

Veto No. 1980-4

SB 985

July 12, 1980

To the Honorable, the Senate
of the Commonwealth of Pennsylvania:

I return herewith, without my approval, Senate Bill 985, Printer's No. 1973, entitled "An act amending the act of March 10, 1949 (P.L.30, No.14), entitled 'An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto,' further providing for the disposition of certain unused and unnecessary lands, further providing for review and approval of certain budget and providing for certain payments and reimbursements to community colleges."

This legislation has three parts, only one of which I must vigorously oppose and necessitates my veto. First, I do not oppose the amendment to the Public School Code which permits the reconveyance of unimproved agricultural lands at acquisition price for 12 years. However, it is unnecessary to approve this amendment to the Public School Code because I have approved and signed into law Senate Bill 986, Printer's No. 1974, which amends the Eminent Domain Code to achieve the same purpose. This amendment to the Eminent Domain Code established a uniform and mandatory procedure for all government entities including school districts, governing the disposition of unused condemned agricultural lands.

Second, I support the amendment in this legislation providing for increases in operating subsidies for community colleges to \$1,800 per student in 1980-81. Indeed, I requested such an increase in my budget proposal to the General Assembly for 1980-81 on February 5, 1980. I urge the General Assembly to return this proposal to my desk for my signature as soon as possible in a separate bill.

My objections to this legislation arise entirely out of amendments made to Section 2509.1 of the Public School Code relating to the method and guidelines utilized by the Department of Education to review and approve certain budget submissions. The proposed amendments to Section 2509.1 would reverse an administrative ruling by the Education Department that special education budgets will not be approved in excess of available appropriations.

Currently, the Commonwealth subsidizes 100% of the "excess cost" of approved special education programs. Excess cost is the amount expended by school districts and intermediate units above basic tuition rates. Budgets are approved prior to the start of the school year, and the subsidy is paid in advance of provisions of the actual instruction.

Since the subsidies are limited to the greater of either the approved budget or actual expenditures, accounts are audited in April following the school year and adjustments for overpayments are made in subsequent subsidies. In the past, significant revenues were generated by these adjustments, and the revenues were used to allow increases in program funding. Budgets were, therefore, approved prior to the start of the year in excess of available funds in order to allow the expenditure of these extra revenues. Advance subsidy payments, however, were based on an allocation of available funds which prorated budgets down to amounts conforming to available appropriations.

Due to increases in program costs and limitations in appropriations, we can no longer follow this procedure. Next April funds will be unavailable to finance budgets in excess of allocations. The amount allocated and the amount budgeted must be in conformity. Otherwise, school districts and intermediate units will expect a deficiency appropriation from the General Assembly.

The Department of Education currently estimates that if we follow the procedure demanded by this legislation, a \$41 million deficiency appropriation would be required next spring. Funds for an appropriation of this magnitude are simply unavailable now and given current economic conditions, the outlook for next spring is even less encouraging. School districts and intermediate units must recognize this fact and adjust their spending plans accordingly.

Therefore, for reasons of controlling costs and living within the means of our taxpayers and at the urging of the Secretary of Education, I must disapprove this bill.

DICK THORNBURGH