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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1468 Session of  
2015

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INTRODUCED BY ACOSTA, V. BROWN, THOMAS, YOUNGBLOOD, CRUZ, COHEN,  
O'BRIEN, McCARTER, GIBBONS AND BISHOP, JULY 22, 2015

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REFERRED TO COMMITTEE ON EDUCATION, JULY 22, 2015

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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," in school finances, further providing  
6 for distress in school districts of the first class and  
7 providing for school board in distressed school districts.

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

10 Section 1. Section 696(e)(1), (h), (i) and (n) of the act of  
11 March 10, 1949 (P.L.30, No.14), known as the Public School Code  
12 of 1949, amended October 30, 2001 (P.L.828, No.83), June 29,  
13 2002 (P.L.524, No.88) and July 12, 2012 (P.L.1142, No.141), are  
14 amended and the section is amended by adding subsections to  
15 read:

16 Section 696. Distress in School Districts of the First  
17 Class.--\* \* \*

18 (c.1) The superintendent in a school district of the first  
19 class shall be appointed by the mayor of a city of the first  
20 class coterminous with the school district of the first class

1 subject to the following:

2 (1) The superintendent shall serve at the pleasure of the  
3 mayor.

4 (2) Notwithstanding the provisions of section 1075, the  
5 superintendent of a school district of the first class shall not  
6 receive:

7 (i) Any form of annual compensation except for an annual  
8 salary. For the purposes of this subparagraph, annual  
9 compensation shall include bonuses, incentive payments and any  
10 other type of compensation. Annual compensation shall not  
11 include a severance payment, if the district superintendent is  
12 not terminated, and medical benefits.

13 (ii) Any type of severance payment, if the district  
14 superintendent was terminated.

15 (3) The elected board of school directors established  
16 pursuant to section 696.1 may also adopt a resolution expressing  
17 a vote of no confidence in the superintendent. Such resolution  
18 shall be forwarded to the mayor for consideration. Within seven  
19 (7) days of receiving the resolution from the elected board of  
20 school directors, the mayor shall inform the board of school  
21 directors as to whether the superintendent will continue to  
22 serve as superintendent.

23 (e) The following shall apply:

24 (1) The School Reform Commission shall be responsible for  
25 the operation, management and educational program of the school  
26 district of the first class. The powers and duties of the board  
27 of school directors of a school district of the first class  
28 shall be suspended. All powers and duties granted heretofore to  
29 the board of school directors of a school district of the first  
30 class under this act or any other law, including its authority

1 to levy taxes and incur debt, shall be vested in the School  
2 Reform Commission until the Secretary of Education issues a  
3 declaration under subsection (n). Upon the issuance of such  
4 declaration, all powers and duties, except as otherwise provided  
5 by this act and in this section, shall be returned to an elected  
6 board of school directors established pursuant to section 696.1.

7 \* \* \*

8 (h) The [School Reform Commission] Board of Education shall  
9 be responsible for financial matters related to the distressed  
10 school district of the first class and:

11 (1) All taxes authorized to be levied by a school district  
12 of the first class or for a school district of the first class  
13 by a city or county of the first class on the date of the  
14 declaration of distress shall continue to be authorized and  
15 levied in accordance with this act and shall be transmitted to  
16 the school district. For the first fiscal year or part thereof  
17 and every fiscal year thereafter in which the school district is  
18 declared to be distressed, the amount appropriated or paid by  
19 the city or county to the school district and the tax authorized  
20 by the city or county to be levied for the school district or  
21 dedicated to the school district shall be an amount or tax not  
22 less than the highest amount paid by the city or county to the  
23 school district or authorized by the city or county to be levied  
24 for the school district or dedicated to the school district  
25 during any of the three full preceding fiscal years. In  
26 addition, the city of the first class shall provide to the  
27 school district of the first class all other available local  
28 non-tax revenue, including grants, subsidies or payments made  
29 during the prior year.

30 (2) In addition to the moneys collected under paragraph (1),

1 the city of the first class shall remit to the school district  
2 of the first class for each year that the school district is  
3 declared distressed that portion of all other local tax revenue  
4 levied for a full fiscal year by a city or county of the first  
5 class coterminous with a school district of the first class that  
6 was allocated to the school district prior to the school  
7 district being declared distressed in accordance with section  
8 691(c).

9 (3) All taxes collected on behalf of a school district of  
10 the first class by any person or entity, including a city or  
11 county of the first class, shall be promptly paid following  
12 collection to the [School Reform Commission] Board of Education  
13 for the benefit of the school district.

14 (4) In the event the city or county of the first class does  
15 not meet the financial obligations prescribed in this  
16 subsection, the Commonwealth may apply to that obligation any  
17 amounts otherwise due from the Commonwealth to the city or  
18 county of the first class, including, but not limited to,  
19 grants, awards and moneys collected by the Commonwealth on  
20 behalf of the city or county of the first class. Funds withheld  
21 shall be maintained in a separate account by the State Treasurer  
22 to be disbursed as determined by the Secretary of Education in  
23 consultation with the State Treasurer.

24 [(5) The School Reform Commission shall adopt a budget.]

25 (6) The Board of Education shall adopt a budget. Beginning  
26 with the first budget adopted after the effective date of this  
27 paragraph, the budget shall contain a five-year budget plan.  
28 The five-year budget plan shall be adopted annually and shall be  
29 submitted to the Philadelphia Intergovernmental Cooperation  
30 Authority for review and approval by June 30 of each year.

1 (i) In addition to all powers granted to [the superintendent  
2 by law and] a special board of control under section 693 and  
3 notwithstanding any other law to the contrary, the [School  
4 Reform Commission] Board of Education shall have the following  
5 powers:

6 (1) (i) To appoint such persons and other entities as  
7 needed to conduct fiscal and performance audits and other  
8 necessary analyses.

9 (ii) Notwithstanding the provisions of subclause (i), the  
10 Department of the Auditor General or the city controller of a  
11 city of the first class may conduct fiscal audits and  
12 performance audits, as necessary and as determined by the  
13 Department of the Auditor General and the city controller. The  
14 Department of the Auditor General and the city controller shall  
15 coordinate such audits so as not to disrupt the operations of  
16 the school district of the first class or to duplicate efforts.

17 (2) To enter into agreements with persons or for-profit or  
18 nonprofit organizations to operate one or more schools. A school  
19 operated under this clause shall be funded in accordance with  
20 the terms of the agreement. This clause shall be subject to the  
21 following provisions:

22 (i) All applications to operate a charter school in a school  
23 year after a declaration of distress is issued and all charter  
24 schools established after a declaration of distress is issued  
25 shall not be subject to sections 1717-A(b), (c), (d), (e), (f),  
26 (g), (h) and (i), 1722-A(c) and 1724-A.

27 (ii) The School Reform Commission may suspend or revoke a  
28 charter pursuant to section 1729-A.

29 (3) To suspend the requirements of this act and regulations  
30 of the State Board of Education except that the school district

1 shall remain subject to those provisions of this act set forth  
2 in sections 1073, 1073.1, 1076, 1077, 1078, 1080, 1732-A(a), (b)  
3 and (c), 1714-B and 2104 and regulations under those sections.

4 (4) To employ professional and senior management employes  
5 who do not hold State certification if the School Reform  
6 Commission has approved the qualifications of the person at a  
7 salary established by the commission.

8 (5) To enter into agreements with persons or for-profit or  
9 nonprofit organizations providing educational or other services  
10 to or for the school district. Services provided under this  
11 clause shall be funded in accordance with the terms of the  
12 agreement.

13 (6) Notwithstanding any other provisions of this act, to  
14 close or reconstitute a school, including the reassignment,  
15 suspension or dismissal of professional employes.

16 (7) To suspend professional employes without regard to the  
17 provisions of section 1125.1.

18 (8) To appoint managers, administrators or for-profit or  
19 nonprofit organizations to oversee the operations of a school or  
20 group of schools within the school district.

21 (9) To reallocate resources, amend school procedures,  
22 develop achievement plans and implement testing or other  
23 evaluation procedures for educational purposes.

24 (10) To supervise and direct principals, teachers and  
25 administrators.

26 (11) To negotiate any memoranda of understanding under the  
27 collective bargaining agreement in existence on the effective  
28 date of this section.

29 (12) To negotiate a new collective bargaining agreement.

30 (13) To delegate to a person, including an employe of the

1 school district or a for-profit or nonprofit organization,  
2 powers it deems necessary to carry out the purposes of this  
3 article, subject to the supervision and direction of the School  
4 Reform Commission.

5 (14) To employ, contract with or assign persons or for-  
6 profit or nonprofit organizations to review the financial and  
7 educational programs of school buildings and make  
8 recommendations to the School Reform Commission regarding  
9 improvements to the financial or educational programs of school  
10 buildings.

11 \* \* \*

12 (n) [The Secretary of Education, only upon the  
13 recommendation of a majority of the School Reform Commission,  
14 may issue a declaration to dissolve the School Reform  
15 Commission. The dissolution declaration shall be issued at least  
16 one hundred eighty (180) days prior to the end of the current  
17 school year and shall be effective at the end of that school  
18 year.] (1) The Secretary of Education shall, within ten (10)  
19 days of the effective date of this paragraph, issue a  
20 declaration to dissolve the School Reform Commission. The  
21 dissolution declaration shall be effective at the end of the  
22 2014-2015 school year.

23 (2) Except as otherwise provided in this section, after  
24 dissolution the board of school directors established in  
25 accordance with the provisions of section 696.1 shall have the  
26 powers and duties of the School Reform Commission.

27 (3) Upon the effective date of the dissolution declaration,  
28 the provisions of subsections (a), (b), (b.1), (b.2), (c), (j),  
29 (l) and (n.1) shall expire.

30 \* \* \*

1 (p) For purposes of this section, "Board of Education" shall  
2 mean the elected board of school directors of a distressed  
3 school district as provided in section 696.1.

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

5 Section 696.1. School Board in Distressed School Districts;  
6 Apportionment of Seats, and Numbers, Terms, and Methods for  
7 Election of School Directors in Distressed School Districts.--

8 (a) In each distressed school district, the school board shall  
9 be known as the Board of Public Education and shall consist of  
10 nine (9) school directors, who shall be elected by the qualified  
11 voters of the school district by specified districts. Each  
12 candidate shall be nominated only for the specified district in  
13 which the candidate resides, and each elected member shall  
14 represent only a specified district in which the elected member  
15 resides, such districts to be constituted as specified in this  
16 section.

17 (b) All elected members shall serve for a term of four (4)  
18 years, except the members elected at the initial election in  
19 even-numbered school director districts, who shall serve for two  
20 (2) years. In the event the first election occurs in an even-  
21 numbered year, the terms of the initial members shall be  
22 increased by one (1) year, so that future elections can be held  
23 in odd-numbered years. In the case of death or resignation of  
24 elected members, the mayor of the most populous municipality  
25 contained in the school district shall fill the vacancy from the  
26 same school director district in which the vacancy occurred  
27 until the first Monday in December following the next municipal  
28 primary occurring one hundred twenty (120) days after the  
29 vacancy occurred.

30 (c) (1) In each distressed school district, a school

1 director district apportionment commission shall be constituted  
2 for the purpose of establishing nine (9) director districts  
3 within the distressed school district by assigning each election  
4 district within such school district into one (1) of the school  
5 director districts. The commission shall select nine (9)  
6 districts which best provide for racial balance and proportional  
7 representation of all segments of the population at the time of  
8 the apportionment. The school director districts shall be  
9 compact, contiguous and as nearly equal in population as  
10 practicable.

11 (2) The commission shall consist of six (6) members, three  
12 (3) to be appointed by the mayor of the municipality in which  
13 the distressed school district is located and three (3) by the  
14 city council of the municipality. If the distressed school  
15 district is located in more than one (1) municipality, two (2)  
16 members shall be appointed by the mayor of the most populous  
17 municipality in the school district, three (3) by the city  
18 council of the municipality and one (1) by the mayor of any  
19 other municipality in the school district with the approval of  
20 the legislative body thereof. The commission shall elect one (1)  
21 of its members chairman and shall act by a majority of its  
22 entire membership. If any of the appointing authorities fail to  
23 make any or all of such appointments within fifteen (15) days  
24 after the effective date of this section, the appointment or  
25 appointments shall be made by the court of common pleas.

26 (3) No later than forty-five (45) days after the commission  
27 has been duly certified, the commission shall file an  
28 apportionment plan with the county board of elections to be  
29 submitted to the voters of the district at the next primary  
30 election occurring not less than ninety-one (91) days after the

1 plan is filed with the county board and at which primary  
2 election the candidates for members of the school board shall be  
3 nominated.

4 (4) No later than September in the second year following the  
5 year in which Federal decennial census data is officially  
6 gathered, a school director district reapportionment commission  
7 shall be appointed. The reapportionment commission shall consist  
8 of seven (7) members, four (4) to be appointed by the mayor of  
9 the municipality in which the distressed school district is  
10 located and three (3) by the city council of the municipality.  
11 If the distressed school district is located in more than one  
12 (1) municipality, three (3) members shall be appointed by the  
13 mayor of the most populous municipality in the school district,  
14 three (3) by the city council of such municipality and one (1)  
15 by the mayor of any other municipality in the school district  
16 with the approval of the legislative body thereof. The duties of  
17 the reapportionment commission shall be, from the official data  
18 of the United States Bureau of the Census, to define the lines  
19 that divide the existing school director districts, to make any  
20 new school director districts as nearly equal in population as  
21 practicable, and as compact and contiguous as possible, and to  
22 best provide for racial balance on the board of school directors  
23 of the school district. The number of school directors or school  
24 director districts shall not be increased or decreased. In  
25 addition, the reapportionment commission shall make every effort  
26 to maintain neighborhood boundary lines of communities of like  
27 interest whenever practicable. The reapportionment commission  
28 shall file its plan no later than ninety (90) days after either  
29 the commission has been appointed or the specified population  
30 data for the first class A school district as determined by the

1 Federal decennial census are available, whichever is later in  
2 time.

3 (5) The school district shall appropriate sufficient funds  
4 for the compensation and expenses of members and staff appointed  
5 by the apportionment commission and reapportionment commission,  
6 and other necessary expenses. The members of the commissions  
7 shall be entitled to such compensation for their services as the  
8 school district from time to time shall determine.

9 (6) If an apportionment or reapportionment plan is not filed  
10 by the commission within the time prescribed by this section,  
11 the court of common pleas of the county in which the district is  
12 located shall immediately proceed on its own motion to apportion  
13 or reapportion the school director districts, in accordance with  
14 the standards provided in paragraph (4).

15 (7) Any apportionment or reapportionment plan, filed by any  
16 commission or prepared by the court of common pleas of the  
17 county in which the district is located, upon the failure of the  
18 commission to act, shall be published by the county board of  
19 elections once in at least one (1) newspaper of general  
20 circulation in the most populous municipality of the school  
21 district, which publication shall contain a map of the school  
22 district showing the complete apportionment or reapportionment  
23 of the school director districts. The publication shall also  
24 state the population of the school director districts having the  
25 smallest and largest population and the percentage variation of  
26 the districts from the average population for the districts.

27 (8) The county board of elections shall place upon the  
28 ballot to be submitted to the voters of each distressed school  
29 district under the act of June 3, 1937 (P.L.1333, No.320), known  
30 as the "Pennsylvania Election Code," the following question:

1 Shall the apportionment plan submitted by the school director  
2 district apportionment commission for the election of members  
3 of the Board of Public Education of the school district  
4 of.....be approved?

5 (9) If the voters accept the apportionment plan under  
6 paragraph (8), the number of school director districts contained  
7 in the apportionment plan shall be the permanent number of  
8 school director districts in the school district, and the  
9 permanent number of school director districts shall neither be  
10 increased nor decreased by any future reapportionment commission  
11 or by the court of common pleas of the county in which the  
12 school district is located. The ballot question shall not be  
13 considered in the case of a reapportionment plan submitted by a  
14 reapportionment commission or the court of common pleas.

15 (d) (1) Except as provided in paragraph (2), school  
16 directors shall be nominated and elected in accordance with the  
17 "Pennsylvania Election Code."

18 (2) Notwithstanding the provisions of section 951 of the  
19 "Pennsylvania Election Code," nomination papers for the office  
20 of school director shall be filed in the same manner as  
21 nominations of candidates by political bodies or independent  
22 candidates, as provided by the "Pennsylvania Election Code,"  
23 without regard to political party membership. Nomination papers  
24 for the office of school director must include the signatures of  
25 at least two hundred fifty (250) qualified electors from the  
26 district in which the candidate resides, without regard to  
27 political party affiliation.

28 (e) (1) After the election of school directors from  
29 specified districts in accordance therewith, the Board of Public  
30 Education of the first class school district shall be governed

1 by the provisions of this act and other provisions of general  
2 law relating to first class school districts which are not  
3 inconsistent with the provisions of this section.

4 (2) The provisions of this section shall supersede all other  
5 parts of this act and all other acts affecting the organization  
6 of school districts of the first class to the extent that they  
7 are inconsistent or in conflict with this section.

8 (3) All existing acts or parts of acts and resolutions  
9 affecting the organization of first class school districts not  
10 inconsistent or in conflict with the provisions of this section  
11 shall remain in full force until modified or repealed as  
12 provided by law.

13 (f) No superintendent, assistant superintendent, supervising  
14 principal, teacher or other employe shall serve either  
15 temporarily or permanently as a member of the school board by  
16 which employed.

17 (g) For the purposes of this section, "distressed school  
18 district" shall mean a school district of the first class which  
19 has been declared to be distressed by the Secretary of Education  
20 under section 691.

21 Section 3. The act of August 9, 1963 (P.L.643, No.341),  
22 known as the First Class City Public Education Home Rule Act, is  
23 repealed to the extent of any inconsistency with this act.

24 Section 4. This act shall take effect in 60 days.