ment shall thereupon use a performance-rating plan prescribed by the Commission.

SEC. 9. (a) Section 701 of the Classification Act of 1949 (Public Law 429, Eighty-first Congress, approved October 28, 1949) is hereby amended to read as follows:

"Sec. 701. Each officer or employee compensated on a per annum basis, and occupying a permanent position within the scope of the compensation schedules fixed by this Act, who has not attained the maximum scheduled rate of compensation for the grade in which his position is placed, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next pay period following the completion of (1) each fifty-two calendar weeks of service if his position is in a grade in which the step-increases are less than $200, or (2) each seventy-eight calendar weeks of service if his position is in a grade in which the step-increases are $200 or more, subject to the following conditions:

"(A) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to section 702 or 1002;

"(B) That he has a current performance rating of 'Satisfactory' or better; and

"(C) That the benefit of successive step-increases shall be preserved, under regulations issued by the Commission for officers and employees whose continuous service is interrupted in the public interest by service with the armed forces or by service in essential non-Government civilian employment during a period of war or national emergency."

(b) Section 702 (a) of such Act is amended by striking out "section 701 (a)" and inserting in lieu thereof "section 701".

SEC. 10. Section 703 (b) (2) of title VII of the Classification Act of 1949 (Public Law 429, Eighty-first Congress, approved October 28, 1949) is hereby amended to read:

"(2) No officer or employee shall receive a longevity step-increase unless his current performance rating is 'satisfactory' or better."

SEC. 11. The following Acts or parts of Acts are hereby repealed:

(1) Section 4 of the Act of August 23, 1912 (37 Stat. 413);

(2) The Act of July 31, 1946 (60 Stat. 751; 5 U. S. C. 669a);

(3) Title IX of the Classification Act of 1949 (Public Law 429, Eighty-first Congress).

SEC. 12. This Act shall take effect ninety days after the date of its enactment.

SEC. 13. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 14. All laws or parts of laws inconsistent herewith are hereby repealed to the extent of such inconsistency.

Approved September 30, 1950.

[CHAPTER 1124]

AN ACT

To provide financial assistance for local educational agencies in areas affected by Federal activities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. In recognition of the responsibility of the United States for the impact which certain Federal activities have on the local educational agencies in the areas in which such activities are carried on,
the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in the following sections of this Act) for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that—

(1) the revenues available to such agencies from local sources have been reduced as the result of the acquisition of real property by the United States; or
(2) such agencies provide education for children residing on Federal property; or
(3) such agencies provide education for children whose parents are employed on Federal property; or
(4) there has been a sudden and substantial increase in school attendance as the result of Federal activities.

FEDERAL ACQUISITION OF REAL PROPERTY

SEC. 2. (a) Where the Commissioner, after consultation with any local educational agency and with the appropriate State educational agency, determines for the fiscal year beginning July 1, 1950, or for any of the three succeeding fiscal years—

(1) that the United States owns Federal property in the school district of such local educational agency, and that such property (A) has been acquired by the United States since 1938, (B) was not acquired by exchange for other Federal property in the school district which the United States owned before 1939, and (C) had an assessed value (determined as of the time or times when so acquired) aggregating 10 per centum or more of the assessed value of all real property in the school district (similarly determined as of the time or times when such Federal property was so acquired); and

(2) that such acquisition has placed a substantial and continuing financial burden on such agency; and

(3) that such agency is not being substantially compensated for the loss in revenue resulting from such acquisition by (A) other Federal payments, or (B) increases in revenue accruing to the agency from the carrying on of Federal activities with respect to the property so acquired,

then the local educational agency shall be entitled to receive for such fiscal year such amount as, in the judgment of the Commissioner, is equal to the continuing Federal responsibility for the additional financial burden with respect to current expenditures placed on such agency by such acquisition of property, to the extent such agency is not compensated for such burden by other Federal payments. Such amount shall not exceed the amount which, in the judgment of the Commissioner, such agency would have derived in such year, and would have had available for current expenditures, from the property acquired by the United States (such amount to be determined without regard to any improvements or other changes made in or on such property since such acquisition), minus the amount which in his judgment the local educational agency derived from other Federal payments and had available in such year for current expenditures.

(b) For the purposes of this section—

(1) The term “other Federal payments” means payments in lieu of taxes, and any other payments, made with respect to Federal property pursuant to any law of the United States other than this Act.

(2) Any real property with respect to which payments are being made under section 13 of the Tennessee Valley Authority Act of 1933, as amended, shall not be regarded as Federal property.
(c) Where the school district of any local educational agency shall have been formed at any time after 1938 by the consolidation of two or more former school districts, such agency may elect (at the time it files application under section 5) for any fiscal year to have (1) the eligibility of such local educational agency, and (2) the amount which such agency shall be entitled to receive, determined under this section only with respect to such of the former school districts comprising such consolidated school district as the agency shall designate in such election.

CHILDREN RESIDING ON, OR WHOSE PARENTS ARE EMPLOYED ON, FEDERAL PROPERTY

SEC. 3. (a) For the fiscal year beginning July 1, 1950, and for each of the three succeeding fiscal years, each local educational agency which provides free public education during such year for children who reside on Federal property with a parent employed on Federal property shall be entitled to an amount equal to the number of such children in average daily attendance during such year at the schools of such agency, multiplied by the local contribution rate (determined under subsection (c)).

(b) For the fiscal year beginning July 1, 1950, and for each of the three succeeding fiscal years, each local educational agency of a State which provides free public education during such year for children who reside on Federal property, or who reside with a parent employed on Federal property part or all of which is situated in such State, shall be entitled to an amount equal to the number of such children in average daily attendance during such year at the schools of such agency, multiplied by one-half the local contribution rate (determined under subsection (c)). If both subsection (a) and this subsection apply to a child, the local educational agency shall elect which of such subsections shall apply to such child.

LOCAL CONTRIBUTION RATE

(c) The local contribution rate for a local educational agency for any fiscal year shall be computed by the Commissioner of Education, after consultation with the State educational agency and the local educational agency, in the following manner:

1. He shall determine which school districts within the State are in his judgment most nearly comparable to the school district of the agency for which the computation is being made; and

2. He shall then divide (A) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which he is making the computation, which the local educational agencies of such comparable school districts made from revenues derived from local sources, by (B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such second preceding fiscal year.

The local contribution rate shall be an amount equal to the quotient obtained under clause (2) of this subsection. If, in the judgment of the Commissioner, the current expenditures in those school districts which he has selected under clause (2) of this subsection are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in the school district of the local educational agency for which the computation is being made, a level of education equivalent to that maintained in such other districts, the Commissioner may increase the local contribution rate for such agency by such amount as he determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors.
LIMITATIONS ON ELIGIBILITY; LIMITATIONS ON PAYMENT

(d) (1) No local educational agency shall be entitled to receive any payment for a fiscal year under subsection (a) or subsection (b), as the case may be, unless the number of children who are in average daily attendance during such year and to whom such subsection applies—

(A) is ten or more; and

(B) amounts to 3 per centum or more of the total number of children who are in average daily attendance during such year and for whom such agency provides free public education.

Notwithstanding the provisions of clause (B) of this paragraph, the Commissioner may waive the 3 per centum condition of entitlement contained in such clause whenever, in his judgment, exceptional circumstances exist which would make the application of such condition inequitable and would defeat the purposes of this Act.

(2) Notwithstanding the preceding provisions of this section, where the average daily attendance at the schools of any local educational agency during the fiscal year ending June 30, 1939, exceeded 35,000—

(A) such agency's percentage requirement for eligibility (as set forth in paragraph (1) of this subsection) shall be 6 per centum instead of 3 per centum (and those provisions of such paragraph (1) which relate to the lowering of the percentage requirement shall not apply); and

(B) in determining the amount which such agency is entitled to receive under subsection (a) or (b), the agency shall be entitled to receive payment with respect to only so many of the number of children whose attendance serves as the basis for eligibility under such subsection, as exceeds 3 per centum of the number of all children in average daily attendance at the schools of such agency during the fiscal year for which payment is to be made.

ADDITIONAL PAYMENTS DURING PERIOD IMMEDIATELY FOLLOWING IMPACT

(e) Where—

(1) a local educational agency is entitled under subsection (a) or (b) to receive a payment for any fiscal year with respect to the education of a child; and

(2) under State law, the eligibility of such agency for State aid with respect to the free public education of such child is determined on a basis no less favorable to such agency than the basis used in determining the eligibility of local educational agencies for State aid with respect to the free public education of other children in the State; and

(3) such agency is not yet eligible to receive for such child part or all of such State aid,

the payment under subsection (a) or (b), as the case may be, shall be increased by an amount equal to the amount of State aid for which such agency is not yet eligible.

ADJUSTMENT FOR CERTAIN DECREASES IN FEDERAL ACTIVITIES

(f) Whenever the Commissioner determines that—

(1) a local educational agency has made preparations to provide during a fiscal year free public education to a certain number of children to whom subsection (a) or (b) applies; and

(2) such number has been substantially reduced by reason of a decrease in or cessation of Federal activities,

the amount to which such agency is otherwise entitled under this section for such year shall be increased to the amount to which, in the
judgment of the Commissioner, such agency would have been entitled but for such decrease in or cessation of Federal activities, minus any reduction in current expenditures for such year which the Commissioner determines that such agency has effected, or reasonably should have effected, by reason of such decrease in or cessation of Federal activities.

CERTAIN FEDERAL CONTRIBUTIONS TO BE DEDUCTED

(g) In determining the total amount which a local educational agency is entitled to receive under this section for a fiscal year, the Commissioner shall deduct (1) such amount as he determines such agency derived from other Federal payments (as defined in section 2 (b) (1)) and had available in such year for current expenditures (but only to the extent such payments are not deducted under the last sentence of section 2 (a)), and (2) such amount as he determines to be the value of transportation and of custodial and other maintenance services furnished such agency by the Federal Government during such year.

SUDDEN AND SUBSTANTIAL INCREASES IN ATTENDANCE

INCREASES HEREAFTER OCCURRING

SEC. 4. (a) If the Commissioner determines for the fiscal year beginning July 1, 1950, or for any of the three succeeding fiscal years—

(1) that, as the result of activities of the United States (carried on either directly or through a contractor), an increase in the number of children in average daily attendance at the schools of any local educational agency has occurred in such fiscal year, which increase so resulting from activities of the United States is equal to at least 10 per centum of the number of all children in average daily attendance at the schools of such agency during the preceding three-year period; and

(2) that such activities of the United States have placed on such agency a substantial and continuing financial burden; and

(3) that such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance but is unable to secure sufficient funds to meet the increased educational costs involved,

then such agency shall be entitled to receive for the fiscal year for which the determination is made, and for each of the two succeeding fiscal years (but in no event for any fiscal year ending after June 30, 1954), an amount equal to the product of—

(A) the number of children which the Commissioner determines to be the increase in average daily attendance, so resulting from activities of the United States, in the fiscal year for which payment is to be made; and

(B) the amount which the Commissioner determines to be the current expenditures per child necessary to provide free public education to such additional children during such year, minus the amount which the Commissioner determines to be available from Federal, State, and local sources for such purpose (not counting as available for such purpose either payments under this Act, or funds from local sources required to meet current expenditures necessary to provide free public education to other children).

The number of children which the Commissioner determines under clause (A) to be the increase in average daily attendance for any fiscal year shall not exceed the number of all children in average daily attendance at the schools of such agency during such year, minus the
number of all children in average daily attendance at the schools of such agency during the preceding three-year period. The determination under clause (B) shall be made by the Commissioner after considering the current expenditures per child in providing free public education in those school districts within the State which, in the judgment of the Commissioner, are most nearly comparable to the school district of the local educational agency for which the computation is being made.

INCREASES HERETOFORE OCCURRING

(b) (1) If the Commissioner determines in any fiscal year ending before July 1, 1954,—

(A) that, as the result of activities of the United States (carried on either directly or through a contractor), an increase in the number of children in average daily attendance at the schools of any local educational agency has occurred after June 30, 1939, and before July 1, 1950; and

(B) that the portion of such increase so resulting from activities of the United States which still exists in such fiscal year amounts to not less than 25 per centum (or to not less than 15 per centum where, in the judgment of the Commissioner, exceptional circumstances exist which would make the application of the 25 per centum condition of entitlement inequitable and would defeat the purposes of this Act) of the number of all children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1939; and

(C) that such activities of the United States have placed on such agency a substantial and continuing financial burden; and

(D) that such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance but is unable to secure sufficient funds to meet the increased educational costs involved,

then such agency shall be entitled to receive for the fiscal year in which the determination is made, and for each succeeding fiscal year ending before July 1, 1954, an amount determined as follows: For the fiscal year ending June 30, 1951, 100 per centum of the product determined as provided in paragraph (2); for the fiscal year ending June 30, 1952, 75 per centum of such product; for the fiscal year ending June 30, 1953, 50 per centum of such product; and for the fiscal year ending June 30, 1954, 25 per centum of such product.

(2) The product referred to in paragraph (1) for a fiscal year shall be an amount equal to—

(A) the number of children which the Commissioner determines to be the increase in average daily attendance at the schools of such agency, so resulting from activities of the United States, which still exists in such fiscal year (determined as provided in clauses (A) and (B) of paragraph (1)); multiplied by

(B) the amount which the Commissioner determines to be the current expenditures per child necessary to provide free public education to such additional children during such year, minus the amount which the Commissioner determines to be available from Federal, State, and local sources for such purpose (not counting as available for such purpose either payments under this Act, or funds from local sources required to meet current expenditures necessary to provide free public education to other children).

The number of children which the Commissioner determines under clause (A) to be the increase in average daily attendance which still exists in any fiscal year shall not exceed the number of all children in average daily attendance at the schools of such agency during such
year, minus the number of all children in average daily attendance at the schools of such agency during the fiscal year ending June 30, 1939. The determination under clause (B) shall be made by the Commissioner after considering the current expenditures per child in providing free public education in those school districts within the State which, in the judgment of the Commissioner, are most nearly comparable to the school district of the local educational agency for which the computation is being made.

CERTAIN CHILDREN NOT TO BE COUNTED

(c) In determining under this section (1) whether there has been an increase in attendance in any fiscal year and whether any increase in attendance still exists in any fiscal year, and (2) the number of children with respect to whom payment is to be made for any fiscal year, the Commissioner shall not count—

(A) children with respect to whom a local educational agency is, or upon application would be, entitled to receive any payment under subsection (a) or (b) of section 3 for such fiscal year, and

(B) children whose attendance is attributable to activities of the United States carried on in connection with real property which has been excluded from the definition of Federal property by the last sentence of paragraph (1) of section 9.

LIMITATIONS ON ELIGIBILITY AND PAYMENT

(d) Notwithstanding the preceding provisions of this section, where the average daily attendance at the schools of any local educational agency during the fiscal year ending June 30, 1939, exceeded 35,000—

(1) such agency’s percentage requirement for eligibility under subsection (a) shall be 15 per centum instead of 10 per centum, and its percentage requirement for eligibility under subsection (b) shall be 30 per centum instead of 25 per centum (and those provisions of subsection (b) (1) (B) which relate to the lowering of the percentage requirement shall not apply); and

(2) in determining the amount which such agency is entitled to receive under subsection (a) or (b), the agency shall be entitled to receive payment with respect to only so many of the number of children for whom the agency would otherwise be entitled to receive payment under such subsection, as exceeds (A) in the case of subsection (a), 10 per centum of the number of all children in average daily attendance at the schools of such agency during the fiscal year for which payment is to be made, or (B) in the case of subsection (b), 25 per centum of all children so in average daily attendance.

CONSULTATION WITH STATE AND LOCAL AUTHORITIES

(e) All determinations of the Commissioner under this section shall be made only after consultation with the State educational agency and the local educational agency.

METHOD OF MAKING PAYMENTS

APPLICATION

SEC. 5. (a) No local educational agency shall be entitled to any payment under section 2, 3, or 4 of this Act for any fiscal year except upon application therefor, submitted through the State educational agency and filed in accordance with regulations of the Commissioner,
which application gives adequate assurance that the local educational agency will submit such reports as the Commissioner may reasonably require to determine the amount to which such agency is entitled under this Act.

CERTIFICATION AND PAYMENT

(b) The Commissioner shall, for each calendar quarter, certify to the Secretary of the Treasury for payment to each local educational agency, either in advance or by way of reimbursement, the amount which the Commissioner estimates such agency is entitled to receive under this Act for such quarter. The amount so certified for any quarter shall be reduced or increased, as the case may be, by any sum by which he finds that the amount paid to the agency under this Act for any prior quarter was greater or less than the amount which should have been paid to it for such prior quarter. Upon receipt of such certification, the Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, pay to the local educational agency in accordance with such certification.

ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS

(c) If the funds appropriated for a fiscal year for making the payments provided in this Act are not sufficient to pay in full the total amounts to which all local educational agencies are entitled, the Commissioner shall reduce the amounts which he certifies under subsection (b) for such year for payment to each local educational agency by the percentage by which the funds so appropriated are less than the total necessary to pay to such agencies the full amount to which they are entitled under this Act.

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 6. In the case of children who reside on Federal property—
(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or
(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,
the Commissioner shall make such arrangements (other than arrangements with respect to the acquisition of land, the erection of facilities, interest, or debt service) as may be necessary to provide free public education for such children. To the maximum extent practicable, such education shall be comparable to free public education provided for children in comparable communities in the State.

ADMINISTRATION

SEC. 7. (a) In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.
(b) The Commissioner shall administer this Act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this Act.
(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this Act, including a detailed statement of receipts and disbursements.
USE OF OTHER FEDERAL AGENCIES; TRANSFER AND AVAILABILITY OF APPROPRIATIONS

SEC. 8. (a) In carrying out his functions under this Act, the Commissioner is authorized, pursuant to proper agreement with any other Federal department or agency, to utilize the services and facilities of such department or agency, and, when he deems it necessary or appropriate, to delegate to any officer or employee thereof the function under section 6 of making arrangements for providing free public education. Payment to cover the cost of such utilization or of carrying out such delegated function shall be made either in advance or by way of reimbursement, as may be provided in such agreement.

(b) All Federal departments or agencies administering Federal property on which children reside, and all such departments or agencies principally responsible for Federal activities which may occasion assistance under this Act, shall to the maximum extent practicable comply with requests of the Commissioner for information he may require in carrying out the purposes of this Act.

(c) Such portion of the appropriations of any other department or agency for the fiscal year ending June 30, 1951, as the Director of the Bureau of the Budget determines to be available for the same purposes as this Act, shall, except to the extent necessary to carry out during such year contracts made prior to the enactment of this Act, be transferred to the Commissioner for use by him in carrying out such purposes.

(d) No appropriation to any department or agency of the United States, other than an appropriation to carry out this Act, shall be available during the period beginning July 1, 1951, and ending June 30, 1954, for the same purposes as this Act, except that nothing in this subsection or in subsection (c) of this section shall affect the availability of appropriations for the maintenance and operation of school facilities on Federal property under the control of the Atomic Energy Commission.

DEFINITIONS

SEC. 9. For the purposes of this Act—

(1) The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property leased from the Secretary of the Army, Navy, or Air Force under section 805 of the National Housing Act, as amended, for the purpose of title VIII of such Act. Such term also includes real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States. Such term does not include (A) any real property used by the United States primarily for the provision of services to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, or (C) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the Act of June 28, 1940 (Public Law 671 of the Seventy-sixth Congress), or any law amendatory of or supplementary to any of such Acts.

(2) The term "child" means any child who is within the age limits for which the applicable State provides free public education. Such term does not include any child who is a member, or the dependent of a member, of any Indian tribal organization, recognized as such under the laws of the United States relating to Indian affairs, and who is eligible for educational services provided pursuant to a capital grant by
the United States, or under the supervision of, or pursuant to a contract or other arrangement with, the Bureau of Indian Affairs.

(3) The term "parent" includes a legal guardian or other person standing in loco parentis.

(4) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(5) The term "current expenditures" means expenditures for free public education to the extent that such expenditures are made from current revenues, except that such term does not include any such expenditure for the acquisition of land, the erection of facilities, interest, or debt service.

(6) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education.

(7) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(8) The term "State" means a State, Alaska, Hawaii, Puerto Rico, or the Virgin Islands.

(9) The terms "Commissioner of Education" and "Commissioner" means the United States Commissioner of Education.

(10) Average daily attendance shall be determined in accordance with State law; except that, notwithstanding any other provision of this Act, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this Act the attendance of such child at such school shall be held and considered (A) to be attendance at a school of the local educational agency so making or contracturing to make such tuition payment, and (B) not to be attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such tuition payment under the contract.

Approved September 30, 1950.

[CHAPTER 1125]

AN ACT

To authorize Federal assistance to States and local governments in major disasters, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to repair essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary.

Sec. 2. As used in this Act, the following terms shall be construed as follows unless a contrary intent appears from the context:

(a) "Major disaster" means any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States and local governments in alleviating the