST THE DEPARTMENT OF  
18    EDUCATION IN THE ADMINISTRATION OF THIS SUBDIVISION.

19    SECTION 697.9. THIS SUBDIVISION SHALL EXPIRE FIVE YEARS FROM  
20    ITS EFFECTIVE DATE AND ANY MONEYS REMAINING IN THE FUND SHALL BE  
21    TRANSFERRED TO THE GENERAL FUND.

22    SECTION 3. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

23                     ARTICLE VI-A.

24                     REAL PROPERTY TAX EXEMPTION.

25    SECTION 601-A. SHORT TITLE OF ARTICLE.--THIS ARTICLE SHALL  
26    BE KNOWN AND MAY BE CITED AS THE SENIOR CITIZEN SCHOOL REAL  
27    PROPERTY TAX EXEMPTION ACT.

28    SECTION 602-A. DECLARATION OF POLICY.--IN RECOGNITION OF THE  
29    SEVERE ECONOMIC PLIGHT OF SENIOR CITIZENS, WIDOWS, WIDOWERS AND  
30    PERMANENTLY DISABLED PERSONS WHO ARE REAL PROPERTY OWNERS WITH

1 FIXED AND LIMITED INCOMES AND WHO ARE FACED WITH RISING LIVING  
2 COSTS AND CONSTANTLY INCREASING TAXES WHICH THREATEN THEIR  
3 HOMESTEADS AND SELF-SUFFICIENCY, THE GENERAL ASSEMBLY, PURSUANT  
4 TO SECTION 2(B)(III) OF ARTICLE VIII OF THE CONSTITUTION OF  
5 PENNSYLVANIA, CONSIDERS IT TO BE A MATTER OF SOUND PUBLIC POLICY  
6 TO EXEMPT SUCH PROPERTY OWNERS FROM CERTAIN SCHOOL DISTRICT  
7 TAXES TO ENABLE THEM TO REMAIN IN PEACEABLE POSSESSION OF THEIR  
8 HOMES AND RELIEVE THEIR ECONOMIC BURDENS.

9 SECTION 603-A. DEFINITIONS.--AS USED IN THIS ARTICLE,

10 "CLAIMANT" SHALL MEAN A PERSON WHO FILES A CLAIM FOR REAL  
11 PROPERTY TAX EXEMPTION AND WAS SIXTY-FIVE (65) YEARS OF AGE OR  
12 OLDER, OR WHOSE SPOUSE, IF A MEMBER OF THE HOUSEHOLD, WAS SIXTY-  
13 FIVE (65) YEARS OF AGE OR OLDER, DURING A CALENDAR YEAR IN WHICH  
14 REAL PROPERTY TAXES WERE DUE AND PAYABLE OR WAS A WIDOW OR  
15 WIDOWER AND WAS FIFTY (50) YEARS OF AGE OR OLDER DURING A  
16 CALENDAR YEAR IN WHICH REAL PROPERTY TAXES WERE DUE AND PAYABLE,  
17 OR WAS A PERMANENTLY DISABLED PERSON EIGHTEEN (18) YEARS OF AGE  
18 OR OLDER DURING A CALENDAR YEAR IN WHICH REAL PROPERTY TAXES  
19 WERE DUE AND PAYABLE.

20 "HOMESTEAD" SHALL MEAN AN OWNED DWELLING AND AS MUCH OF THE  
21 LAND SURROUNDING IT AS IS REASONABLY NECESSARY FOR USE OF THE  
22 DWELLING AS A HOME OCCUPIED BY A CLAIMANT. A HOMESTEAD SHALL  
23 ALSO INCLUDE PREMISES OCCUPIED BY REASON OF OWNERSHIP IN A  
24 COOPERATIVE HOUSING CORPORATION, MOBILE HOMES WHICH ARE ASSESSED  
25 AS REALTY FOR LOCAL REAL PROPERTY TAX PURPOSES AND THE LAND, IF  
26 OWNED BY THE CLAIMANT, UPON WHICH THE MOBILE HOME IS SITUATED  
27 AND OTHER SIMILAR LIVING ACCOMMODATIONS, AS WELL AS A PART OF A  
28 MULTIDWELLING OR MULTIPURPOSE BUILDING AND A PART OF THE LAND  
29 UPON WHICH IT IS BUILT. THE TERM INCLUDES PREMISES OCCUPIED BY  
30 REASON OF THE CLAIMANT'S OWNERSHIP OF A DWELLING LOCATED ON LAND

1 OWNED BY A NONPROFIT INCORPORATED ASSOCIATION, OF WHICH THE  
2 CLAIMANT IS A MEMBER, IF THE CLAIMANT IS REQUIRED TO PAY A PRO  
3 RATA SHARE OF THE REAL PROPERTY TAXES LEVIED AGAINST THE  
4 ASSOCIATION'S LAND. THE TERM ALSO INCLUDES PREMISES OCCUPIED BY  
5 A CLAIMANT IF THE CLAIMANT IS REQUIRED BY LAW TO PAY A REAL  
6 PROPERTY TAX BY REASON OF HIS OWNERSHIP, INCLUDING A POSSESSORY  
7 INTEREST, IN THE DWELLING, THE LAND OR BOTH. AN OWNER INCLUDES A  
8 PERSON IN POSSESSION UNDER A CONTRACT OF SALE, DEED OF TRUST,  
9 LIFE, ESTATE, JOINT TENANCY OR TENANCY IN COMMON OR BY REASON OF  
10 STATUTES OF DESCENT AND DISTRIBUTION.

11 "HOUSEHOLD INCOME" SHALL MEAN HOUSEHOLD INCOME DEFINED IN THE  
12 ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE "SENIOR  
13 CITIZENS REBATE AND ASSISTANCE ACT."

14 "PERMANENTLY DISABLED PERSON" SHALL MEAN A PERSON WHO IS  
15 UNABLE TO ENGAGE IN ANY SUBSTANTIAL GAINFUL ACTIVITY BY REASON  
16 OF ANY MEDICALLY DETERMINABLE PHYSICAL OR MENTAL IMPAIRMENT  
17 WHICH CAN BE EXPECTED TO CONTINUE INDEFINITELY.

18 "REAL PROPERTY TAXES" SHALL MEAN ALL SCHOOL DISTRICT TAXES ON  
19 A HOMESTEAD, EXCLUSIVE OF MUNICIPAL ASSESSMENTS, DELINQUENT  
20 CHARGES AND INTEREST, DUE AND PAYABLE DURING A CALENDAR YEAR.

21 "WIDOW" OR "WIDOWER" SHALL MEAN THE SURVIVING WIFE OR THE  
22 SURVIVING HUSBAND, AS THE CASE MAY BE, OF A DECEASED INDIVIDUAL  
23 AND WHO HAS NOT REMARRIED.

24 SECTION 604-A. PROPERTY TAX EXEMPTION.--(A) THE AMOUNT OF  
25 ANY CLAIM FOR REAL PROPERTY TAX EXEMPTION SHALL BE DETERMINED IN  
26 ACCORDANCE WITH THE FOLLOWING SCHEDULE:

<u>HOUSEHOLD INCOME</u>	<u>PERCENTAGE OF REAL ESTATE TAX EXEMPTION</u>
28 <u>\$ 0 - \$14,999</u>	<u>100%</u>
29 <u>15,000 - 17,499</u>	<u>90%</u>
30 <u>17,500 - 19,999</u>	<u>75%</u>



1	<u>20,000 - 22,499</u>	<u>60%</u>
2	<u>22,500 - 24,999</u>	<u>40%</u>
3	<u>25,000 - 27,499</u>	<u>30%</u>
4	<u>27,500 - 29,999</u>	<u>20%</u>

5     (B) THE CLAIMANT MUST FILE CLAIM FOR EXEMPTION WITH THE  
6     TAXING SCHOOL DISTRICT WITHIN TWO (2) MONTHS OF RECEIPT OF A  
7     REAL PROPERTY TAX BILL.

8     (C) INCOME FOR A CLAIM OF EXEMPTION SHALL BE THE INCOME OF  
9     THE PRIOR CALENDAR YEAR.

10    (D) IF A HOMESTEAD IS OWNED AND OCCUPIED BY AN ELIGIBLE  
11    CLAIMANT FOR ONLY A PORTION OF A YEAR, THE SCHOOL DISTRICT SHALL  
12    APPORTION THE REAL ESTATE TAXES IN ACCORDANCE WITH THE PERIOD  
13    FOR WHICH THE CLAIMANT WAS ELIGIBLE.

14    SECTION 605-A. IN-LIEU-OF-TAX PAYMENT.--ALL CLAIMANTS FILING  
15    A CLAIM FOR EXEMPTION SHALL INCLUDE AN IN-LIEU-OF-TAX PAYMENT OF  
16    ONE PER CENTUM OF THE HOUSEHOLD INCOME USED IN MAKING SUCH  
17    CLAIM.

18    SECTION 606-A. PROOF OF CLAIM.--SCHOOL DISTRICTS MAY REQUIRE  
19    PROOF OF CLAIM AS REQUIRED IN THE ACT OF MARCH 11, 1971  
20    (P.L.104, NO.3), KNOWN AS THE "SENIOR CITIZENS REBATE AND  
21    ASSISTANCE ACT."

22    SECTION 607-A. INCORRECT CLAIM.--WHENEVER A SCHOOL DISTRICT  
23    FINDS A CLAIM TO BE INCORRECTLY DETERMINED, THE SCHOOL DISTRICT  
24    SHALL REDETERMINE THE CORRECT AMOUNT OF THE CLAIM AND NOTIFY THE  
25    CLAIMANT OF THE REASON FOR THE REDETERMINATION AND THE AMOUNT OF  
26    THE CORRECT CLAIM.

27    SECTION 608-A. FRAUDULENT CLAIM.--(A) IN ANY CASE IN WHICH  
28    A CLAIM IS EXCESSIVE AND WAS FILED WITH FRAUDULENT INTENT, THE  
29    CLAIM SHALL BE DISALLOWED IN FULL AND A PENALTY OF TWENTY-FIVE  
30    PER CENTUM OF THE AMOUNT CLAIMED SHALL BE IMPOSED. THE PENALTY

1 AND THE AMOUNT OF THE DISALLOWED CLAIM, IF THE CLAIM HAS BEEN  
2 PAID, SHALL BEAR INTEREST AT THE RATE OF ONE-HALF OF ONE PER  
3 CENTUM PER MONTH FROM THE DATE OF THE CLAIM UNTIL REPAYED.

4 (B) THE PREPARATION OF OR FILING OF A FRAUDULENT CLAIM SHALL  
5 BE A MISDEMEANOR, PUNISHABLE BY A FINE OF NOT MORE THAN ONE  
6 THOUSAND (\$1,000) DOLLARS OR A TERM OF IMPRISONMENT OF NOT MORE  
7 THAN ONE YEAR, OR BOTH.

8 (C) A CLAIM SHALL BE DISALLOWED IF THE CLAIMANT RECEIVED  
9 TITLE TO THE HOMESTEAD PRIMARILY FOR THE PURPOSE OF RECEIVING A  
10 REAL PROPERTY TAX EXEMPTION.

11 SECTION 609-A. STATE REIMBURSEMENT.--ALL SCHOOL DISTRICTS  
12 SHALL REPORT TO THE DEPARTMENT OF REVENUE THE AMOUNT OF  
13 EXEMPTIONS GRANTED UNDER THIS ARTICLE LESS ANY IN LIEU OF TAX  
14 PAYMENTS RECEIVED, WITHIN THREE MONTHS OF GRANTING SUCH  
15 EXEMPTIONS. THE COMMONWEALTH SHALL PAY THE FULL AMOUNT OF SUCH  
16 EXEMPTIONS LESS ANY IN LIEU OF TAX PAYMENTS RECEIVED TO THE  
17 SCHOOL DISTRICT WITHIN SIXTY (60) DAYS OF THE REPORT. THE  
18 COMMONWEALTH PAYMENT SHALL BE FOR REAL PROPERTY TAX EXEMPTION  
19 ONLY. NO ADMINISTRATIVE COSTS SHALL BE REIMBURSED.

20 SECTION 610-A. REGULATIONS.--THE SECRETARY OF REVENUE MAY  
21 PROMULGATE SUCH RULES AND REGULATIONS AS NECESSARY TO ADMINISTER  
22 THIS ARTICLE.

23 SECTION 611-A. APPLICATION.--EXEMPTION SHALL BEGIN WITH THE  
24 SCHOOL DISTRICT REAL ESTATE TAXES DUE ON OR AFTER JULY 1 NEXT  
25 SUCCEEDING THE EFFECTIVE DATE OF THIS ARTICLE.

26 SECTION 4. SECTIONS 917.1-A(H) AND 919.1-A(E) OF THE ACT,  
27 ADDED APRIL 27, 1998 (P.L.270, NO.46), ARE AMENDED TO READ:

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

29 (h) For the 1998-1999 school year, and each school year  
30 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 5. SECTION 1209 OF THE ACT, AMENDED APRIL 15, 1959 <—  
16 (P.L.41, NO.16) AND JUNE 24, 1959 (P.L.485, NO.110), IS AMENDED  
17 TO READ:

18 SECTION 1209. DISQUALIFICATIONS.--NO TEACHER'S CERTIFICATE  
19 SHALL BE GRANTED TO ANY PERSON WHO HAS NOT SUBMITTED, UPON A  
20 BLANK FURNISHED BY THE [SUPERINTENDENT OF PUBLIC INSTRUCTION]  
21 SECRETARY OF EDUCATION, A CERTIFICATE FROM A PHYSICIAN LEGALLY  
22 QUALIFIED TO PRACTICE MEDICINE IN THIS COMMONWEALTH, OR IN ANY  
23 OTHER STATE OR THE DISTRICT OF COLUMBIA, SETTING FORTH THAT SAID  
24 APPLICANT [IS NEITHER MENTALLY NOR PHYSICALLY DISQUALIFIED, BY  
25 REASON OF TUBERCULOSIS OR ANY OTHER COMMUNICABLE DISEASE OR BY  
26 REASON OF MENTAL DISORDER FROM SUCCESSFUL PERFORMANCE OF THE  
27 DUTIES OF A TEACHER; NOR TO ANY PERSON WHO HAS NOT A GOOD MORAL  
28 CHARACTER, OR WHO IS IN THE HABIT OF USING OPIUM OR OTHER  
29 NARCOTIC DRUGS IN ANY FORM, OR ANY INTOXICATING DRINK AS A  
30 BEVERAGE, OR TO ANY APPLICANT WHO HAS A MAJOR PHYSICAL

1 DISABILITY OR DEFECT UNLESS SUCH A PERSON SUBMITS A CERTIFICATE  
2 SIGNED BY AN OFFICIAL OF THE COLLEGE OR UNIVERSITY FROM WHICH HE  
3 WAS GRADUATED OR OF AN APPROPRIATE REHABILITATION AGENCY,  
4 CERTIFYING THAT IN THE OPINION OF SUCH OFFICIAL THE APPLICANT,  
5 BY HIS WORK AND ACTIVITIES, DEMONSTRATED THAT HE IS SUFFICIENTLY  
6 ADJUSTED, TRAINED AND MOTIVATED TO PERFORM THE DUTIES OF A  
7 TEACHER, NOTWITHSTANDING HIS IMPEDIMENT.] HAS NO CURRENT MENTAL  
8 OR PHYSICAL IMPAIRMENT WHICH PREVENTS SAID APPLICANT FROM  
9 PERFORMING THE ESSENTIAL FUNCTIONS OF A TEACHING POSITION WITH  
10 OR WITHOUT REASONABLE ACCOMMODATION AND THAT SAID APPLICANT DOES  
11 NOT CURRENTLY USE ILLEGAL DRUG SUBSTANCES.

12 Section 2 6. The act is amended by adding a section to read: <—

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

26 Section 3 7. Section 1372 of the act is amended by adding a <—  
27 clause to read:

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

30 (7) Reporting of exceptional students:

1        (i) The department shall review each school district's count <—  
2 of exceptional students reported under section 2509.5(f) and  
3 (g), not including gifted students. When the count is thirty  
4 INCIDENCE RATE OF MILDLY AND SEVERELY DISABLED STUDENTS AS <—  
5 CALCULATED UNDER SECTION 2509.5(Z). WHEN THE INCIDENCE RATE IS  
6 THIRTY (30) per centum above or below the Statewide average  
7 INCIDENCE RATE OF MILDLY AND SEVERELY DISABLED STUDENTS, the <—  
8 department shall prepare an analysis of the process used by the  
9 school district to identify and place exceptional MILDLY AND <—  
10 SEVERELY DISABLED students.

11        (ii) The department shall submit a written report to the  
12 school district of the department's findings relating to the  
13 process used by the school district to determine its count of <—  
14 exceptional students that is above or below thirty per centum  
15 (30%) of the Statewide average INCIDENCE RATE OF MILDLY AND <—  
16 SEVERELY DISABLED STUDENTS under subclause (i). The report may  
17 include recommendations regarding the process used to develop <—  
18 the count of exceptional students. IDENTIFY MILDLY AND SEVERELY <—  
19 DISABLED STUDENTS.

20        (iii) Following receipt of the report under subclause (i) <—  
21 (II), the school district shall submit a written response to the <—  
22 department describing the basis for the deviation from the  
23 Statewide average of exceptional students under this section <—  
24 INCIDENCE RATE OF MILDLY AND SEVERELY DISABLED STUDENTS. <—

25        (iv) The department may conduct site visits and review  
26 school district records relating to the process used to identify  
27 and place exceptional MILDLY AND SEVERELY DISABLED students <—  
28 under this clause.

29        (v) The department shall submit a report to the majority and  
30 minority chairman of the Education and Appropriations Committees

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

9 Section 4 8. Section 1503-A(c) of the act, amended April 27, <—  
10 1998 (P.L.270, No.46), is amended to read:

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

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

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

26 [(2.1) For the 1997-1998 and 1998-1999 school years, a  
27 school district shall be eligible for a grant in the same amount  
28 as a school district was eligible to receive for the 1996-1997  
29 school year as provided in clause (2).

30 (2.2) For the 1997-1998 and 1998-1999 school years, an area

1 vocational-technical school shall be eligible to receive from  
2 the amount of three million dollars (\$3,000,000) appropriated  
3 for the purposes of this clause a grant in the same amount as  
4 the area vocational-technical school was eligible to receive for  
5 the 1997-1998 school year.]

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

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

20 Section ~~5~~ 9. The act is amended by adding ~~an article~~  
21 ARTICLES to read:

22 ARTICLE XV-B.

23 READ TO SUCCEED PROGRAM.

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

1 of the third grade.

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

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

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

12 (1) Identification of students with the greatest need.

13 (2) Methods of ongoing assessment.

14 (3) Reading instruction based on current reading research.

15 (4) Integration with the reading instruction programs and  
16 activities of the school district.

17 (5) Professional development plan.

18 (6) Opportunities for extended learning time.

19 (7) Coordination with community-based reading activities,  
20 including family literacy programs.

21 (8) Staff and program facilities.

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

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

28 Section 1504-B. Technical Assistance and Monitoring.--The  
29 Department of Education shall provide technical assistance and  
30 establish methods to ensure the quality of the program receiving



1 a grant, including program monitoring and onsite visitation.

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

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

11 ARTICLE XV-C.

12 CLASS SIZE.

13 SECTION 1501-C. AUTHORIZATION OF GRANTS.--BEGINNING WITH THE  
14 FISCAL YEAR 1999-2000 AND IN EACH FISCAL YEAR THEREAFTER, THE  
15 DEPARTMENT OF EDUCATION SHALL PROVIDE GRANTS TO SCHOOL DISTRICTS  
16 FOR THE PURPOSE OF CLASS SIZE REDUCTION ACTIVITIES FOR STUDENTS  
17 ENROLLED IN KINDERGARTEN THROUGH GRADE THREE.

18 SECTION 1502-C. CRITERIA FOR AWARD OF GRANTS.--A SCHOOL  
19 DISTRICT SHALL BE ELIGIBLE FOR A GRANT AWARD IF THE DISTRICT:

20 (1) IS PARTICIPATING IN A FEDERALLY FUNDED PROGRAM OF CLASS  
21 SIZE REDUCTION ACTIVITIES.

22 (2) HAS A MAXIMUM CLASS SIZE IN THE DISTRICT'S KINDERGARTEN  
23 THROUGH GRADE THREE CLASSROOMS NOT IN EXCESS OF THE MAXIMUM  
24 NUMBER PER CLASSROOM NECESSARY FOR PARTICIPATION IN THE  
25 FEDERALLY FUNDED PROGRAM OF CLASS SIZE REDUCTION ACTIVITIES.

26 (3) INSURES THAT TEACHERS OF CLASSES QUALIFYING UNDER CLAUSE  
27 (2) PARTICIPATE IN PROFESSIONAL DEVELOPMENT ACTIVITIES DESIGNED  
28 TO IMPROVE THEIR ABILITIES TO TEACH READING, WRITING AND  
29 ARITHMETIC.

30 (4) ADOPTS AND IMPLEMENTS IN EACH SCHOOL BUILDING WHERE A

1 CLASS SIZE REDUCTION PROGRAM IS IN PLACE A PROVEN STRATEGY FOR  
2 ENGAGING PARENTS AND OTHER MEMBERS OF THE COMMUNITY AS PARTNERS  
3 IN THE EDUCATION OF STUDENTS.

4 SECTION 1503-C. USE OF GRANT FUNDS.--GRANT FUNDS MAY BE USED  
5 FOR COSTS INCURRED BY A SCHOOL DISTRICT FOR CLASS SIZE REDUCTION  
6 ACTIVITIES FOR STUDENTS ENROLLED IN KINDERGARTEN THROUGH GRADE  
7 THREE IF THOSE COSTS:

8 (1) ARE NOT REIMBURSABLE UNDER THE FEDERALLY FUNDED CLASS  
9 SIZE REDUCTION PROGRAM BECAUSE OF A LACK OF FEDERAL FUNDS; OR

10 (2) ARE NOT ELIGIBLE FOR REIMBURSEMENT UNDER THE FEDERALLY  
11 FUNDED CLASS SIZE REDUCTION PROGRAM.

12 SECTION 1504-C. DUTIES OF SECRETARY OF EDUCATION.--THE  
13 SECRETARY OF EDUCATION SHALL CONTRACT WITH A CONSORTIUM OF  
14 UNIVERSITIES FOR AN EVALUATION OF THE EFFECTIVENESS OF CLASS  
15 SIZE REDUCTION PROGRAMS. PROGRAM EFFECTIVENESS SHALL BE  
16 EVALUATED AT BOTH THE SCHOOL BUILDING LEVEL AND THE SCHOOL  
17 DISTRICT LEVEL. THE SECRETARY SHALL ANNUALLY REPORT:

18 (1) THE RESULTS OF THE EVALUATION TO THE GENERAL ASSEMBLY.

19 (2) RECOMMENDATIONS FOR LEGISLATION OR OTHER ACTION RELATED  
20 TO CLASS SIZE REDUCTION ACTIVITIES.

21 SECTION 1505-C. EXPENDITURE ESTIMATE.--BY MARCH 31 OF EACH  
22 YEAR THE SECRETARY OF EDUCATION SHALL PROVIDE TO THE GENERAL  
23 ASSEMBLY AN ESTIMATE OF THE TOTAL COST OF CLASS SIZE REDUCTIONS  
24 PROGRAMS, INCLUDING AN ESTIMATE OF STATE FUNDS REQUIRED FOR THE  
25 ENSUING FISCAL YEAR.

26 SECTION 1506-C. FUNDING.--FUNDING FOR THE GRANT PROGRAM  
27 UNDER THIS ARTICLE BE PROVIDED BY AN ANNUAL APPROPRIATION BY THE  
28 GENERAL ASSEMBLY.

29 SECTION 1507-C. REGULATIONS.--THE DEPARTMENT OF EDUCATION  
30 SHALL PROMULGATE RULES AND REGULATIONS TO ADMINISTER AND ENFORCE

1 THIS ARTICLE.

2 Section ~~6~~ 10. Section 1726-A of the act, added June 19, 1997 <—  
3 (P.L.225, No.22), is amended to read:

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

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

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

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

7     Section 7 11. Section 1850.1(b) of the act is amended by     <—  
8     adding a clause to read:

9     Section 1850.1. Organization and Operation of Schools and  
10    Institutes.--\* \* \*

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

13       \* \* \*

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

18       \* \* \*

19    Section 8 12. The act is amended by adding a section to     <—  
20    read:

21    Section 1850.4. Capital Reserve Fund for Approved Purchases  
22    of Equipment and Facility Maintenance.--(a) Any area  
23    vocational-technical board shall have the power to create a  
24    special fund which may be designated as a capital reserve fund,  
25    and to accumulate therein moneys to be expended, in accordance  
26    with the provisions of this section, during a period not to  
27    exceed five years from the date when the first payment was made  
28    into the fund, for the purpose of purchasing equipment or  
29    maintaining facilities.

30    (b) The capital reserve fund herein provided for shall

1 consist of funds transferred during any fiscal year from  
2 appropriations made for this particular purpose and of  
3 unencumbered funds remaining from the current and/or prior  
4 years' general fund.

5 (c) The moneys in the capital reserve fund shall be kept  
6 separate and apart from any other fund by the treasurer of the  
7 area vocational-technical board and the moneys in the fund may  
8 be invested by the operating agent in securities legal for the  
9 investment of sinking fund moneys of the school district. The  
10 interest earnings on investments shall be paid into the capital  
11 reserve fund. The area vocational-technical school shall  
12 annually show in its financial report the amount of moneys in  
13 the capital reserve fund which shall at all times be properly  
14 identified as to purpose.

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

20 Section 9 13. Section 1913-A(b)(1.4) of the act, amended <—  
21 June 25, 1997 (P.L.297, No.30) and April 27, 1998 (P.L.270,  
22 No.46), is amended to read:

23 Section 1913-A. Financial Program; Reimbursement or  
24 Payments.--\* \* \*

25 (b) \* \* \*

26 (1.4) The equivalent full-time student reimbursement of a  
27 community college shall be the sum of credit course, noncredit  
28 course and stipend reimbursements. These reimbursements shall be  
29 calculated using a reimbursement factor of one thousand and  
30 forty dollars (\$1,040) for the 1993-1994 fiscal year, of one

1 thousand eighty dollars (\$1,080) for the 1994-1995 fiscal year  
2 and of one thousand one hundred eighty dollars (\$1,180) for the  
3 1995-1996 fiscal year and one thousand and two hundred and ten  
4 dollars (\$1,210) for the 1996-1997 fiscal year and one thousand  
5 two hundred sixty dollars (\$1,260) for the 1997-1998 fiscal year  
6 and the 1998-1999 fiscal year and one thousand three hundred  
7 dollars (\$1,300) for the 1999-2000 fiscal year and for each year  
8 thereafter and shall be determined as follows:

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

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

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

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

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

1 (i).

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

7 (A) One thousand one hundred dollars (\$1,100) per full-time  
8 equivalent student enrolled in advanced technology programs. For  
9 the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
10 reimbursement rate shall be calculated at one thousand one  
11 hundred seventy-five dollars (\$1,175) per full-time equivalent  
12 student enrolled in advanced technology programs. For the fiscal  
13 year 1998-1999 and each year thereafter, the reimbursement rate  
14 shall be calculated at one thousand four hundred sixty dollars  
15 (\$1,460) per full-time equivalent student enrolled in advanced  
16 technology programs. Advanced technology programs are programs  
17 using new or advanced technologies which hold promise for  
18 creating new job opportunities, including such fields as  
19 robotics, biotechnology, specialized materials and engineering  
20 and engineering-related programs.

21 (B) One thousand dollars (\$1,000) per full-time equivalent  
22 student enrolled in programs designated as Statewide programs.  
23 For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
24 reimbursement rate shall be calculated at one thousand seventy-  
25 five dollars (\$1,075) per full-time equivalent student enrolled  
26 in programs designated as Statewide programs. For the fiscal  
27 year 1998-1999 and each year thereafter, the reimbursement rate  
28 shall be calculated at one thousand three hundred sixty dollars  
29 (\$1,360) per full-time equivalent student enrolled in programs  
30 designated as Statewide programs. A Statewide program is a

1 program which meets one or more of the following criteria:

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

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

7 (C) Five hundred dollars (\$500) per full-time equivalent  
8 student enrolled in other occupational or technical programs.

9 For the fiscal year 1995-1996, 1996-1997 and 1997-1998, the  
10 reimbursement rate shall be calculated at five hundred seventy-  
11 five dollars (\$575) per full-time equivalent student enrolled in  
12 other occupational or technical programs. For the fiscal year  
13 1998-1999 and each year thereafter, the reimbursement rate shall  
14 be calculated at eight hundred sixty dollars (\$860) per full-  
15 time equivalent student enrolled in other occupational or  
16 technical programs.

17 \* \* \*

18 Section ~~10~~ 14. Section 2502.8 of the act is amended by  
19 adding a subsection to read:

20 Section 2502.8. Payments on Account of Pupils Enrolled in  
21 Vocational Curriculums.--\* \* \*

22 (c) For the school year 1998-1999 and each school year  
23 thereafter, any additional funding provided by the Commonwealth  
24 over the amount provided for the school year 1997-1998 will be  
25 distributed to area vocational-technical schools and, to school  
26 districts with eight (8) or more vocational programs based on  
27 subsection (b) AND TO VOCATIONAL AGRICULTURE PROGRAMS IN SCHOOL  
28 DISTRICTS.

29 Section ~~11. Section 2502.13~~ 15. SECTIONS 2502.13 AND  
30 2502.30 of the act, amended April 27, 1998 (P.L.270, No.46), ~~is~~



1 ARE amended to read:

2 Section 2502.13. Small District Assistance.--For the 1984-  
3 1985 and 1985-1986 school years, the Commonwealth shall pay to  
4 each school district which has an average daily membership of  
5 one thousand five hundred (1,500) or less and has a market  
6 value/income aid ratio of five thousand ten-thousandths (0.5000)  
7 or greater, an amount equal to fifty dollars (\$50) multiplied by  
8 that district's average daily membership. For the 1985-1986  
9 school year, no school district shall receive less on account of  
10 this section than it did for the 1984-1985 school year. For the  
11 school year 1986-1987, 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 has a market value/income aid  
14 ratio of five thousand ten-thousandths (0.5000) or greater, or  
15 received payments under this section for the 1985-1986 school  
16 year, an amount equal to seventy-five dollars (\$75) multiplied  
17 by that district's average daily membership. For the school year  
18 1987-1988, the Commonwealth shall pay to each school district  
19 which has an average daily membership of one thousand five  
20 hundred (1,500) or less and a market value/income aid ratio of  
21 five thousand ten-thousandths (0.5000) or greater, or received  
22 payments under this section for the 1986-1987 school year, an  
23 amount equal to eighty-five dollars (\$85) multiplied by that  
24 district's average daily membership. For the school year 1988-  
25 1989, the Commonwealth shall pay to each school district which  
26 has an average daily membership of one thousand five hundred  
27 (1,500) or less and a market value/income aid ratio of five  
28 thousand ten thousandths (0.5000) or greater, or received  
29 payments under this section for the 1987-1988 or 1988-1989  
30 school year, an amount equal to one hundred five dollars (\$105).

1 For the school year 1989-1990, the Commonwealth shall pay to  
2 each school district which has an average daily membership of  
3 one thousand five hundred (1,500) or less and a market  
4 value/income aid ratio of five thousand ten-thousandths (0.5000)  
5 or greater, or received payments under this section for the  
6 1987-1988 school year, an amount equal to one hundred fifteen  
7 dollars (\$115) multiplied by the district's average daily  
8 membership as provided for in section 212 of the act of July 1,  
9 1990 (P.L.1591, No.7A), known as the "General Appropriation Act  
10 of 1990." For the school year 1990-1991, the Commonwealth shall  
11 pay to each school district which has an average daily  
12 membership of one thousand five hundred (1,500) or less and a  
13 market value/income aid ratio of five thousand ten-thousandths  
14 (0.5000) or greater, or received payments under this section for  
15 the prior school year, an amount equal to one hundred seventy  
16 dollars (\$170) multiplied by that district's average daily  
17 membership. For the school year 1990-1991, each school district  
18 with a population per square mile of less than ninety (90),  
19 which otherwise meets the average daily membership and market  
20 value/income aid ratio requirements of this section, or received  
21 payments under this section for the prior school year, shall  
22 instead receive an amount equal to one hundred ninety dollars  
23 (\$190) multiplied by that district's average daily membership.  
24 For the 1987-1988 school year through the 1990-1991 school year,  
25 no school district shall receive less on account of this section  
26 than it did for the prior school year. For the school year 1994-  
27 1995, the Commonwealth shall pay to each school district which  
28 has an average daily membership of one thousand five hundred  
29 (1,500) or less and a market value/income aid ratio of five  
30 thousand ten-thousandths (0.5000) or greater, an amount equal to

1 ninety five dollars (\$95) multiplied by that district's average  
2 daily membership. For the school year 1997-1998 and the school  
3 year 1998-1999, the Commonwealth shall pay to each school  
4 district which has an average daily membership of one thousand  
5 five hundred (1,500) or less and a market value/income aid ratio  
6 of five thousand ten-thousandths (0.5000) or greater an amount  
7 equal to seventy-five dollars (\$75) multiplied by that  
8 district's average daily membership.

9 Section 2502.30. Temporary Special Aid to School Districts  
10 Suffering Loss of Tax Revenue Due to Reduction in Assessed  
11 Valuation of Taxable Property.--(a) Temporary special aid shall  
12 be paid in fiscal years 1994-1995, 1995-1996, 1996-1997 [and],  
13 1997-1998, 1998-1999 and 1999-2000 to school districts  
14 experiencing a severe reduction in local revenue due to a  
15 decline in the assessed value of taxable properties. The  
16 allocation to these districts shall be determined by multiplying  
17 the reduction in assessed value between 1985-1986 and 1992-1993  
18 by the 1992-1993 real estate millage rate. This aid shall be  
19 paid from undistributed funds not expended, encumbered or  
20 committed from appropriations for grants and subsidies made to  
21 the Department of Education. No other funds shall be used for  
22 assistance under this section. These funds shall be sufficient  
23 to provide temporary relief to seven school districts in fiscal  
24 year 1995-1996 at seventy-five per centum (75%) of the funds  
25 received in fiscal year 1994-1995, in fiscal year 1996-1997 at  
26 fifty per centum (50%) of the funds received in fiscal year  
27 1994-1995 [and], in fiscal year 1997-1998 [and], 1998-1999 and  
28 in fiscal year 1999-2000 at twenty-five per centum (25%) of the  
29 funds received in fiscal year 1994-1995. This section shall  
30 expire October 1, [1999] 2000.

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

Section ~~13~~ 16. The act is amended by adding a section to read:

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

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

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

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

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

(3) A growth supplement is calculated for qualifying school

districts as follows: multiply the increase in average daily membership between the 1997-1998 and 1998-1999 school years times four hundred dollars (\$400).

(4) A poverty supplement to qualifying school districts.

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

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

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

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

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

~~Section 14~~ 17. 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

<—

1 (\$9,500,000) may be utilized for programs administered and  
2 operated during the 1999-2000 school year for institutionalized  
3 children by intermediate units as established in subsection  
4 (b.1).

5 Section 2509.5. Special Education Payments to School  
6 Districts.--\* \* \*

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

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

12 (2) an amount to be determined by multiplying one percent  
13 (1%) of its school-age average daily membership by fourteen  
14 thousand five hundred thirty-five dollars (\$14,535).

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

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

24 (1) (i) the school district's special education  
25 expenditures for the 1996-1997 school year as a percentage of  
26 the sum of the school district's 1996-1997 school year  
27 expenditures for regular education, vocational-technical  
28 education and special education is equal to or greater than the  
29 special education expenditures of all school districts for the  
30 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 the 1998-1999 school year is equal to or greater than five thousand four hundred ten thousandths (0.5400).

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

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

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

14 (z) During the 1999-2000 school year, a school district with  
15 an incidence rate of mildly and severely disabled students  
16 greater than one hundred thirty percent (130%) of the Statewide  
17 average incidence rate of mildly and severely disabled students  
18 shall qualify to receive a supplemental payment, as specified in  
19 this subsection, from funds appropriated to the department for  
20 special education. A school district's incidence rate of mildly  
21 and severely disabled students shall be calculated by dividing  
22 the school district's 1997 child count of students with  
23 disabilities collected and reported under sections 611(d)(2) and  
24 618(a) of the ~~Education of the Handicapped~~ INDIVIDUALS WITH <—  
25 DISABILITIES EDUCATION Act (Public Law 91-230, 20 U.S.C. §§  
26 1411(d)(2) and 1418(a)) and ~~64~~ 34 C.F.R. § 300.750 by the school <—  
27 district's 1997-1998 total enrollment reported to the  
28 department. The Statewide average incidence rate of mildly and  
29 severely disabled students shall be calculated by dividing the  
30 Statewide total 1997 child count of students with disabilities



1 for all school districts by the 1997-1998 Statewide total  
2 enrollment for all school districts. The payment to a qualifying  
3 school district shall be calculated as follows: (1) subtract  
4 one hundred thirty percent (130%) of the Statewide average  
5 incidence rate from the school district's incidence rate; (2)  
6 multiply the difference obtained in paragraph (1) by the school  
7 district's 1998-1999 school year average daily membership; and  
8 (3) multiply the product obtained in paragraph (2) by one  
9 thousand three hundred fifteen dollars (\$1,315).

10 (aa) For the 1999-2000 school year, the sum of payments to  
11 school districts received under subsections (u), (v), (y) and  
12 (z) must be greater than or equal to one hundred and two percent  
13 (102%) of the payments school districts for the 1998-1999 school  
14 year under subsections (p), (q) and (t).

15 SECTION 18. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <—

16 SECTION 2509.12. AID RATIO GUARANTEE.--DURING THE 1999-2000  
17 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER, THE COMMONWEALTH  
18 SHALL PAY TO EACH SCHOOL DISTRICT THE GREATER OF:

19 (A) THE COMMONWEALTH PAYMENTS TO THE SCHOOL DISTRICT  
20 PURSUANT TO SECTION 2509.5 DURING THE PRIOR SCHOOL YEAR;

21 (B) THE AMOUNT DUE THE SCHOOL DISTRICT UNDER SECTION 2509.5;  
22 OR

23 (C) THE PRODUCT OF:

24 (1) THE DISTRICT'S MARKET VALUE/PERSONAL INCOME AID RATIO  
25 REPORTED BY THE DEPARTMENT OF EDUCATION FOR THE CURRENT SCHOOL  
26 YEAR OR FIVE THOUSAND TEN THOUSANDTHS (.5000), WHICHEVER IS  
27 GREATER; AND

28 (2) THE DISTRICT'S EXPENDITURES ON SPECIAL EDUCATION  
29 PROGRAMS IN THE SCHOOL YEAR THREE (3) YEARS BEFORE THE YEAR FOR  
30 WHICH THESE PAYMENTS ARE TO BE MADE. FOR THE CALCULATION UNDER

1 THIS SUBSECTION, A DISTRICT'S EXPENDITURES ON SPECIAL EDUCATION  
2 PROGRAMS SHALL BE:

3 (I) FOR EACH SCHOOL DISTRICT BELONGING TO AN INTERMEDIATE  
4 UNIT, THE BOUNDARY OF WHICH IS NOT COTERMINOUS WITH THAT OF THE  
5 DISTRICT, THE AMOUNT REPORTED FOR FUNCTION CODE 1200-000 ON ITS  
6 ANNUAL FINANCIAL REPORT (PDE-2057) AS CERTIFIED BY THE  
7 DEPARTMENT OF EDUCATION ON THE DATE THE COMMONWEALTH'S BUDGET IS  
8 ENACTED FOR THAT SCHOOL YEAR.

9 (II) FOR EACH SCHOOL DISTRICT BELONGING TO AN INTERMEDIATE  
10 UNIT, THE BOUNDARY OF WHICH IS COTERMINOUS WITH THAT OF THE  
11 DISTRICT, THE AMOUNT REPORTED BY THE INTERMEDIATE UNIT AS "TOTAL  
12 AVAILABLE FOR INSTRUCTION" ON ITS FINAL EXPENDITURE REPORT--  
13 SPECIAL EDUCATION PROGRAMS (PDE-2115) AS CERTIFIED BY THE  
14 DEPARTMENT OF EDUCATION ON THE DATE THE COMMONWEALTH'S BUDGET IS  
15 ENACTED FOR THAT SCHOOL YEAR.

16 Section ~~15~~ 19. Section 2595(a) of the act, reenacted and <—  
17 amended April 27, 1998 (P.L.270, No.46), is amended and the  
18 section is amended by adding a subsection to read:

19 Section 2595. School Performance Incentives.--(a) The  
20 purpose of this section is to establish a program of school  
21 performance incentives to reward significant educational  
22 improvements, to encourage accountability programs with school  
23 districts, to evoke further school performance improvement and  
24 to foster collegial participation by school employees in  
25 improving school performance.

26 \* \* \*

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

1 performance of employees of a school district.

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

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

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

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

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

20 ~~Section 16. This act shall take effect July 1, 1999, or~~ <—  
21 ~~immediately, whichever is later.~~

22 SECTION 20. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ: <—

23 ARTICLE XXVI-I.

24 MISCELLANEOUS.

25 SECTION 2601-I. RESTRICTION ON DOMESTIC PARTNER BENEFITS.--

26 (A) NO STATE-OWNED COLLEGE OR UNIVERSITY OR COMMUNITY COLLEGE  
27 SHALL PROVIDE HEALTH INSURANCE OR OTHER HEALTH CARE BENEFITS TO  
28 AN INDIVIDUAL WHO LIVES TOGETHER WITH AN EMPLOYEE OF THE COLLEGE  
29 OR UNIVERSITY UNLESS THE INDIVIDUAL IS A SPOUSE OR CHILD OF THE  
30 EMPLOYEE.

1     (B) NO STATE-RELATED UNIVERSITY SHALL RECEIVE OR EXPEND ANY  
2 FUNDS FOR ANY PURPOSE OUT OF ANY NONPREFERRED APPROPRIATION OF  
3 THE COMMONWEALTH DURING ANY TIME THAT THE UNIVERSITY IS  
4 PROVIDING HEALTH INSURANCE OR OTHER HEALTH CARE BENEFITS TO AN  
5 INDIVIDUAL WHO LIVES TOGETHER WITH AN EMPLOYE OF THE UNIVERSITY  
6 UNLESS THE INDIVIDUAL IS A SPOUSE OR CHILD OF THE EMPLOYE.

7     (C) NOTHING IN THIS SECTION SHALL REQUIRE ANY COLLEGE OR  
8 UNIVERSITY TO OFFER THE FULL RANGE OF BENEFITS REFERRED TO IN  
9 SUBSECTION (A) OR (B).

10    (D) THIS SECTION SHALL NOT BE CONSTRUED TO SUPERSEDE OR  
11 PREEMPT A COLLECTIVE BARGAINING AGREEMENT OR OTHER CONTRACT IN  
12 EFFECT ON THE EFFECTIVE DATE OF THIS SECTION WHICH SPECIFICALLY  
13 PROVIDES FOR ANY BENEFITS PROHIBITED UNDER THIS SECTION, BUT  
14 THIS SECTION SHALL APPLY TO ANY RENEWALS OF THE AGREEMENT OR  
15 CONTRACT.

16    (E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES  
17 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION:

18    "CHILD" SHALL MEAN ANY OF THE FOLLOWING:

19       (1) A BLOOD DESCENDANT OF THE FIRST DEGREE.

20       (2) A LEGALLY ADOPTED CHILD, INCLUDING A CHILD LIVING  
21 WITH THE ADOPTING PARENTS DURING THE PERIOD OF PROBATION.

22       (3) A STEPCHILD.

23       (4) A CHILD WHO IS SOLELY SUPPORTED BY THE EMPLOYE IF  
24 THE EMPLOYE IS THE CHILD'S LEGAL GUARDIAN OR IF THE EMPLOYE  
25 IS RELATED TO THE CHILD BY BLOOD OR MARRIAGE.

26    "SPOUSE" SHALL MEAN A CURRENT SPOUSE UNDER A LEGALLY  
27 EXISTING MARRIAGE BETWEEN INDIVIDUALS OF THE OPPOSITE SEX OR A  
28 FORMER SPOUSE WHO IS ENTITLED TO SUPPORT FROM THE EMPLOYE UNDER  
29 A COURT ORDER.

30    SECTION 21. THE SUM OF \$72,000,000 IS HEREBY APPROPRIATED TO

1 THE DEPARTMENT OF EDUCATION FOR DEPOSIT INTO THE SCHOOL DISTRICT  
2 LOAN FUND FOR THE ADMINISTRATION OF THE SCHOOL DISTRICT LOAN  
3 PROGRAM AND FOR THE ISSUANCE OF LOANS UNDER THE PROGRAM. ANY  
4 MONEYS IN THE FUND UNENCUMBERED AND UNEXPENDED ON JUNE 30, 2001,  
5 SHALL LAPSE INTO THE GENERAL FUND.

6 SECTION 22. NOTHING CONTAINED IN THE ACT OF MARCH 10, 1949  
7 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, AND IN  
8 PARTICULAR SECTIONS 691(C) AND 696 SHALL BE CONSTRUED TO EFFECT,  
9 SUPERSEDE OR PREEMPT ANY PROVISION OF THE ACT OF JULY 23, 1970  
10 (P.L.563, NO.195), KNOWN AS THE PUBLIC EMPLOYE RELATIONS ACT, OR  
11 ANY RIGHT, OBLIGATION OR PROCEDURE ARISING THEREUNDER, INCLUDING  
12 THOSE RIGHTS, DUTIES AND OBLIGATIONS CONCERNING GOOD FAITH  
13 BARGAINING AND NEGOTIATION OF A NEW COLLECTIVE BARGAINING  
14 AGREEMENT. IN ALL SUCH CASES, THE PROCEDURES ARISING UNDER THE  
15 PUBLIC EMPLOYE RELATIONS ACT AND ARTICLE XI-A OF THE PUBLIC  
16 SCHOOL CODE OF 1949 SHALL BE DEEMED TO CONTROL NEGOTIATIONS BY A  
17 SCHOOL DISTRICT, INTERMEDIATE UNIT OR AREA VOCATIONAL-TECHNICAL  
18 SCHOOL AND AN EMPLOYEE ORGANIZATION.

19 SECTION 23. SECTION 28(A) OF THE ACT AMENDING THE ACT  
20 ENTITLED "AN ACT AMENDING THE ACT OF MARCH 10, 1949 (P.L.30,  
21 NO.14), ENTITLED 'AN ACT RELATING TO THE PUBLIC SCHOOL SYSTEM,  
22 INCLUDING CERTAIN PROVISIONS APPLICABLE AS WELL TO PRIVATE AND  
23 PAROCHIAL SCHOOLS; AMENDING, REVISING, CONSOLIDATING AND  
24 CHANGING THE LAWS RELATING THERETO,' FURTHER PROVIDING FOR  
25 AUXILIARY SERVICES AND FOR THE DEFINITIONS OF "SCHOOL YEAR" AND  
26 "CHILDREN IN LOW-INCOME FAMILIES"; AUTHORIZING SCHOOL DISTRICTS  
27 TO IMPOSE DRESS CODES AND REQUIRE STUDENTS TO WEAR STANDARD  
28 DRESS OR UNIFORMS; FURTHER PROVIDING FOR DISTRESSED SCHOOL  
29 DISTRICTS AND FOR BASIC EDUCATION GRANTS AND HIGHER EDUCATION  
30 GRANTS FOR THE LINK-TO-LEARN PROGRAM; PROVIDING FOR CERTAIN

1 PROCEDURES RELATING TO MANAGEMENT OF DISTRESSED FIRST CLASS  
2 SCHOOL DISTRICTS AND FOR TECHNOLOGY GRANTS TO NONPUBLIC AND  
3 PRIVATE SCHOOLS; FURTHER PROVIDING FOR COMMUNITY COLLEGE  
4 REIMBURSEMENTS, SMALL SCHOOL DISTRICT ASSISTANCE, BASIC  
5 EDUCATION FUNDING PAYMENTS TO INTERMEDIATE UNITS, SPECIAL  
6 EDUCATION PAYMENTS TO SCHOOL DISTRICTS, SCHOOL PERFORMANCE  
7 INCENTIVES AND CHARTER SCHOOL GRANTS; PROVIDING FOR COMMUNITY  
8 EDUCATION COUNCILS, FOR THE OPERATION OF THE STATE SYSTEM OF  
9 HIGHER EDUCATION, FOR PAYMENTS ON ACCOUNT OF TRANSPORTATION OF  
10 NONPUBLIC SCHOOL PUPILS, FOR TEMPORARY SPECIAL AID TO SCHOOL  
11 DISTRICTS SUFFERING LOSS OF TAX REVENUE DUE TO REDUCTION IN  
12 ASSESSED VALUATION OF TAXABLE PROPERTY AND FOR INCENTIVES FOR  
13 ADMINISTRATIVE AND INSTRUCTIONAL CONSOLIDATION; AND MAKING  
14 REPEALS," IS REPEALED.

15 SECTION 24. SECTION 23 OF THIS ACT SHALL BE RETROACTIVE TO  
16 APRIL 27, 1998.

17 SECTION 25. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

18 (1) THE ADDITION OF ARTICLE XXVI-I OF THE ACT SHALL TAKE  
19 EFFECT IMMEDIATELY.

20 (2) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

21 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,  
22 1999, OR IMMEDIATELY, WHICHEVER IS LATER.