

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 686 Session of  
2001

INTRODUCED BY LESCOVITZ, GEORGE, READSHAW, CALTAGIRONE,  
LAUGHLIN, CAWLEY, COSTA, YOUNGBLOOD, PRESTON, SHANER AND  
WASHINGTON, FEBRUARY 13, 2001

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 13, 2001

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," further providing for payments to  
6 school districts; and providing for the merger of school  
7 districts.

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

10 Section 1. Section 2517(d) of the act of March 10, 1949  
11 (P.L.30, No.14), known as the Public School Code of 1949,  
12 amended June 7, 1993 (P.L.49, No.16), is amended to read:

13 Section 2517. Payments.--\* \* \*

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

15 (1) All payments to which a school district is entitled  
16 under any provision of sections 2502, 2502.3, 2502.4, 2502.8,  
17 2502.9 and 2592 for the school year 1981-1982.

18 (2) Payments to which a school district is entitled under  
19 any provision of sections 2502, 2502.8 and 2502.11 for the  
20 school year 1982-1983 and the school year 1983-1984.

(3) Payments to which a school district is entitled under any provision of sections 2502, 2502.8, 2502.11, 2502.13 and 2502.20 for the school [year 1984-1985 and each school year thereafter.] years 1984-1985, 1985-1986, 1986-1987, 1987-1988, 1988-1989, 1989-1990, 1990-1991 and 1991-1992.

(4) Payments to which a school district is entitled under any provision of sections 2502, 2502.8, 2502.11, 2502.13 and 2598 for the school year 1992-1993 and each school year thereafter.

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

Section 2599.1. Subsidy Incentive Payable to Certain Merged School Districts.--(a) The provisions of this section shall be applicable to any school district created by the voluntary merger of two or more former school districts on or after July 1, 2001, in accordance with the provisions of section 224 of this act: Provided, however, That at least one of the former school districts had fewer than one thousand five hundred (1,500) students in average daily membership during the last year of its existence and was less than twenty-five (25) square miles in size.

(b) The subsidy incentive provided for in this section shall be paid to all qualified school districts in addition to any other subsidies to which the districts shall be entitled: Provided, however, That the subsidy incentive shall not be considered to be part of any school district's equalized subsidy for basic education and shall not be considered in the computation of any school district's subsidy entitlements in future years.

(c) A subsidy incentive shall be computed as follows:

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

district, the Department of Education shall compute and pay the  
district the equalized subsidy for basic education to which it  
is entitled, according to the provisions of sections 2501, 2502,  
2502.5 and 2502.11 of this act, in addition to which the  
department shall compute and pay the subsidy incentive provided  
for in clause (2) during the first such year, in clause (3)  
during the second such year, in clause (4) during the third such  
year and in clause (5) during the fourth such year.

(2) During the first year of existence of a qualifying  
district, the department shall pay a subsidy incentive that is  
twenty per centum (20%) of the equalized subsidy for basic  
education amount provided for in clause (1).

(3) During the second year of existence of a qualifying  
district, the department shall pay a subsidy incentive that is  
fifteen per centum (15%) of the equalized subsidy for basic  
education amount provided for in clause (1).

(4) During the third year of existence of a qualifying  
district, the department shall pay a subsidy incentive that is  
ten per centum (10%) of the equalized subsidy for basic  
education amount provided for in clause (1).

(5) During the fourth year of existence of a qualifying  
district, the department shall pay a subsidy incentive that is  
five per centum (5%) of the equalized subsidy for basic  
education amount provided for in clause (1).

(6) During the fifth year of existence of a qualifying  
district, the department shall compute and pay the district only  
the amount of equalized subsidy for basic education to which it  
is entitled, in accordance with the provisions cited in clause  
(1).

(d) Annually, the Secretary of Education, in the secretary's

1 initial budget request, shall report to the Governor on mergers  
2 anticipated the following year which would qualify districts for  
3 the subsidy incentive provided for in this section, along with  
4 an estimate of the appropriation needed to meet the requirements  
5 of this section. Annually, the Governor shall include the  
6 information in the Governor's budget message to the General  
7 Assembly.

8 (e) Any funds appropriated by the General Assembly for the  
9 purposes of this section which, at the end of any year, remain  
10 unexpended shall be lapsed in accordance with the provisions of  
11 section 621 of the act of April 9, 1929 (P.L.177, No.175), known  
12 as "The Administrative Code of 1929."

13 (f) In the event of a merger pursuant to this section, all  
14 employees of the two or more former districts shall become  
15 employees of the qualified school district: Provided, however,  
16 That the employees shall serve under the terms and conditions of  
17 the collective bargaining agreement, applicable to the positions  
18 they are filling, negotiated by the former district with the  
19 lowest aid ratio. Where employees of the district with the lowest  
20 aid ratio were not covered by a collective bargaining agreement,  
21 the collective bargaining agreement of the other district shall  
22 apply. In cases of more than two merging districts, the  
23 collective bargaining agreement of the district with the lowest  
24 aid ratio shall apply. The collective bargaining agreement shall  
25 be binding upon the qualified school district and shall remain  
26 in force until its expiration date, or if it has already expired  
27 and has been extended by agreement of the former district, until  
28 the deadline for extension is reached: Provided, however, That  
29 nothing in this section shall preclude the qualified school  
30 district from agreeing to further extensions of the expired

1 collective bargaining agreement until such time as the qualified  
2 school district negotiates and ratifies a new collective  
3 bargaining agreement.

4 (g) In the event of a merger pursuant to this section, all  
5 employees shall retain the seniority rights they had prior to the  
6 merger. Employees of the qualified school district shall be  
7 credited with their sick leave and also for their years of  
8 service in their former school districts, the latter for  
9 purposes of sabbatical leave eligibility and placement on the  
10 salary schedule.

11 (h) In the event of a merger pursuant to this section, no  
12 professional employee shall be suspended from a qualified school  
13 district during the duration of the collective bargaining  
14 agreement in force pursuant to subsection (f), if the result of  
15 the suspension would be to increase class size in any class or  
16 course above the composite average size of the same class or  
17 course in the former districts in the year immediately preceding  
18 the effective date of the merger.

19 (i) If the provisions of this section conflict with any  
20 other statute, ordinance, regulation or rule, the provisions of  
21 this section shall control.

22 Section 3. This act shall take effect July 1, 2001, or  
23 immediately, whichever is later.